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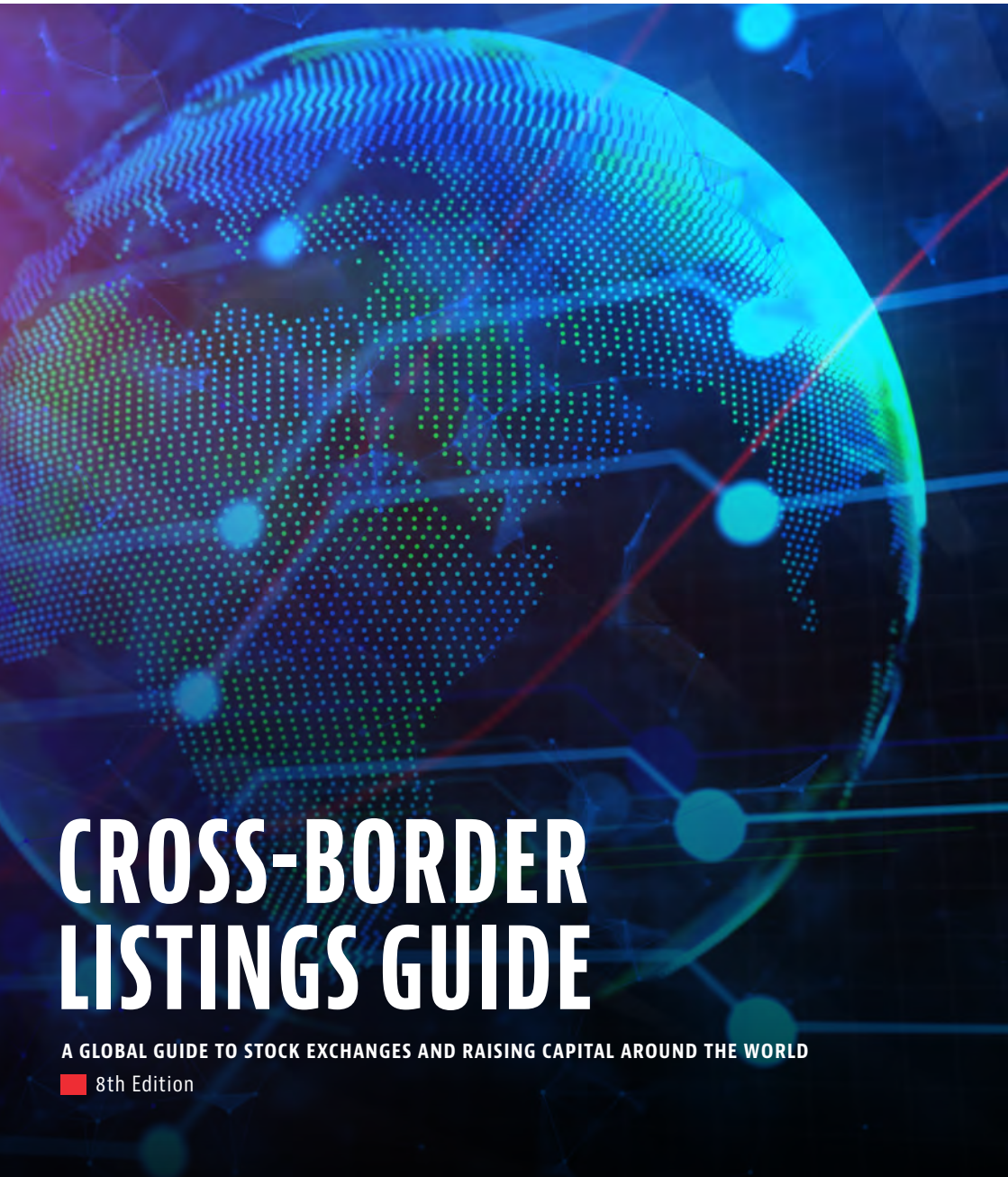

CROSS-BORDER LISTINGS GUIDE

A GLOBAL GUIDE TO STOCK EXCHANGES AND RAISING CAPITAL AROUND THE WORLD

8th Edition

Cross-Border Listing Guide

A multi-jurisdictional guide to listing securities around the world

Eighth Anniversary Edition

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Edited by Lisa Nielsen Board

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Introduction

Globalization of the world's capital markets

Although prevailing political attitudes on internationalism may ebb and flow around the world, on the whole, the footprint of globalization is well established. From technology to trade, from communications to currency, the world is more inter-connected than ever before. Capital markets are no exception, as companies regularly look beyond their own borders for capital raising opportunities.

The eighth edition of Baker McKenzie's Cross-Border Listings Guide describes the principal attributes of more than 45 listing venues around the world, and offers perspectives for both companies considering a cross- border listing and companies raising capital internationally while listing at home. Each chapter summarizing stock exchange requirements contains both a quick reference summary and a detailed narrative about the exchange and its listing requirements.

Listings and capital raisings abroad

Companies can access the world's capital markets in various ways. Through a cross-border listing, a company can reach beyond its home jurisdiction to identify a foreign stock exchange that meets its particular corporate financing needs. Companies have a wide range of stock exchanges to choose from, from major global finance hubs to other international listing venues that are well-placed to address financing needs for particular industries.

In other cases, a company may choose to list in its home jurisdiction, while still accessing capital from a deeper pool of investors around the world. A company conducting a public offering and listing in its home jurisdiction often simultaneously seeks to raise capital overseas through private placements to institutional investors in multiple jurisdictions.

Choosing a stock exchange or jurisdiction

Companies have an ever-increasing choice as they consider stock exchanges and jurisdictions for capital raisings. A company may

choose to maintain a domestic listing and/or one or more foreign listings as it weighs the following factors.

- **Ability to satisfy listing requirements**. Most exchanges have listing requirements dealing with financial track record or assets, minimum number of shareholders, public float, minimum share price, and capitalization. Depending on a company's operational stage, qualifying to list on certain exchanges can be easier than on others. For example, a company in the research and development phase for a new product may be more likely to satisfy requirements on exchanges that offer asset test financial requirements rather than requiring a track record of profitability.

- **Amount of capital required**. Some exchanges are better placed to deal with large capital raisings due to the size and level of liquidity in that market, while others may offer a more efficient means to raise smaller amounts of capital in a more timely manner. In addition, some exchanges offer more flexible requirements for already-listed companies to raise additional capital, including allowing flexibility in structuring and size of placements.

- **Industry peers**. Peer companies in the same industry may be more prevalent on certain exchanges, which may assist investors and analysts experienced in the relevant sectors to provide more accurate valuations. Similarly, an investor's appetite for the quality, stage of development and risks associated with a particular product may differ in each market.

- **Visibility**. A company with major markets or customers in a particular jurisdiction may find it helpful to establish visibility and brand recognition by listing or raising capital in that jurisdiction. A company may also seek to increase its overall prominence worldwide, which could factor into the cross-border capital raising decision.

- **Market participants**. Different exchanges could have market participants with different levels of understanding of the company's business. Investment banks and other market participants with a deep pool of research analysts and other investment professionals can help drive a successful capital raising and a strong aftermarket.

- **Timing**. Executing a capital raising at the right time in the right market is an important factor many companies consider, particularly during times of significant market volatility. For example, a company whose home jurisdiction is facing troubling economic and market conditions may reap greater benefits by listing and/or raising capital abroad to meet its financial needs at that particular time.

- **Ongoing regulatory requirements**. Ongoing exchange or securities regulator requirements, such as financial and other market disclosure reporting, may be more stringent on certain exchanges or in certain jurisdictions than others, which can result in significant compliance costs. It is important for a company to determine early on whether it will be able to meet all ongoing regulatory obligations for a chosen exchange.

Eight practical tips for a successful listing

Regardless of the stock exchanges considered for a listing, a company can increase its chances of success by following these practical tips.

- **Prioritize** your goals for the listing. These can include, for example, access to a broader investor base, greater visibility in general or another goal.

- **Consider** the likelihood that a particular exchange can meet those goals.

- **Seek** an exchange where investors and other market participants are familiar with other companies in the same industry.

- **Analyze** the trading price and volume of comparable stocks on the exchanges being considered.
- **Understand** the liability risks of listing on a particular exchange.
- **Choose** financial, legal and accounting advisers that have on-the-ground experience with local and international aspects of listing on a particular exchange.
- **Critique** any timetable provided by an adviser, exchange or other third party to confirm that it is realistic.
- **Quantify** all initial and ongoing costs associated with a particular exchange. These can include, for example, initial listing fees, annual fees, ongoing disclosure costs and other compliance-related costs.

Role of advisers

As a company considers its global capital raising options, it should assemble a strong team of advisers to navigate the legal, financial and cultural complexities of a cross-border transaction. The right team will help the company work through any obstacles to closing and execute the transaction efficiently. An expert team working to limit exposure to unexpected risks and costs affords peace of mind that comes from knowing that the offering is in safe hands.

In choosing advisers for a cross-border listing or capital raising, familiarity with the jurisdictions where the exchange, regulators, investors and other market participants are located is one of the most important factors for companies to consider.

Baker McKenzie helps clients overcome the challenges of competing in the global economy. We solve complex legal problems across borders and practice areas. Our unique culture, developed over 65 years, enables our 13,000 people to understand local markets and navigate multiple jurisdictions, working together as trusted colleagues and friends to instill confidence in our clients.

Our Global Capital Markets team comprises over 400 capital markets lawyers in 46 countries, including all of the world's leading financial centers in addition to many other specialists in related practice areas such as M&A, private equity, tax, and banking & finance.

The Firm represents issuers and investment banks in a wide variety of IPOs, cross-border listings and other capital markets transactions, including debt, equity and equity-linked issues, and in complex, multi-jurisdictional acquisitions and divestitures involving public companies. We are consistently ranked among the top corporate law firms globally and in the world's largest capital markets.

Our lawyers use their strong domestic and international expertise to fluently deliver innovative advice throughout the world, assisting our clients to implement capital-raising transactions and meet regulatory requirements across borders. We provide pragmatic, commercially focused advice tailored to the parties' business needs.

Specific ways we can help include:

We have strong relationships with all major stock exchanges. We can advise and help clients navigate the regulatory complexities for them to raise funds and list on domestic and foreign stock exchanges. For secondary listings, this includes developing sensible solutions for balancing the sometimes inconsistent requirements of multiple stock exchanges.

We are on the ground where it counts. By being on the ground both in a company's home jurisdiction and where major stock exchanges are located, we can help clients to implement effective due diligence, structuring and processes to ensure that the regulatory requirements of multiple jurisdictions are simultaneously satisfied and properly coordinated.

We deliver solutions reflecting the latest legal and marketplace developments locally and abroad. Our knowledge of the world's best practices allows us to deliver innovative and cutting edge

solutions to meet clients' capital raising and listing goals around the world.

We provide precise yet pragmatic legal advice for compliance with securities laws and stock exchange regulations. Our commercially focused advice helps clients, once they are listed, to effectively comply with their ongoing obligations under stock exchange, corporate governance and other legal requirements.

Additional resources

Baker McKenzie creates a number of other informational resources related to cross-border listings of securities, including industry guides and market activity reviews and forecasts.

For more information about these additional resources, please visit www.crossborderlistings.com.

Summaries of exchange requirements

Australian
Securities
Exchange

Initial financial listing requirements

To qualify for listing, a company must meet at least one of the following tests:

ASX Listing: Profits Test	A company must have: • Aggregated operating profit for the last three full financial years of at least A$1 million (approx. US$701,700). • Consolidated operating profit of more than A$500,000 (approx. US$350,800) for the 12 months preceding a date no more than two months before the date the company applies for listing. • Three full financial years of audited accounts. In addition, directors of the company must provide a statement confirming that, following enquiries, nothing has come to their attention to suggest that the company is not continuing to earn profit from continuing operations up to the date of its prospectus, or include such a statement in its prospectus.
ASX Listing: Assets Test	The company must have: • Net tangible assets of at least A$4 million (approx. US$2.81 million), after deducting the costs of fund raising (except for an investment company where the requirement is A$15 million (approx. US$10.53 million), or a market capitalization of at least A$15 million (approx. US$10.53 million). • Less than half of the company's total tangible assets, after deducting the costs of raising any funds, in cash or in a form readily convertible to cash, or (when this cannot be satisfied) the company must have commitments consistent with its business objectives to spend at least half of its cash and assets that are in a form readily convertible to cash. • Working capital of at least A$1.5 million (approx. US$1.05 million), which may include budgeted revenue for the first full financial year after listing, after allowing for the first full year's budgeted administration costs and cost of acquiring assets referred to in the prospectus. • Two full financial years of audited accounts (subject to limited exceptions) for the company and also for any significant entity or business that it has acquired in the 12 months prior to applying for admission or that it proposes to acquire in connection with its listing.
ASX Foreign Exempt Listing	A company may seek an exempt foreign listing if the company is already listed on another stock exchange and its primary listing is on a home exchange that is acceptable to the ASX, and the company has either: • Operating profit (before income tax and derived from its ordinary activities) for each of the last three full financial years of at least A$200 million (approx. US$140.34 million). • Net tangible assets or a market capitalization of at least A$2 billion (approx. US$1.40 billion).

Other initial listing requirements

Share price. Issue price for securities to be listed must be at least A$0.20 (approx. US$0.14).

Distribution. To list its securities, a company must have:

- A minimum 20% free float of securities held by non-affiliated security holders, which excludes securities held by affiliated security holders being:
  - Restricted securities (such as ASX imposed escrow).
  - Securities subject to voluntary escrow.
  - Securities held by related parties (such as directors) and their associates and persons that the ASX considers should be treated as affiliated with the entity.
- At least 300 security holders, each holding securities with a value of at least A$2,000 (approx. US$1,400) (excluding affiliated security holders (as listed above)).

While it is encouraged, there is no general requirement for a minimum number of Australian resident security holders. However, the ASX does has the power to impose, as a condition of listing, a requirement that the company has a minimum number of Australian resident security holders, with a minimum size or value of holding. This usually only occurs in relation to companies from emerging or developing markets.

Accounting standards. Australian Accounting Standards or other standards acceptable to the ASX such as IFRS and GAAP applicable in Canada, Hong Kong, New Zealand, Singapore, South Africa, United Kingdom and USA.

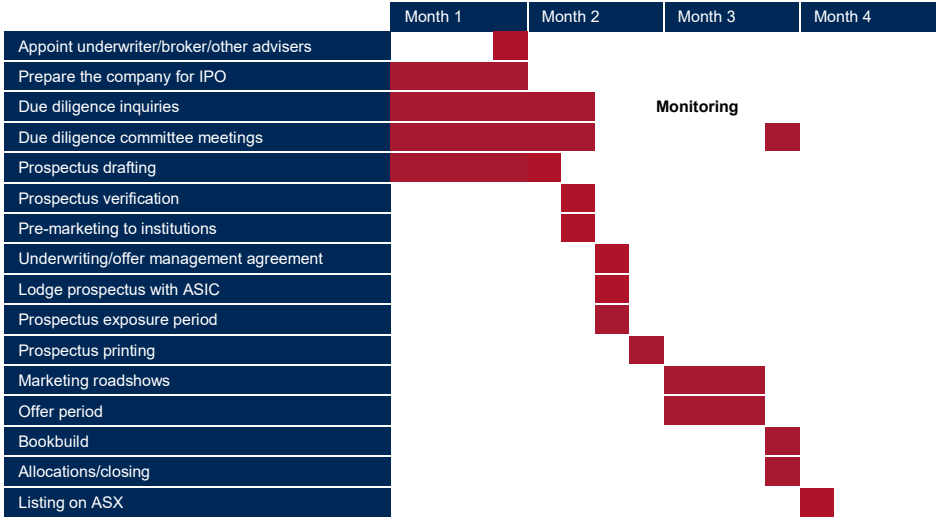
Financial statements. The prospectus must generally include three full financial years' audited financial statements for companies seeking listing under the profits test and two full financial years' audited financial statements (subject to limited exceptions) for companies seeking listing under the assets test. This usually also includes pro forma historical information for the same period. Forecast financial information also may be included.

Operating history. There is no requirement to demonstrate a particular length of trading history or a particular length of time in operation if admission is sought under the assets test. If admission is sought under the profits test, the company must demonstrate a history of profitable operations of the company or businesses that it has acquired for the last three financial years (or such shorter period acceptable to the ASX).

Management continuity. The ASX does not require any specific period of continuity of management. However, all directors must satisfy requirements that they are of good fame and character.

Listing process

Listing involves the company applying to be admitted to the official list of the ASX. The ASX will typically review the company's structure and operations, to determine its suitability for listing on the ASX. A prospectus is required to be prepared and lodged with the Australian Securities and Investments Commission (ASIC) and given to the ASX. The following is a fairly typical process and timetable for a listing of a foreign private issuer on the ASX via an initial public offering in Australia.



Corporate governance and reporting

There are no specific corporate governance requirements for a foreign company applying for ASX Foreign Exempt Listing. All other companies listed on the ASX must comply with certain corporate governance requirements or provide reasons why the requirements are not being complied with. The requirements deal with matters such as:

- Board composition.
- Remuneration and performance reviews.
- Audit and risk management.
- Share trading policies (mandatory under the ASX listing rules).
- Communications with shareholders.
- Codes of conduct.

Additionally, any company, including a foreign company, that will be included in the S&P/ASX 300 Index must have an audit committee that complies with the best practice recommendations set by the ASX Corporate Governance Council in relation to composition, operation and responsibility of the audit committee as well as a remuneration committee comprised solely of non-executive directors.

An ASX-listed company has disclosure and reporting obligations to both the ASX and ASIC.

There are no residency requirements for directors or officers of foreign companies, although a local agent is required to be appointed by the foreign company. A company seeking an ASX listing will also need to provide documentation to the ASX confirming all directors are of good fame and character.

Fees

A company seeking to list must pay both initial listing fees and annual fees which increase based on the market capitalization of the company. There will be additional costs for a listing for printing, registration fees with ASIC, underwriters and brokers fees and advisers fees.

1. Overview of exchange

The Australian Securities Exchange encompasses ASX (formerly known as the Australian Stock Exchange Limited), which is an internationally recognized market for companies in a range of industries, including resources, energy, financial services, technology and healthcare, and across a range of geographical regions.

The ASX is particularly attractive for early-stage companies as the ability to list under the assets test (described below) provides a viable avenue for resource exploration, technology, healthcare and other early-stage companies to access capital markets by listing on the exchange. As a result, the ASX offers an appealing platform for companies to grow, with the potential to be included in ASX indices or to seek dual listings on other exchanges once they have established a track record and stronger financial and market position.

In addition, the ASX offers a fairly efficient listing process. Listing on the ASX can be typically achieved in a timely, efficient and cost-effective manner relative to many other stock exchanges. The ASX has clear requirements for listing without need for the exercise of much case-by-case judgment in applying its criteria (for example, no formal interview or hearing is required).

The ASX has three separate listing categories.

- ***ASX Listing*** is the main ASX admission category. A foreign company may apply under this category, regardless of whether it is already listed on another stock exchange. The ASX does not distinguish between primary listings and secondary listings, and there is no fast track for a company already listed on a foreign exchange unless it qualifies for an ASX Foreign Exempt Listing (described below). A foreign company that is listed as an ASX Listing is subject to the ASX's usual on-going listing rules, even if it is listed on another stock exchange, unless the foreign company is able to obtain a waiver of specific ongoing requirements. Such waivers will usually only be granted where the

foreign company's primary exchange has equivalent or higher ongoing requirements to the relevant ASX requirements.

- ***ASX Foreign Exempt Listing*** is available to companies that are already listed on another stock exchange, with a significant profit history or significant net tangible assets. The ASX Foreign Exempt Listing requirements are designed for large international companies and acknowledge the extent of regulation and supervision applying to such companies under their home exchange.

- ***ASX Debt Listing*** is designed for the admission of companies seeking quotation of debt securities only.

This summary focuses only on ASX Listings and ASX Foreign Exempt Listings.

Generally, there is no distinction between the listing requirements and ongoing obligations under the ASX listing rules for an Australian or a foreign company, unless the foreign company is already listed on another exchange and qualifies for an ASX Foreign Exempt Listing or the foreign company is able to obtain waivers of specific listing rule requirements from the ASX.

The ASX has listing rules, which govern the conduct of companies listed (or proposing to list) on the ASX. These rules address matters such as the admission of new market participants, continuous-disclosure monitoring, price queries, the monitoring of financial positions, the disclosure of directors' interests and corporate governance. The ASX and the Australian Securities and Investments Commission (ASIC) are responsible for supervision and enforcement of the listing rules.

As at December 2019, the aggregate market capitalization of listed shares on the ASX was approximately A$2.102 trillion (approximately US$1.474.97 trillion). This represented an increase of 17% from December 2018, where the aggregate market capitalization

of the ASX was approximately A$1.790 trillion (approximately US$1.256.04 trillion)

Companies from all industry sectors and of differing sizes have listed on the ASX. As at October 2019, companies in the financials, healthcare, resources and IT & telecommunications sectors accounted for approximately 62% of the total market capitalization of all listed companies.

As at October 2019, there were 2,242 companies listed on the ASX. Of those, 140 were foreign incorporated companies. However, many foreign businesses wishing to list on ASX establish an Australian holding company, so there are a significant number of ASX listed companies with foreign businesses or operations in many countries worldwide.

2. Principal listing and maintenance requirements and procedures

There are no jurisdictions of incorporation or industries that would not be acceptable for a listed company. However, many foreign businesses wishing to list will establish a holding company in Australia or an English-speaking jurisdiction, such as England, Canada, USA or the British Virgin Islands.

A foreign company wishing to apply for admission as an ASX Listing or ASX Foreign Exempt Listing must be registered in Australia under the Corporations Act 2001 as a "foreign corporation."

ASX Foreign Exempt Listing

Any foreign company wishing to apply for ASX Foreign Exempt Listing must have a home exchange that is acceptable to the ASX. The foreign exchanges that are considered acceptable include: Borsa Italiana, Bursa Malaysia, Deutsche Borse, Euronext (Amsterdam), Euronext (Brussels), Euronext (Lisbon), Euronext (Paris), Frankfurt Stock Exchange, HKSE, JSE, Nasdaq, NYSE, NZX, LSE, SGX, SIX Swiss Exchange, TSE (Tokyo) and TSX (Toronto).

If a foreign company wishes to list on the ASX but its home exchange is not listed above, they may still be considered. Second boards in developed markets and exchanges in emerging or developing markets are considered carefully by the ASX, and will only be considered acceptable if they have a regulatory framework broadly equivalent to that which exists in Australia. The entity seeking listing must make submissions to the ASX to confirm the acceptability of their home exchange.

To qualify for an ASX Foreign Exempt Listing as a secondary listing on the ASX, a company must meet certain financial requirements. These requirements may be met by providing evidence either that:

- The company's operating profit (before income tax and derived from its ordinary activities) for each of the last three full financial years were at least A$200 million (approximately US$140.34 million).
- The company's net tangible assets or market capitalization are at least A$2 billion (approximately US$1.40 billion).

A company which is able to list as an ASX Foreign Exempt Listing will not be required to satisfy most of the requirements for a primary ASX Listing, and there are no specific ongoing financial requirements applicable to it.

Profits or assets

For other foreign companies to undertake a primary ASX Listing, they must satisfy the financial requirements under either the profits test or the assets test applicable to all companies seeking an ASX Listing.

Profits. Under the profits test, the company must have:

- Aggregated operating profit for the last three full financial years of at least A$1 million (approximately US$701,700).

- Consolidated operating profit of more than A$500,000 (approximately US$350,850) for the 12 months preceding a date no more than two months before the date the company applies for listing.

- Three full financial years of audited accounts.

In addition, directors of the company must provide a statement confirming that, following inquiries, nothing has come to their attention to suggest that the company is not continuing to earn profit from continuing operations up to the date of its prospectus, or include such a statement in its prospectus.

Assets. Under the assets test, the company must, at the time of admission, have:

- Net tangible assets of at least A$4 million (approximately US$2.81 million), after deducting the costs of fund raising (except for an investment company where the requirement is A$15 million (approximately US$10.53 million), or a market capitalization of at least A$15 million (approximately US$10.53 million).

- Less than half of the company's total tangible assets, after deducting the costs of raising any funds, in cash or in a form readily convertible to cash, or (when this cannot be satisfied) the company must have commitments consistent with its business objectives to spend at least half of its cash and assets that are in a form readily convertible to cash. This requirement seeks to discourage the listing of "cash box" companies.

- Working capital of at least A$1.5 million (approximately US$1.05 million), which may include budgeted revenue for the first full financial year after listing after allowing for the first full year's budgeted administration costs and cost of acquiring assets referred to in the prospectus. The prospectus must also state that the company has enough working capital to carry out its objectives, or

the company must provide the ASX with such a statement from an independent expert.

- Two full years of audited accounts (subject to limited exceptions) for the company and also for any significant entity or business that it has acquired in the 12 months prior to applying for admission or that it proposes to acquire in connection with its listing.

History. A foreign company does not need to demonstrate a particular length of trading history or a particular length of time in operation if it seeks admission under the assets test. However, a company applying for an ASX Listing under the profits test will have to demonstrate a history of profitable operations of the company or businesses that it has acquired for the last three financial years (or such shorter period acceptable to the ASX).

Ongoing financial requirements

A foreign company that is listed as an ASX Listing must comply with all the ASX listing rules in the same way as an Australian company, irrespective of whether it is already listed on another stock exchange, unless it is able to obtain a waiver of specific ongoing requirements. There are a number of ongoing financial requirements after the initial listing that must be satisfied, including that:

- The company's financial condition (including operating results) must, in the ASX's opinion, be adequate to warrant the continued quotation of its shares and its continued listing.

- Less than half of the company's total assets must be cash or in a form readily convertible to cash, otherwise the ASX may suspend quotation of the company's shares until it invests those assets or uses them for the company's business, in which case the company must give its ordinary shareholders in writing details of the investment or use. This rule does not apply to a bank or non-bank

financial institution or a mining exploration company (unless the ASX decides otherwise).

- The level of a company's operations must, in ASX's opinion, be sufficient to warrant the continued quotation of its shares and its continued listing.

Shareholder spread; ownership

A foreign company that applies for an ASX listing must satisfy a minimum 20% free float requirement for shares held by non-affiliated shareholders, which excludes shares held by affiliated shareholders being:

- Restricted shares (such as ASX imposed escrow).
- Shares subject to voluntary escrow.
- Shares held by related parties (such as directors) and their associates and persons that the ASX considers should be treated as affiliated with the entity.

The company must also have a satisfactory spread of shareholders after the IPO. This requires the company to have at least 300 shareholders, each holding shares with a value of at least A$2,000 (approximately US$1,400) (excluding affiliated shareholders (as outlined above)).

While it is encouraged, there is no general requirement for a minimum number of Australian resident shareholders. However, the ASX does has the power to impose, as a condition of listing, a requirement that the company has a minimum number of Australian resident shareholders, with a minimum size or value of holding. This usually only occurs in relation to companies from emerging or developing markets.

There are no minimum number of shareholder requirements for an ASX Foreign Exempt Listing.

The ASX may seek to suspend or de-list a company if it fails to maintain an adequate shareholder spread, which usually requires a minimum of 200 shareholders, each holding at least A$2,000 (approximately US$1,400) worth of shares.

There are no other ownership requirements applicable to the listing of a foreign company's shares.

Minimum trading price

There is no requirement for a listed foreign company to maintain a minimum trading price for its shares.

Corporate governance

There are no specific corporate governance requirements for a foreign company applying for an ASX Foreign Exempt Listing. However, the ASX listing rules require that any company included in the S&P/ASX 300 Index at the beginning of its financial year, comply with the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council (ASX Corporate Governance Principles) in relation to the composition, operation and responsibility of the audit committee. Any company in the S&P/ASX 300 Index must also have an audit committee that complies with the best practice recommendations set by the ASX Corporate Governance Council in relation to composition, operation and responsibility of the audit committee and a remuneration committee comprised solely of non-executive directors. All companies listed on the ASX must have a shares trading policy that complies with the ASX listing rules, which specifies the periods during which directors and other employees must not trade in the company's shares.

A company applying for an ASX Listing must comply with corporate governance requirements of the ASX listing rules and the ASX Corporate Governance Principles, or explain the reasons why those recommendations have not been followed. See section 5 below for further information.

Another key condition for an ASX Listing requires that an issuer (or in the case of a trust, the responsible entity) satisfy the ASX that its directors, CEO and CFO or proposed directors, CEO and CFO at the date of listing are of good fame and character. The listing application will require that companies provide to the ASX for each director, CEO and CFO or proposed director, CEO and CFO at the date of listing, a police check, a bankruptcy check and a completed statutory declaration affirming, amongst other things, that they have not been the subject of relevant disciplinary or enforcement action by an exchange or securities market regulator, or if such confirmation cannot be provided, a statement to that effect and a detailed explanation of the circumstances involved.

Sponsors, brokers and advisers

There is no requirement for a company to obtain a sponsor and/or broker that is established with the ASX in order to list its shares. However, in larger IPOs, brokers are generally appointed to assist in selling the company's shares.

There is no requirement that a company obtain a compliance adviser that is established with the ASX in order to maintain its listing.

Trading and clearance

The trading price of shares of foreign companies will be in A$ irrespective of the currency denomination of the relevant shares. The issue price for shares to be listed must be the equivalent of at least A$0.20 (approximately US$0.14), and if the company has options on issue, the exercise price for each underlying share must be the equivalent of at least A$0.20 (approximately US$0.14).

Every company must comply with Clearing House Electronic Subregister System (commonly known as CHESS). Under CHESS, the company does not issue certificates to investors. Instead, investors receive a statement (similar to a bank account statement) that sets out the number of shares allotted to each of them. Further monthly

statements are provided to shareholders that reflect any changes in their holding during the month.

Every foreign company listed on ASX, whether as an ASX Listing or ASX Foreign Exempt Listing, must establish and maintain a share register (or subregister), a register of depositary receipts or other appropriate facilities for the registration of share transfers. If in their home jurisdiction the company's shares can only be held in certificated form, the company must establish and maintain an Australian subregister and establish a CHESS Depositary Interest facility (similar to ADRs in the United States).

Restricted shares and escrow

For primary listings, the ASX may classify some or all of the company's shares issued before the IPO as "restricted shares." These shares are held in "escrow," meaning that they cannot be sold or otherwise dealt with by holders for a period of up to two years after listing. Where shares are subject to escrow restrictions, the ASX will require either the company to give a "restriction notice" or its holders must enter into a "restriction agreement" to this effect (each in the form provided in the ASX Listing Rules).

The escrow restrictions do not apply to companies qualifying under the profits test. They will generally apply in circumstances where the company is admitted under the assets test, except where the company can either demonstrate a track record of profitability or revenue or has a substantial proportion of its assets as tangible assets or assets with a readily ascertainable value.

The number of shares to be escrowed and the applicable escrow period will depend on the nature of the relevant holder's relationship with the company (for example directors, lead capitalists, promoters or vendors of assets), and the consideration they provided for the issue of the shares.

Key persons associated with the company prior to the IPO (such as directors and senior management) may also enter into voluntary escrow arrangements (arrangements that are not ASX-imposed) to voluntarily "lock-up" their holdings for a limited period after listing. These arrangements may be required by the underwriter to minimize the potential overhang of shares in the market after the IPO.

For foreign companies seeking ASX Foreign Exempt Listing, the ASX will not impose restricted shares or escrow requirements.

Further requirements

Additional ASX Listing requirements include:

- The company's structure and operations must be appropriate for a listed company.
- The company must have a constitution that is consistent with the ASX listing rules.
- A prospectus or product disclosure statement (or information memorandum if agreed to by the ASX) must be issued and lodged with ASIC and given to the ASX.
- The company must apply for, and be granted permission for, quotation of all the shares in its main class of shares.
- The company must appoint a person to be responsible for communication with the ASX. This person must have attained a satisfactory pass mark in an approved listing rule compliance course.
- The company must agree in writing with the ASX that documents may be given to the ASX and authenticated electronically, and establish the facilities required for the company to give documents to the ASX electronically.

3. Listing documentation and process

Overview

For an ASX Foreign Exempt Company listing, the company is not required to provide a prospectus. To apply for admission to the official list as an ASX Foreign Exempt Listing, the company must:

- Submit the requisite listing application to the ASX.
- Give the ASX a copy of its last annual report and any subsequent interim report.
- Agree to give the ASX, after admission, additional copies of certain documents specified in the listing rules or otherwise required by the ASX.

For an ASX Listing, the applicant company must issue a prospectus and lodge that document with ASIC and give a copy to the ASX. Usually, this is done in the context of an IPO, whereby the company raises necessary funds and obtains the necessary shareholder spread. The prospectus provides investors with detailed information about the company's business, its directors and management, financial position and performance, prospects, details of the industry in which it operates and risks, so that investors can make an informed investment decision.

The ASX may accept an information memorandum instead of a prospectus for a compliance listing, if a company has no intention to raise capital in the next three months. However, the content requirements for an information memorandum and prospectus are broadly similar.

A company must also complete a listing application and submit it to the ASX within seven days after the date of the prospectus. The ASX reserves the discretion whether or not to admit the company to the official list, and may admit the company on any conditions it thinks appropriate. The applicant must also pay the prescribed listing fees,

which are calculated on the basis of the value of the shares for which quotation is sought (see section 8 below).

There is no requirement for a foreign company to conduct interviews with the ASX as part of the listing process. However, it is recommended that a company and its advisers liaise with the ASX in relation to its listing application, to ensure that the ASX's requirements can be met by the time that the company's formal application is considered by the ASX Listings Committee. The ASX makes its decision to list a company based on the listing application and other documents lodged with that application, as described further below.

Prospectus

ASIC does not have a formal checklist approach to the contents of a prospectus. Instead, a prospectus must contain all information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:

- The rights and liabilities attaching to the shares being offered.
- The assets and liabilities, financial position and performance, profits and losses, and prospects of the company.

A prospectus must also specifically disclose:

- The terms and conditions and expiry date of the offer.
- The nature and extent of interests held by, and benefits given to, for example, directors, advisers, promoters and underwriters.
- Information on the quotation of the shares.
- The fact that the prospectus has been lodged with ASIC.

The prospectus must also be presented in a clear, concise and effective manner. ASIC Regulatory Guide 228 (RG 228) sets out the form and content requirements that issuers and their advisers should take into

account in order to provide effective prospectus disclosure for Australian retail investors. Although that guide is not intended to be a checklist, given the extensive detail it contains, the guide is usually closely followed to minimize regulatory risk involving ASIC.

A prospectus may also incorporate by reference information that is contained in a document already lodged with ASIC.

The prospectus will include historical financial information and typically an investigating accountant's report. This report will generally include a review of the company's historical financial information, together with its financial statements. For issuers with an operating history, RG 228 states that a prospectus should generally include:

- A consolidated audited statement of financial position for the most recent financial year (or audited or reviewed half year depending on the date of the prospectus), showing the major asset, liability and equity groups and a corresponding pro forma statement of financial position showing the effect of the IPO.
- The following audited financial information for at least the three most recent financial years for companies seeking listing under the profit test (or two most recent financial years (subject to limited exceptions) for companies seeking listing under the assets test):
    - A consolidated income statement showing major revenues and expense items, and profit or loss, including earnings before interest and taxes and net profit after tax.
    - Other information that is material from the notes to those financial statements.
    - Any modified opinion by the auditor.
- All events that have had a material effect on the company since the date of the most recent financial statements.

- A warning that past performance is not a guide to future performance.

Often, a prospectus will also contain historical and forecast pro forma financial information to show the position and performance of the company, as if the business and structure of the company throughout the pro forma financial periods were the same as those of the company on completion of the IPO.

If the issuer is a start up with no operating history, it should include its most recent statement of financial position and pro forma statement or financial information showing the effect of the IPO.

A prospectus in Australia will often contain forecasts. ASIC's view is that a prospectus should only include prospective financial information if it is not misleading and there are objectively reasonable grounds for its inclusion. Under the Corporations Act 2001, if a prospectus contains a statement about a future matter and there are no reasonable grounds for making the statement, the statement is taken to be misleading. It is market practice for an investigating accountant to report on the forecast financial information and the assumptions underlying it, to demonstrate that the company has reasonable grounds for making the forecast. Start-ups or companies seeking to float with no track record should not include forecasts in their prospectuses.

Depending on the nature of its business, it may be necessary for a company to retain an independent expert, such as a technical expert, to provide an overview of the technical aspects of the company's business operations for inclusion in the prospectus. Such an expert's report is often included by a company in the resources or technology sector, where the company's business is untested.

In addition to meeting these general requirements, the ASX would expect the prospectus of a foreign company to include:

- A statement of its place of incorporation or registration.

- A statement to the effect that:

  "As [name of entity] is not established in Australia, its general corporate activities (apart from any offering of securities in Australia) are not regulated by the Corporations Act 2001 of the Commonwealth of Australia or by the Australian Securities and Investments Commission but instead are regulated by [insert name of governing legislation] and [insert name of corporate regulator administering that legislation]."

- A concise summary of the rights and obligations of shareholders under the laws of its home jurisdiction covering:

  - What types of transactions require share approval.
  - Whether shareholders have a right to request or requisition a meeting of shareholders.
  - Whether shareholders have a right to appoint proxies to attend and vote at meetings on their behalf.
  - How changes in the rights attaching to shares are regulated.
  - What rights do shareholders have to seek relief for oppressive conduct.
  - What rights do shareholders have to bring or intervene in legal proceedings on behalf of the company.

- A concise summary of how the disclosure of substantial holdings and takeovers are regulated under the law of its home jurisdiction.

- A summary of any taxes or duties payable in its place of incorporation, registration or establishment by an investor in relation to the acquisition, holding or disposal of securities in the company or, if there are no such taxes or duties, a statement to that effect.

If the company, its directors or others involved in the preparation of the prospectus become aware, after the prospectus is lodged with ASIC, that there is a misleading statement in the prospectus, that the prospectus omitted material information or that there has been a change in circumstances rendering the prospectus misleading or incomplete, then the company must correct the defect by preparing and lodging with ASIC either a supplementary prospectus (which is an "addendum" to be distributed with the original document) or a replacement prospectus (which is a new prospectus that has been updated or corrected).

In Australia, ASIC does not pre-vet, review or approve a prospectus before it is lodged, unlike many other jurisdictions. The prospectus must be lodged with ASIC, and is subject to an "exposure period" of seven days, during which the company must make copies of the prospectus generally available to the public, preferably through a website. This gives the market and ASIC time to assess the prospectus. The company must not process any applications for shares during the exposure period.

ASIC may extend the exposure period by up to seven days, particularly where it appears to ASIC that the prospectus may be defective.

If ASIC's concerns cannot be satisfactorily resolved within the exposure period, ASIC may impose an interim stop order on the prospectus for up to 21 days. The company cannot offer, issue, sell or transfer shares under the prospectus whilst the order is in place. ASIC may lift the interim order if the company issues a supplementary or replacement prospectus that corrects any deficiencies. If not, ASIC may impose a final and permanent stop order on the prospectus.

Financial information

A company applying for an ASX Listing under the profits test must provide each of the following:

- Audited accounts for the last three full financial years. If the company applies for admission less than 90 days after the end to its last financial year, unless the company has audited accounts for its latest full financial year, the accounts may be for the three years to the end of the previous financial year. The audit reports must be given to the ASX and must not be qualified in any way that goes to whether the company can continue as a going concern or has satisfied the profit levels required.

- If the last full financial year for which accounts must be given to the ASX ended more than six months and 75 days before the company applies for admission, audited or reviewed accounts for the last half year (or longer period if available) from the end of the last full financial year, together with the audit report or review.

A company applying for an ASX Listing under the assets test must provide any accounts, together with any audit report or review:

- For the last two full financial years (or shorter period if the ASX agrees).

- If the last full financial year ended more than six months and 75 days before the company applied for admission, for the last half year (or longer period if available) from the end of the last full financial year. If the accounts have not been audited or reviewed, the company must inform the ASX.

A company seeking an ASX Listing and applying under either the profits test or assets test must also provide a reviewed pro forma balance sheet, and for foreign companies a review conducted by an overseas equivalent of a registered company auditor or by an independent accountant.

Financial information in the prospectus or otherwise given to the ASX must be in accordance with Australian Accounting Standards or other standards acceptable to the ASX. The ASX will accept International Financial Reporting Standards (IFRS) and the standards or GAAP applicable in Canada, Hong Kong, New Zealand, Singapore, South Africa, United Kingdom and United States of America.

Where a company wishes to use accounting standards or GAAP not accepted by the ASX, it must attach a statement reconciling that financial information to the equivalent financial information prepared using either Australian Accounting Standards or IFRS.

Similarly, the auditing standards used in auditing financial information provided to the ASX should be Australian auditing standards, International Standards on Auditing or other standards acceptable to the ASX, such as those applicable in Canada, Hong Kong, New Zealand, Singapore, South Africa, United Kingdom and United States of America.

Listing application

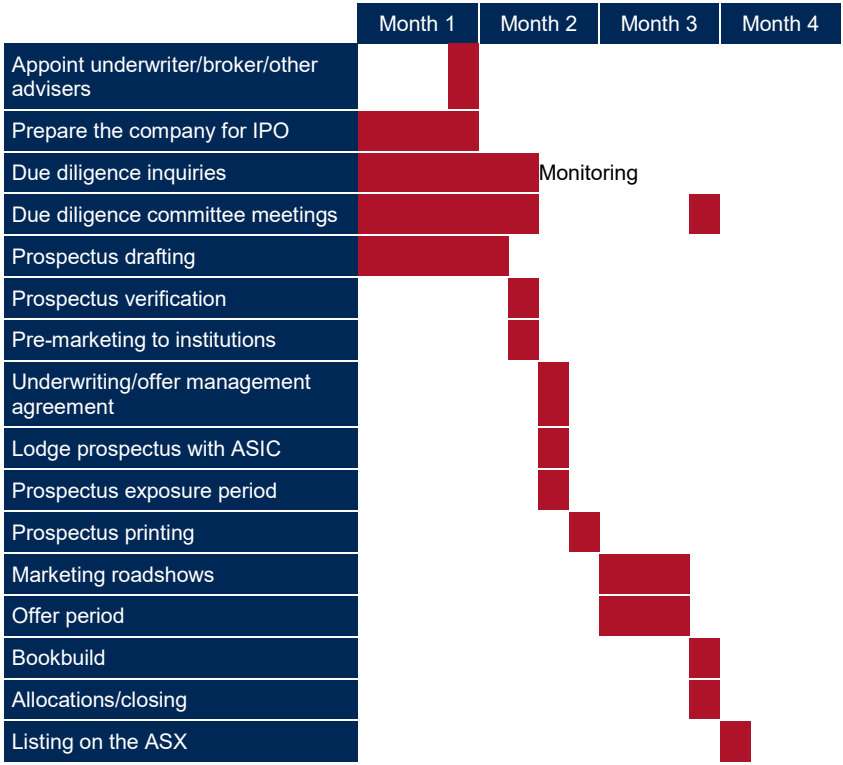
Under the ASX Listing Rules, the ASX has absolute discretion on admission and quotation decisions. This is particularly relevant to international companies from emerging economies. If there are any concerns about a company's suitability for admission, it can apply to ASX for in-principle advice on the appropriateness of the company's structure and operations before undertaking the effort and expense of lodging an application for admission.

The company must submit a listing application to the ASX within seven days of lodging the prospectus with ASIC. The ASX will review the application and the prospectus to ensure compliance with the ASX listing rules. The ASX may seek additional information from the company, to ensure that sufficient information is available for investors to make informed decisions. Once the ASX has considered the listing application, the company will be advised in writing of the outcome. This will be in the form of resolutions containing:

- The conditions that must be satisfied before the company is admitted to the official list, such as closing the offer, raising the minimum subscription amount, allotting and issuing shares and having sufficient shareholder spread.

- The conditions that must be fulfilled before quotation can commence, such as the dispatch of holding statements, return of any refund money, the provision of a shareholder distribution schedule, a statement setting out the names of the top 20 shareholders and the provision of copies of restriction agreements for all escrowed shares.

Typical process and indicative timetable for a listing of a foreign company as an ASX Listing



The documentation and process requirements described in this section do not vary from what would be expected of a domestic company seeking ASX Listing.

4. Continuing obligations/periodic reporting

Companies listed on the ASX have a number of continuous disclosure and ongoing financial reporting obligations.

A foreign company admitted as an ASX Listing, must comply with all the ASX listing rules in the same way as an Australian company, irrespective of whether it is already listed on another stock exchange, unless it is granted a waiver of any such requirements by the ASX.

The extent to which the ASX may be prepared to grant such waivers will depend on factors such as:

- Whether the corresponding requirement of the home stock exchange is consistent with the underlying policy of the relevant ASX listing rule.
- The company track record in complying with with the rules of its home stock exchange.
- Whether the inconvenience of complying with the relevant ASX listing rules, in addition to the rules of its home stock exchange, outweighs any detriment to users of the ASX markets from not applying ASX's requirements.

A foreign company admitted as an ASX Foreign Exempt Listing must:

- Continue to comply with the listing rules of its overseas home stock exchange.
- Provide the ASX with copies of all information provided to that home exchange.

- Comply with certain limited ASX listing rules, relating to transfers and registers of shares and certain procedural and administrative matters.

In addition, every foreign company listed on the ASX must appoint at least one person to be responsible for communication with the ASX in relation to ASX listing rule matters.

Continuous disclosure

Under the continuous disclosure requirements of the Corporations Act and ASX listing rules, once a company is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the company's shares, the company must immediately inform the ASX of that information. The requirement to immediately disclose material information should be satisfied if such information is provided to the ASX promptly and without delay. A reasonable person would be taken to expect information to have a material effect on the price or value of shares if the information would (or would be likely to) influence persons who commonly invest in shares in deciding whether or not to subscribe for, or buy or sell, the first mentioned shares.

However, the continuous disclosure obligation does not apply in respect of certain information if:

- The information is confidential, and the ASX has not formed the view that the information has ceased to be confidential.
- One or more of the following applies:
    - It would be a breach of a law to disclose the information.
    - The information concerns an incomplete proposal or negotiation.
    - The information comprises matters of supposition or is insufficiently definite to warrant disclosure.

  - The information is generated for the internal management purposes of the company.
  - The information is a trade secret.
- A reasonable person would not expect the information to be disclosed.

Examples of the type of information that the ASX may require to be disclosed include:

- A change in the company's financial forecast or expectations.
- A transaction where the consideration payable or receivable exceeds 5% of the company's consolidated assets.
- The giving or receiving of notice of intention to make a takeover.
- A change in accounting policy or the credit rating of the company.

In addition to the continuous disclosure regime, there are a number of other specific disclosure requirements that companies admitted as ASX Listings must comply with. These include:

- Immediately informing the ASX of the details of:
  - Any reorganization of its capital.
  - The issuance of shares.
  - The lodging of any prospectus or other disclosure document.
  - The establishment or amendment of a dividend or distribution plan.
- Informing the ASX, in the time periods specified in the ASX listing rules, of a number of other specific events, including:
  - The forthcoming release of restricted shares and shares subject to voluntary escrow.

- A change of chairperson, director, chief executive officer (or equivalent), chief financial officer (or equivalent), company secretary or auditor.
- The outcome in respect of each resolution put to a meeting of shareholders.
- The interests of a director of the company on the date the company is admitted to the official list and on the date the director is appointed, in addition to any changes to a director's interests and the date that a director ceases to be a director of the company.

The continuous disclosure obligation requires a foreign company that is already listed on an overseas exchange to give the ASX in English all material information that it gives to an overseas stock exchange or other regulator and that is available to the public. This would include, for example, quarterly reports that could contain material information.

Financial statements

A foreign company admitted as an ASX Listing must issue periodic financial reports. In summary, such a company must provide:

- Statutory accounts and financial report for the half year (or equivalent if the foreign jurisdiction does not require a half-year report) as soon as they are available, and no later than two months from the end of the relevant period, provided at the same time as provided to ASIC or the relevant overseas corporate regulator.
- A preliminary final annual report, as soon as available and no later than two months from the end of the relevant period.
- Statutory accounts for the full year lodged with ASIC or the relevant overseas corporate regulator, at the same time as provided to ASIC or the relevant overseas corporate regulator.

The half-year report and the annual accounts report must be audited (or reviewed, in the case of the half yearly report) by the company's auditor.

There are additional ongoing reporting requirements for a mining company, including the provision of quarterly reports on its mining activities immediately as it is available for release (i.e. when it has been properly compiled, verified and approved) and in any event within one month after the quarter end. A company that is admitted under the assets test on the basis of commitments to spend funds will generally be required to provide quarterly cash flow reports, within one month of the quarter end, for at least the first two years after listing. These quarterly accounts do not need to be audited or reviewed.

Additional information to be provided

A foreign company with an ASX Listing is required to include in each annual report:

- A prominent statement about its place of incorporation or registration.
- A statement that it is not subject to Chapters 6, 6A, 6B and 6C of the Corporations Act 2001 dealing with the acquisition of shares (i.e., substantial holdings and takeovers).
- Any limitations on the acquisition of shares imposed by the jurisdiction in which it is incorporated or registered.

The ASX generally requires a foreign company with an ASX Listing to undertake to give information about ownership of its shares to the ASX for release to the market. The usual undertakings are to:

- Inform the ASX as soon as the company is aware of a person becoming a substantial holder (within the meaning of the Corporations Act 2001), being a person who acquires a relevant interest in 5% or more of the company's shares.

- Disclose any details of the substantial holding.
- Inform the market of subsequent changes in the substantial holdings of which the company becomes aware.

Other ASX requirements

There also are a number of other ongoing requirements for ASX Listed companies. These include the requirement to obtain shareholder approval in certain circumstances, such as for:

- The issuance of shares (or other securities convertible to shares) that would exceed 15% of the company's issued shares, or any issue of shares to directors, other than on a pro-rata basis or unless otherwise exempted. For companies that have a market capitalization of A$300 million (approximately US$210.51 million) or less and that are not included in the S&P/ASX 300 Index, this threshold can be increased by a further 10% for issues of shares for cash consideration to enable total issues of up to 25%, if annual shareholder approval is obtained at the company's AGM for that additional 10% capacity.
- The acquisition from, or disposal to, a director or other related party of a material asset.
- Disposal of the company's main undertaking.

Insider trading

The Corporations Act 2001 regulates insider trading of what are known as "Division 3 financial products." These include shares, derivatives, managed investment products, superannuation products (unless excluded by regulation) and any other financial products that can be traded on a financial market. For an offence to be committed:

- A person (the Insider) must possess "inside information".
- The Insider must know, or ought reasonably to know, that the relevant information is not generally available.

- The Insider:
    - Must (or must enter into an agreement to) apply for, acquire or dispose of the relevant financial products.
    - Must procure another person to do so.
    - Must communicate the information to someone that the insider knows, or ought reasonably to know, would likely apply for, acquire or dispose of the relevant financial products or "tip" another person to trade in the financial products.

"Inside information" is defined to mean that the information is not generally available, and (were it to be generally available) it would, or would be likely to, influence persons who commonly acquire financial products in deciding whether to acquire or dispose of the relevant financial products.

Additionally, the insider trading laws provide that a company will be deemed to possess information that an officer of the company possesses and that came into their possession in the course of the officer's performance of duties as an officer, or that the officer of the company ought to reasonably know because they are an officer. An officer of the company is a director or secretary of the company and any other person who participates in making decisions that affect the whole or a substantial part of the business of the company or who has the capacity to affect significantly the company's financial standing.

A breach of these prohibitions carries both criminal and civil consequences, both for those directly involved and for persons who aid or abet any such activity.

There are various exceptions to the prohibitions, and also certain defenses to criminal or civil prosecutions.

A company will not contravene the insider trading laws merely because it is aware of its own intention to enter into (or because it

proposes to enter into) a transaction or agreement in relation to a financial product issued by another.

The requirements described in this section 4 do not vary from what would be expected of a domestic company.

5. Corporate governance

There are no specific corporate governance requirements for a foreign company applying for ASX Foreign Exempt Listing.

All other companies listed on the ASX must comply with the corporate governance requirements of the ASX listing rules and the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council. If the company does not intend to follow all the recommendations on its admission to the official list, the company must identify the recommendations that will not be followed and give reasons for not following them.

The Corporate Governance Principles and Recommendations deal with matters such as:

- Board composition, including recommending that the Chairperson is an independent non-executive director and that the Board comprise a majority of independent non-executive directors.
- Remuneration and performance reviews.
- Audit and risk management.
- Share trading policies.
- Communications with shareholders.
- Codes of conduct.

Prior to admission, a company must provide the ASX with copies of the various Board charters, corporate governance and share trading policies and codes of conduct, which address these recommendations.

A company that will be included in the S&P All Ordinaries Index must have an audit committee. The ASX listing rules require that any company included in the S&P/ASX 300 Index at the beginning of its financial year, comply with the ASX Corporate Governance Principles in relation to the composition, operation and responsibility of the audit committee, and a company must also have a remuneration committee comprised solely of non-executive directors.

A company must include in its annual report or on its website, a statement disclosing the extent to which the company has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the company has not followed all of the recommendations, the company must identify those recommendations that have not been followed and give reasons for not following them. If a recommendation has been followed for only part of the period, the company must state the period during which it was followed.

6. Specific situations

There are no additional requirements, or any changes in the normal requirements, that apply to very large multinational companies or smaller companies.

Extended reporting requirements apply to mining companies, as discussed above under section 4.

Other than an ASX Foreign Exempt Listing, there are no situations in which a "fast track" or expedited listing can be procured.

7. Presence in the jurisdiction

Under the ASX Listing Rules, there is no general requirement that listed foreign companies maintain a presence in Australia, except that:

- The ASX requires the company to have an Australian resident representative to accept responsibility for prospectuses issued by the company and for ongoing compliance with the ASX listing rules.

- The company must appoint a person to give the ASX documents and reports, lodge announcements, liaise with shareholders, the public and the media, and generally represent the company in Australia.

For a foreign company to be admitted as an ASX Listing, it must be registered as a foreign company under the Corporations Act 2001.

8. Fees

There is no difference between fees payable for primary and secondary listings. Most companies listed on the ASX are subject to the following three types of equity listing fees:

- Initial listing fees, which are payable at the time of listing the company.
- Annual listing fees, which are payable annually by the company to remain listed.
- Subsequent listing fees, which are payable if the company raises additional capital once listed.

Initial listing fee. The ASX charges fees on admission by using a formula based on the market capitalization of the company. The value of the shares is based on the issue price or sale price of shares under the prospectus.

For foreign companies admitted as ASX Listings where there is no issue price or sale price, the value of the shares for these purposes is to be the higher of A$0.20 (approximately US$0.14) and the amount set by ASX. For Foreign Exempt Listings, if there is no issue or sale price, the value of the shares for which quotation is sought will be determined by the ASX by reference to the closing price of the company's shares on its overseas home exchange on the last trading day before quotation on the ASX commences. The minimum listing fee is A$37,699 (approximately US$26,450) (excluding GST).

Annual listing fee. The annual fee is based on the market capitalization of the company, based on the closing price of the shares at 31 May multiplied by the number of shares quoted at the close of trading on that date. For ASX Foreign Exempt Listings, the annual fee is calculated based on the closing price of the quoted shares at 31 May multiplied by the number of quoted shares at the close of trading. The minimum annual listing fee for equity shares is A$14,141 (approximately US$9,900) (excluding GST).

Subsequent listing fees. If a company seeks quotation of additional equity shares, it must pay a subsequent listing fee according to the formula provided by the ASX, which is based on the value of the shares for which quotation is sought.

9. Additional information

All information and materials submitted to the ASX or disclosed to the market in Australia must be in the English language.

Key differences in requirements for domestic companies

Generally, there is no distinction between the listing requirements and ongoing obligations under the ASX listing rules for an Australian or foreign company, unless the foreign company is already listed on another exchange and qualifies for an ASX Foreign Exempt Listing or the foreign company is able to obtain waivers of specific listing rule requirements from ASX.

Further details regarding the IPO and ASX listing process in Australia and the ongoing obligations of ASX-listed companies is available in the Australian offices' *IPO Guide* and *Public Listed Companies Guide* publications.

10. Contacts within Baker McKenzie

Frank Castiglia, Guy Sanderson and Antony Rumboll in the Sydney office, and Richard Lustig in the Melbourne office are the most appropriate contacts within Baker McKenzie for inquiries about prospective listings on the ASX.

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Baku Stock Exchange

Initial financial listing requirements

To qualify for listing at the Baku Stock Exchange (BSE), the following financial requirements must be met:

- **Primary Market**
  - At least one year of operating history.
  - Not subject to any bankruptcy process during the year prior to the date of application or have had any financial stability within such period of time.
  - Minimum equity capital of AZN2.5 million (approximately US$1.47 million).
  - Annual net profit for at least one year of the last three financial years.
- **Standard Market**
  - Annual net profit for at least one year of the last three financial years.
  - Equity capital requirements ranging from AZN200,000 to AZN2.5 million (approximately US$117,650 to US$1.47 million, respectively).
  - At least one year of operating history.
- **Alternative Market**
  - No specific requirements have been determined under the applicable law.

Other initial listing requirements

Distribution. The free float and minimum number of shareholders requirements in the primary market are as follows (no specific requirements have been determined for standard and alternative market listings):

- Free float: 10% free float or at least equivalent to AZN500,000 (approximately US$294,100) in the primary market.
- The minimum number of shareholders should be at least 50, none of whom can buy more than 5% of the free float shares.

Share price. There is no requirement to maintain a minimum trading price, but all shares must be denominated in AZN.

Corporate form. The company must be organized in the form of an open joint stock company for a listing on the primary or standard market segments.

Foreign documents. The documents provided by a foreign issuer must be certified in the company's country of establishment and translated into Azerbaijani.

Website. The company must publish its articles of association on its official website. Important trends and activity updates must also be published on the company's website.

Accounting standards. If the securities are already listed on an Approved Stock Exchange, the foreign company is not required to provide financial statements at the time of initial listing. Subsequently, foreign companies with securities listed in an Approved Stock Exchange must file financial statements with the SMV and the BVL in accordance with the disclosure requirements of the primary market.

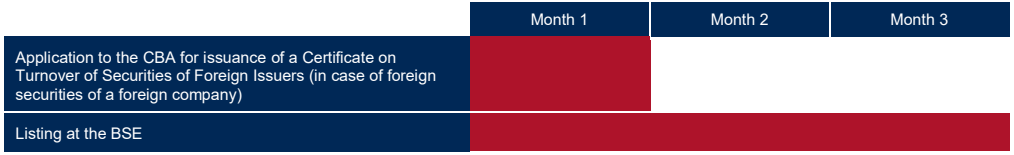
Financial statements. The company must submit last audited annual and semi-annual financial statements and the respective audit certificates if listing on the Primary or Standard Markets.

Management continuity. For a listing on the primary market segment, the BSE requires that no significant changes must have occurred in the company's management bodies during the three months before the application to the BSE (such as if more than half of the company's supervisory council or management board members have changed).

Baku Stock Exchange: Quick Summary

Listing process

The following is a fairly typical process and timetable for a listing of a foreign company on the BSE.



Corporate governance and reporting

A company listed on the primary market must have a board of directors composed of at least three members with an independent director forming at least one third of the board. Such company must also have an internal audit committee in its corporate structure. There are no board of directors requirements for listing on the standard and alternative markets.

A listed company has reporting obligations related to periodic financial reports and disclosure of certain important events.

Fees

There are no initial fees associated with a listing on the BSE.

The annual fee is calculated as below:

- AZN1,000 (approximately US$588) for the primary market
- AZN500 (approximately US$294) for the standard market
- AZN200 (approximately US$118) for the alternative market

State-guaranteed bonds issued by the municipalities, local authorities and other public bodies and the Azerbaijan Mortgage and Credit Guarantee Fund are exempted from annual fees. Zero-risk or risk-free bonds in accordance with the principles of Basel II, recommended by the Basel Committee on Banking Supervision, and open joint stock companies of which at least 51% of shares are owned by the Republic of Azerbaijan are also exempted from annual fees.

1. Overview of exchange

The Baku Stock Exchange (BSE) is the only stock exchange in Azerbaijan. It began its operations on 15 February 2000, with the support of the Central Bank of the Republic of Azerbaijan (the CBA). The first trading operation at the stock exchange was carried out on 1 September 2000. The BSE is organized in the form of a closed joint stock company with 20 shareholders.

In total, two companies have listed at the BSE so far, both of them being domestic.

The CBA is the state regulatory authority for the stock exchange and the securities market in Azerbaijan. It has relatively large powers and can issue rules to regulate the securities market, including those related to participation of foreign companies in the Azerbaijani securities market.

For the purposes of this document, it is noteworthy to mention that the listing of foreign companies in Azerbaijan is not regulated under the Rules On Listing, Delisting and Admission to Trade of Securities approved by the BSE on 12 October 2018 (the Rules), which are the primary listing rules in Azerbaijan. The BSE officials communicate that if foreign issuers follow the rules and regulations now in force at the securities market in respect of the circulation of foreign securities, then the listing of foreign companies can be considered for review by the BSE, but this cannot be guaranteed due to the lack of applicable laws on listing of foreign securities.

According to the Regulations On Circulation of Securities of Foreign Issuers in the Republic of Azerbaijan approved by the CBA on 6 September 2000 (the Regulations), foreign issuers can apply for circulation of their securities in the Republic of Azerbaijan only upon obtaining a Certificate on Turnover of Securities of Foreign Issuers in the Republic of Azerbaijan issued by the CBA. To obtain such, the foreign issuer must submit an application to the CBA along with the required documents, and the CBA will review and respond to such

application within 30 business days. All documents provided by a foreign company must be certified in the country of the company's establishment and translated into Azerbaijani.

According to paragraph 3.1 of the Regulations, the CBA has the right to restrict or prohibit the circulation of foreign securities in the Republic of Azerbaijan for the purposes of regulation of the securities market. In the event that a positive response in respect of the application is issued by the CBA, the foreign securities can be placed and traded in Azerbaijan as per the agreement with the local investment company.

However, it should be noted that Azerbaijani regulations and rules currently in force in relation to the circulation of foreign securities are outdated and not quite clear in terms of their practical implementation, and no foreign company has proceeded with such issuance to date.

2. Principal listing and maintenance requirements and procedures

The Rules are new and apply fundamental changes in the listing process, as well as in the listing requirements which may encourage many potential issuers to show interest in the financial market.

The new Rules, among other things, set out general requirements relating to the listing of securities, including specific requirements for shares, bonds and other securities. In particular, the Rules have created three market segments (primary, standard and alternative), into which the same kind of listed securities may be divided.

The creation of minimum capital requirements and free float rates per market segment are the most notable changes that will necessitate companies choose their market segment according to their financial and other indicators. One of the main rationales for the new Rules was to utilize and highlight companies' minimum capital requirements. Hence, companies wanting to be listed in the primary market segment must have equity capital amounting to at least AZN2.5 million

(approximately US$1.47 million) (which is half that required under the previous rules). For a listing in the standard market segment, for which there was no capital requirement before, companies must have equity capital amounting to at least AZN200,000 (approximately US$117,650). The main purpose of these capital requirement changes is to induce companies to list on the stock exchange and to enhance the capital markets in Azerbaijan.

As a general requirement, a company seeking to be listed on the primary or standard market segments of the BSE must be formed as an open joint stock company and registered in Azerbaijan in accordance with Azerbaijani laws.

The Rules are generally silent on whether interviews with the BSE are required in advance of an application to list securities.

Equity market listing requirements

The chart below reflects the key requirements for listing of shares in the primary, standard and alternative markets pursuant to the Rules.

	Alternative Trading Market	Standard Market	Primary Market
Financial Requirements	Shares of companies that do not meet the requirements of either the primary market or the standard market will be included in the Alternative Market.	• Annual net profit for at least one year of the last three financial years. • Equity capital requirements ranging from AZN200,000 to AZN2.5 million (approximately US&117,650 to US$1.47 million, respectively). • At least one year of	• Not subject to any bankruptcy process during the year prior to the date of application or have had any financial stability within such period of time. • Minimum equity capital of AZN2.5 million (approximately US$1.47 million).

	Alternative Trading Market	Standard Market	Primary Market
		operating history. • Financial statements prepared in accordance with the laws of the issuer. • Annual and semi-annual financial statements audited by an independent auditor.	• Annual net profit for at least one year of the last three financial years. • Financial statements prepared in accordance with IFRS. • Annual and semi-annual financial statements audited by an independent auditor. • At least one year of operating history.
Public Float and Minimum Shareholder Requirements	None.	None.	• The minimum free-float requirement imposed on companies is 10% or equivalent to at least ANZ500,000 (approximately US$294,100). • At least 50 shareholders, none of whom can buy more than 5% of the free float shares.
Corporate Governance Requirements	None	An open joint stock company	• An open joint stock company. • No significant changes in

	Alternative Trading Market	Standard Market	Primary Market
			structural management during the three months before the application to the BSE (such as if more than half of the company's supervisory council or management board members have changed). • Internal audit committee. • At least three members on the board of directors, with an independent director forming at least one third of the members. • A web page which reflects the significant areas of the company's activities. • Company must provide shareholder pre-emptive rights over future issuances. • A professional registrar for the registry of shareholders.

All shares listed on the BSE must be denominated in AZN. There is no requirement to maintain a minimum trading price in relation to listing on any market segment. In addition, there is no requirement for any shares to be placed into escrow (or otherwise be restrained from being traded, such as through "lock-in" or "lock-up" arrangements) in connection with the listing.

3. Listing documentation and process

Required documentation

For primary market listings, a company must provide the following documents to the BSE:

- Application form for listing.
- Company's statement in respect of compliance with the Rules and accurateness of the documents provided.
- Company's certificate on corporate registration and notary-certified copy of the company's charter.
- If the company is engaged in the type of activity which requires a license, notary-certified copies of these licenses.
- Copies of certificates on state registration of securities issued by the company.
- If there is any agreement between the company and the members of the stock exchange regarding the placement or turnover of securities, a copy of such agreement.
- Prospectus or information memorandum approved in accordance with the laws (in electronic and hard copy form).
- Copies of the company's audited financial statements and audit reports (in electronic and hard copy form).

- If the company is represented by a proxy, then the document or its notarized copy confirming his/her authority.

Prospectus or Information Memorandum

The prospectus or information memorandum, which should be registered with the CBA, should include the following information:

- Full name, organizational-legal form and address of the company.
- Information about the company from the state register of legal entities.
- Information about management, executive and supervisory bodies of the company.
- Information about branches and representative offices of the company.
- Lists, contact details and information on the persons holding at least 10% of the voting share capital of the company.
- Information about the company's equity capital, its structure, value, number of shares, their nominal value and types, including details on the benefits afforded to the different types of shares.
- Company balance sheet and consolidated financial reports, together with the report of independent auditors.
- Information about dividends paid for shares by company since the foundation date or during the last five financial years.
- Information about earlier issued securities of the company.
- General information concerning the issue of investment securities.
- Distribution rules of investment securities.
- Debts of the company and interest amounts to be paid.

- Payment rules for investment securities.
- Information concerning the professional participants of the securities market that issue investment securities.
- Date and number of the resolution regarding securities' issuance and the name of the corporate body that issued such resolution.
- Preference share rights.
- Any limitations for purchase of investment securities.

The listing committee, which is formed by the supervisory council of the BSE, may request other information and documents that it deems necessary.

Application review

After receipt of all required documents, the listing committee of the BSE starts the process of their review and should issue its decision within ten business days, which period may be prolonged by an additional ten days. If deemed necessary by the listing committee of the BSE, the listing may be prolonged up to but no more than three months.

Within one business day after the decision on inclusion of securities into the listing is made, the listing commission should publish the relevant information (the prospectus and/or investment memorandum and financial statements of the issuer) on the BSE's website, unless the law requires otherwise.

Within two business days after the decision on inclusion of securities into the listing is made, the company is notified by the BSE and the listing agreement is concluded between the BSE and the company.

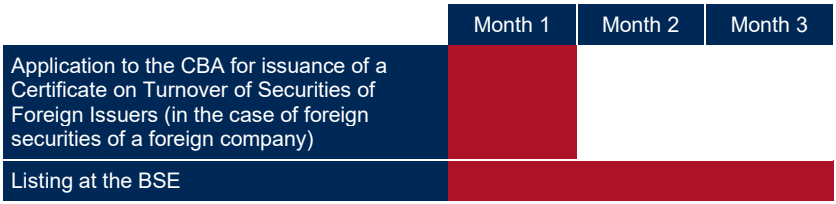
While the application is being considered by the BSE, the issuer should immediately report to the BSE any events which might affect the value of the securities and the decision of investors regarding operations related to securities.

Trading in the securities after the decision of the listing committee must commence within a maximum 60 business days.

The documentation and process requirements described in this section should be the same for foreign and domestic companies, notwithstanding that the application to list a foreign company on the BSE must be preceded by the issuance of a Certificate on Turnover of Securities of Foreign Issuers in the Republic of Azerbaijan by the CBA. The analysis in relation to the likelihood of foreign securities being listed in Azerbaijan, outlined in Section 1 above, should also be taken into account.

Typical process and timetable

The following is a fairly typical process and timetable for a listing of a company on the BSE.



4. Continuing obligations/periodic reporting

A BSE-listed company has disclosure and reporting obligations related to periodic financial reports and disclosure of certain important events.

Financial reporting

The company must provide and publish on its website its semi-annual and quarterly financial statements, prepared in accordance with IFRS (in the case of a listing on the primary market) or IFRS/local GAAP (in the case of a listing on the secondary and alternative markets) and other information as required by the Rules. The BSE has the right to

publish the financial statements of the company via its own resources (including its website).

Disclosure of important events in the primary and standard markets

The companies which are listed in the primary and standard markets must notify the BSE, within three business days, of the occurrence of any of the following events:

- Alteration or suspension of the activities, or important changes in the carrying out of main activities.
- Significant changes in the accounting policies, supervisory council or the management board.
- Supply of new goods and services that affect the company's business operations and financial results.
- Purchase and sale of the controlling interest in another company.
- Conclusion of any agreement exceeding 25% of the value of the company's net assets or any agreement that may affect the company's business operations.
- Investigation by state authorities or courts affecting at least 10% of the company's equity.
- Dismissal plans affecting at least 15% of the workforce.
- Significant differences between the quarterly forecasts and results.
- Purchase, suspension and cancellation of patents, licenses and trademarks.
- Reorganization and liquidation of the issuer.
- Disclosure of transactions with related parties (in accordance with laws and regulations).

- Changes in the equity capital of the company or its parent or subsidiary companies.
- Changes in the financing sources.
- Issue of new securities, or withdrawal of securities from circulation.
- Changes of rights established with respect to issued securities.
- Early execution, late execution or non-execution of payments for listed securities.
- Sale and purchase of at least 5% of the company's shares.
- Appeals of resolutions of the general meeting of shareholders to the court.
- Events that may affect the market price or profitability of the securities.

The BSE may also request the company to disclose to the exchange and/or the public any other information that the BSE may deem important for the protection of public interests and investors' rights.

Disclosure of information in the alternative market

The companies listed on the alternative market must notify and provide the BSE documents pertaining to the following items:

- The company's bond repayments and payment of interests.
- Dividends, if established as a joint stock company.
- Company's annual financial statements.

5. Corporate governance

The corporate governance requirements for a listed company are outlined in the chart in section 2 of this chapter under the title *Equity market listing requirements*.

6. Specific situations

There are no additional or special requirements applicable for multinational companies or to smaller companies. There are no industries for which the normal listing or maintenance rules do not apply, or apply only in modified form, or for which additional listing or maintenance requirements apply.

There is no "fast track" or expedited listing at the BSE.

7. Presence in jurisdiction

The current listing rules and regulations do not require a foreign issuer to maintain any presence in Azerbaijan. A foreign issuer is not obligated to keep any corporate records in Azerbaijan in order to be eligible to list/circulate securities in Azerbaijan.

8. Fees

There are no initial fees associated with a listing on the BSE.

The annual fee is calculated as below:

- AZN1,000 (approximately US$588) for the primary market
- AZN500 (approximately US$294) for the standard market
- AZN200 (approximately US$118) for the alternative market

State-guaranteed bonds issued by the municipalities, local authorities and other public bodies and the Azerbaijan Mortgage and Credit Guarantee Fund are exempted from annual fees. Zero-risk or risk-free bonds in accordance with the principles of Basel II, recommended by the Basel Committee on Banking Supervision, and open joint stock

companies of which at least 51% of shares are owned by the Republic of Azerbaijan are also exempted from annual fees.

9. Additional information

All documents submitted to the BSE and the CBA must be in Azerbaijani. The BSE and the CBA may waive this requirement on a case-by-case basis at their sole discretion.

10. Contacts within Baker McKenzie

Roy Pearce in the London office is the most appropriate contact for inquiries about prospective listings on the BSE.

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Bolsa de Valores de Colombia

Initial listing requirements - Full Listing

To qualify for a full listing at the BVC platform of the Colombian Stock Exchange (*Bolsa de Valores de Colombia* or BVC), the following financial requirements must be met, by either Colombian or foreign issuers:

- At least 10% of the issued and outstanding shares of the issuer must be in public hands.
- The issuer must have at least 100 shareholders at the time of listing. However, if there is a lesser number of shareholders, or if the 10% requirement previously mentioned is not met, alternatives are available such as committing to carrying out a public offer or periodical public offers.
- The issuer must have a minimum net worth of COP7 billion (approximately US$2.14 million).
- The issuer or its parent company must have carried out their activities for at least three consecutive years, subject to certain exceptions.
- The issuer must have distributed profits to its shareholders in at least one of the three financial years prior to the filing, subject to certain exceptions.
- The issuer must keep a webpage on which to disclose material information to the market.

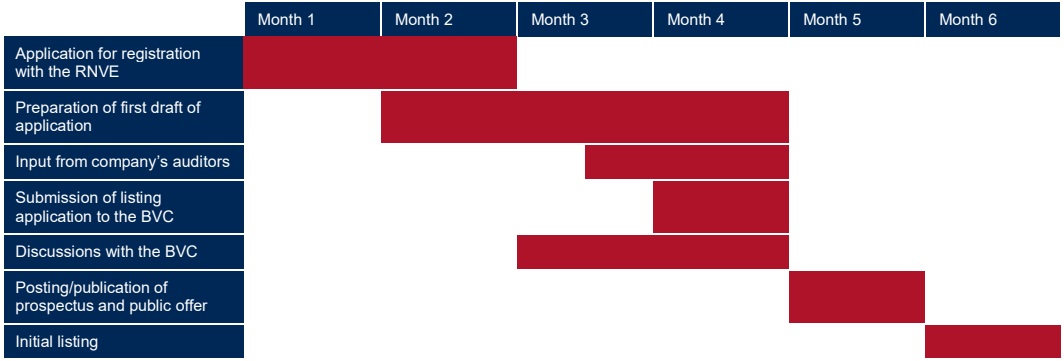
Other relevant information

Recurrent listed issuers may opt for an issuance program limited to a global amount, so that several issuances at different times drawn down against the same program and without exceeding the global amount in the aggregate can be made.

Accounting Standards: Audited Financial Statements must be prepared in compliance with IFRS.

Listing process

The following is a fairly typical process and timetable for a listing of a company.



This timeline assumes that a due diligence process and kick-off has been commenced significantly in advance with the broker-dealer and the law firm that will assist the company in its listing. In practice this may take very long and for companies that are just becoming sophisticated, getting listing-ready may be a process that takes approximately a year.

Corporate governance and reporting

Once listed, a company must comply with several continuing obligations, including but not limited to:

- A copy of the annual management report must be filed with the SFC within ten working days after it was presented to the relevant corporate body.
- A copy of the minutes of the corporate body approving annual financial statements must be filed with the SFC within ten days following such meeting, plus a certificate of good standing (not older than three months).
- Interim quarterly financial statements must be filed with the SFC within 45 days of the end of each quarter.
- Material information (*información relevante*) must be clearly, accurately, timely and broadly disclosed to the public through the SFC's information mechanism. Material information includes: (i) financial and accounting information; (ii) legal information; (iii) commercial and employment information; (iv) business crises, and; (v) issue of securities.
- Annual reports to the SFC and to the market at large on the measures on corporate governance that they have adopted.

Fees

The admission fee is determined on the basis of the net worth of the issuer, ranging from COP13.1 million (approx. US$4,000) to COP76.6 million (approx. US$23,440). No annual fee is payable for the first year of listing. Thereafter, the annual fee is determined in the same form as the admission fee. The BVC may also charge additional fees for services associated with a public offering. There is a fee charged to the broker dealer that registers transactions associated with an initial offering and there are fees for the services rendered by the BVC to allocate the shares of an offering among the bidders.

Initial financial listing requirements - Limited Listing (MGC)

To qualify for a limited listing at the MGC platform of the BVC, the following financial requirements must be met by foreign issuers:

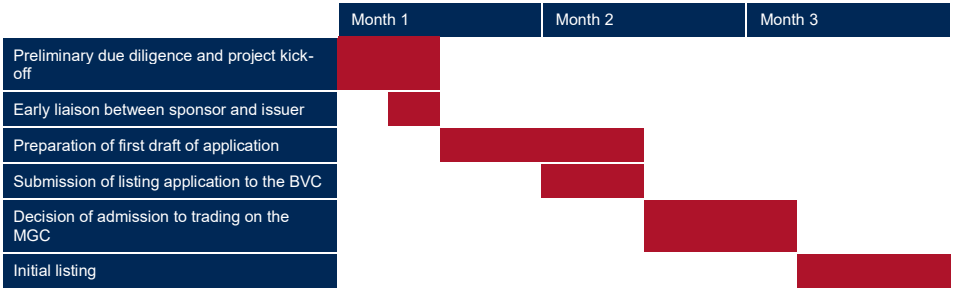
- Market capitalization must be greater than US$300 million (or its equivalent) at the time of the request.
- Average daily trades for the three months preceding the filing must be at least equal to US$500,000 or its equivalent.
- The quote for each share must be over one dollar (cents only quotes would render the instrument inadmissible).
- The issuer must not be subject to a bankruptcy proceeding.

Other relevant information

Accounting Standards: Audited Financial Statements must be prepared in compliance IFRS or US GAAP.

Listing process - MGC

The following is a fairly typical process and timetable for a listing of a company on the MGC.



Corporate governance and reporting

Once listed, a company must comply with several continuing obligations, including, but not limited to material events including corporate events such as shareholders summons or securities issues, dividend distributions and cancellation of issued securities in the jurisdiction of organization.

Corporate events must be reported in Spanish. However, there may be a 15 days' grace period following disclosure in English. All other information may be reported either in English or Spanish.

No specific corporate governance provisions are in place.

Fees

Admission fee: COP5.6 million (approx. US$1,710) / Annual fee: COP4.5 million per security listed (approx. US$1,380). Fees are calculated for each security listed.

* Fees do not include the applicable VAT (19%)

1. Overview of exchange

The Bolsa de Valores de Colombia S.A. is the operator of the Colombian stock exchange (the BVC).

The BVC is a member of the *Mercado Integrado Latinoamericano* (Latin America Integrated Exchange or MILA), together with Mexican stock exchange (*Bolsa Mexicana de Valores*), Peruvian stock exchange (*Bolsa de Valores de Lima*) and the Chilean stock exchange (*Bolsa Comercial de Santiago*).

The BVC is also an active member of the World Federation of Exchanges and the Ibero-American Federation of Exchanges (FIAB). The BVC is currently integrated with the Central Securities Depository of Colombia DECEVAL (*Deposito Centralizado de Valores de Colombia Deceval S.A.*), which is the major securities depositary, hence acting through the same legal entity but keeping different trademarks and operating through separate departments.

The BVC is the only Colombian company that operates a stock exchange and it also operates a debt instruments exchange and a standardized derivatives exchange. There are other entities that operate debt securities and currencies exchanges in Colombia, including certain subsidiaries of the BVC, but the BVC is the only stock exchange.

Within the stock exchange, there is a primary trading platform for debt instruments, and a separate trading platform for equity. There are other specialized trading platforms such as (i) the Colombian global market for foreign companies to be listed at the BVC (MGC), (ii) a securities lending platform, (iii) an exchange traded funds platform, and (iv) a convertible funds platform. The BVC also offers special services such as for IPOs, shares reacquisitions, tender offers, book building and auctions.

There are significant differences between the requirements and alternatives offered to companies that undergo a full listing on the as

opposed to those foreign companies that are only listed in the MGC as explained below:

Issue	Full listing	MGC listing only
Need to register with the National Registry of Issuers and Securities kept by the Colombian Financial Superintendency (RNVE)	Yes	No
Oversight by the Colombian Financial Superintendency (SFC)	Yes	No
Transactional Platform	Spot platform	Independent platform
Need for a sponsor	No	Yes
Possibility of undertaking an IPO	Yes	No
Party responsible for the disclosure of material information to the market at large	Listed company	Sponsor

Recently, the BVC also began managing a debt and equity crowdfunding platform named *A2censo* which intermediates in the financing of small companies and productive projects. Depending on the nature of the investors, the relevant project or company will be able to collect up to the value equivalent of 10,000 minimum monthly wages (for 2020, COP8,778 million or approximately US$2.69 million, if qualified investors) or 3,000 minimum monthly wages (for 2020, COP2,633 million or approximately US$805,700, if not qualified investors), through crowdfunding mechanisms.

The market capitalization of the BVC as of January 2020 was approximately US$136 billion. As of January 2020, 73 domestic companies were listed with a full listing, a further 24 foreign companies and ETFs were listed on the MGC.

During 2019 the Colombian Government set up a special commission in charge of analyzing flaws and opportunities for growth in the Colombian capital markets. The commission issued a final report in August 2019 whereby, among others, it recommended the incorporation of a market promotor from a dependency of the Ministry of Treasury to manage the general policy for markets, less restrictions and an increase in the types of licenses for interacting directly in the markets, reduced duplicity of functions amongst the regulators and fostering more and more thorough information. This report is the first step towards changes to come during the next years in the regulation and infrastructure for the capital markets.

2. Principal listing and maintenance requirements and procedures

There are no jurisdictions of incorporation or industries that would not be acceptable for a company to list its securities on BVC. Furthermore, there are no ownership requirements applicable to the listing of securities, and there are no ongoing financial requirements after the initial listing.

Full listing eligibility criteria

The main eligibility criteria for a full listing of equity securities by either Colombian or foreign issuers on BVC are:

- At least 10% of the issued and outstanding shares of the issuer must be in public hands.
- The issuer must have at least 100 shareholders. However, if there is a lesser number of shareholders, or if the 10% requirement previously mentioned is not met, alternatives are available such as committing to carrying out a public offer or periodical offers.
- The issuer must have a minimum net worth of COP7 billion (approximately US$2.14 million).

- The issuer or its parent company must have carried out their activities for at least three consecutive years, subject to the following exceptions:
    - Issuers that are the result of mergers are exempted to the extent that at least one of the merged companies meets the requirement.
    - Foreign issuers may alternatively show (a) that their parent or one of the foreign issuers direct or indirect subsidiaries have listed securities in a foreign exchange acknowledged by the SFC or (b) that such parent or subsidiary has undertaken its activities for at least three years preceding the filing. In either case the parent or subsidiary must have a domicile in Colombia, carry out activities through a Colombian company, have a net worth of at least COP7 billion (approximately US$2.44 million) and have securities listed in the RNVE.
- The issuer must have distributed profits to its shareholders in at least one of the three financial years prior to the filing, subject to the following exceptions:
    - Foreign issuers may comply with this by showing that the requirement was met by their parents or direct or indirect subsidiaries.
    - Alternatively, the issuer may submit, for the approval of the BVC, a plan to have dividends distributed within four years following its listing.
- The issuer must keep a webpage on which to disclose material information to the market.

MGC (limited) listing eligibility criteria

For the listing of shares, GDRs or ADRs, the following qualification criteria must be met:

- Market capitalization must be greater than US$300 million (or its equivalent) at the time of the request.
- Average daily trades for the three months preceding the filing must be at least equal to US$500,000 or its equivalent.
- The quote for each share must be over one dollar (cents only quotes would render the instrument inadmissible).
- The issuer must not be subject to a bankruptcy proceeding.

There is no minimum free float amount or minimum number of shareholders required for an MGC (limited) listing.

No minimum share trading price is required for either a full listing or an MGC (limited) listing. Likewise, neither a full listing nor an MGC (limited) listing necessitates any shares be put into escrow or shareholders to enter into any kind of lock-up arrangements.

3. Listing documentation and process

Below is an overview of the documentation and information to be supplied to the BVC by a company seeking a full listing for its equity securities. For other types of financial instruments, slightly different documentation and information may need to be supplied.

- Written application request.
- Evidence of registration of the securities at the RNVE*.
- Evidence or corporate authorizations to proceed with the listing.
- Certificate of existence or legal representation or its equivalent.

- Audited financial statements for the two preceding annual periods, prepared in accordance with IFRS and the last quarterly financial report when the issuance does not require a prospectus. The issuer will be exempted of this requirement if this information is already available in the RNVE.
- For uncertificated shares, the evidence that the aggregate certificate representing the issuance has been deposited with the securities depositor (generally, DECEVAL).
- The prospectus approved by the SFC, when the listing required a prospectus**. This prospectus must expressly include a warning stating that the listing of the security with the BVC is not a guarantee of the solvency of the issuer or the quality of the security.
- The BVC standard form agreement, duly executed (*formato de vinculación*).
- Tax registration of the issuer.
- If applicable, KYC certificates and a description of the LA/FT mechanisms, signed by the legal representative or the compliance officer of the issuer.
- Rating of the issuer by an authorized rating agency, to the extent no prospectus is required for the listing.
- Webpage that will allow the issuer to comply with its information disclosure obligations.
- The BVC may request additional information on the management (officers and directors) as well as shareholders holding an equity interest at least equal to 5% of the issued and outstanding shares.
- Certificate of compliance with requirements for listing executed by the CEO and the auditor (*revisor fiscal*).

- List of shareholders, their IDs and the percentage of their interest as of the last day of the month preceding the application.
- A duly filled survey form on adoption of corporate governance rules proposed by the Suggested Corporate Governance Guide (*Código País*) for the year in which the application is made***. This requirement is only applicable if the issuer is required under the law to complete such survey.
- Business Plan (only to the extent that the issuer does not meet the requirement of having carried out its activities for the three years preceding the application).

* Registration at the RNVE kept by the SFC requires the following information:

- Completed application form, furnished by the SFC. Where the issuer is an company that is in its pre-operational stage or has less than two years of operational history, an economic feasibility study must be included with the form.
- Copy of the minutes of the shareholders' or board of directors' decision approving the rules for the issuance of the shares.
- Copy of the minutes of the general shareholders' meeting approving the registration at the RNVE.
- Two copies of the prospectus.
- Copy of the proposed draft of the shares certificate. If shares are uncertificated (this is the general rule) then evidence of the deposit of the aggregated certificate deposited with the securities depositor (generally, DECEVAL) would be required.
- Certificate of existence and legal representation of the issuer, issued by the competent authority or its equivalent with respect to foreign issuers.

- When the securities are denominated in currencies other than the Colombian peso, copies of documents evidencing compliance with the regulation applicable to foreign exchange and foreign investment in Colombia.
- If applicable, a copy of the documents evidencing the constitution of collateral backing the issuance.
- A copy of the bylaws.
- Certificate issued by the statutory auditor of the issuer
- Rating of the issuer, if applicable.
- Any other relevant information according to SFC criteria.

**If the public offering will be done through book building, only the draft prospectus submitted to the SFC will be required by the BVC. This should be followed by the final prospectus once approved by the SFC.

*** If the local issuer is exempted from submitting the survey on adoption of corporate governance rules, then a report must be submitted by a legal representative of the issuer in which he describes the issuer's level of compliance with corporate governance best practices in connection with (i) shareholder meetings, (ii) board of directors, (iii) disclosure of financial and non-financial information and (iv) disputes resolution.

If the listing is made with the intention of making a public offering of shares in the primary market, then the following additional information must be submitted to the SFC for approval of such offering:

- Authorization for such issuance from the applicable governmental authority, except if such authority is the SFC.

- Explanation of the rationale for the determination of the base price (not applicable in book building scenarios).
- Draft of the offer notice.
- Copy of advertising and promotional materials.
- Underwriting agreements.
- Copy of the administration agreement whenever the issuance is to be managed by a third party (generally this is the case).
- Information on the shareholders and beneficial owners of the issuer.
- Survey on compliance with the suggested corporate governance code (*Código País*).
- Information on compliance with anti-money laundering and terrorism financing laws.

A prospectus is required as a general rule. The SFC manages an online standardized form of prospectus. If the issuer has already filed a standardized prospectus, new issuances may rely in part of that information through a cross reference to the standardized prospectus. The following is a list of information generally included in share offering prospectuses:

- Information on the securities, the rules and terms of their issuance:
    - Type of securities.
    - How the securities will be transferred.
    - Par value.
    - Division and aggregation of securities.
    - Fees payable by the purchasers.

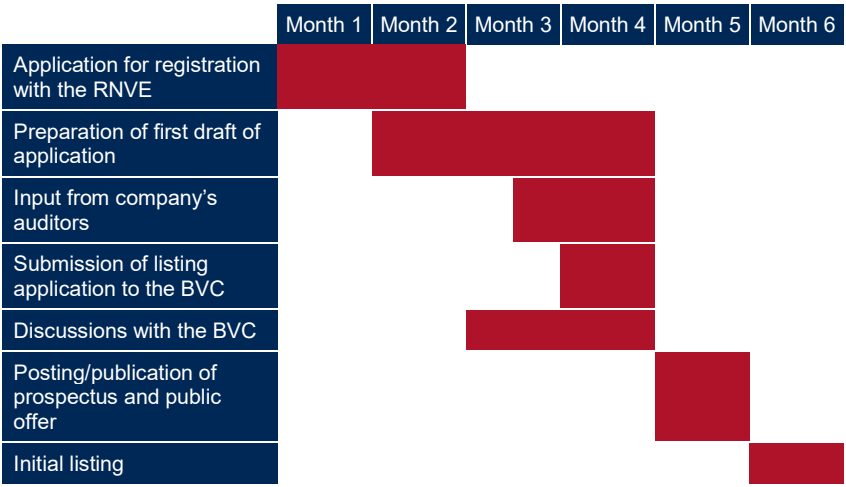
  - Exchanges on which the shares will be listed.
  - Tax regime applicable to the purchasers.
  - Form of payment of dividends.
  - Rights and obligations of the investor.
  - Rules on shareholder meetings.
  - Agreements that may entail that the issuer is controlled by a third party.
  - Limitations and restrictions applicable to the management of the company and the powers of the shareholders.
  - Base price for the offering.
  - Risks associated with the investment.
- Information on the issuer:
  - Name of the issuer.
  - Legal status of the issuer.
  - Tenor or duration of its charter.
  - Grounds for dissolution and winding up.
  - Governmental authority that oversees its activity.
  - Main corporate scope and economic activity.
  - Brief history of the issuer.
  - Shareholding information and information on the shareholders.

- Information on the organizational structure of the issuer:
  - Organization chart.
  - Information on the board of directors.
  - Mechanisms to assure independence of independent directors.
  - Other positions held by directors.
  - Officers that comprise the top management of the issuer.
  - Shareholding and equity compensation of directors and top management.
  - Information on the CEO or president.
  - Direct and indirect parents.
  - Subsidiaries and other entities in which the issuer participates.
  - Corporate governance.
  - Labor relationships.
  - Proceedings for the liquidation of the company.
- Information on the main activity of the issuer and its operational income:
  - Market share and involvement in the industry.
  - Description of its main income generating activities.
  - Information on dependence on suppliers.
- Financial Information:
  - Accounting policies.
  - Equity.

  - Equity reserves.
  - Dividend information.
  - EBITDA generation.
  - Financial obligations.
  - Main assets.
  - Investments.
  - Restrictions on the transfer of assets.
  - Main on-going investments and financing sources.
  - Description of fixed assets.
  - Transactions with related parties.
  - Contingent obligations.
  - Litigation.
  - Issued securities.
  - Security interests and liens burdening its assets.
  - Assessment of the forecast of the issuer.
- Management Analysis of its operational results and financial situation:
  - Prospects and commitments.
  - Material changes in recent years.
  - Recent changes in the main accounts of the balance sheet.
  - Information on capital commitments and financing sources.
  - Trapped cash or distributions restrictions.

- Information on risks.
- Financial statements.
- Other.

Typical process and timetable for a full listing of a company



This timeline assumes that a due diligence process and kick-off has been commenced significantly in advance with the broker-dealer and the law firm that will assist the company in its listing. In practice this may take very long and for companies that are just becoming sophisticated, getting listing-ready may be a process that takes approximately a year.

Foreign Issuers MGC (Limited Listing)

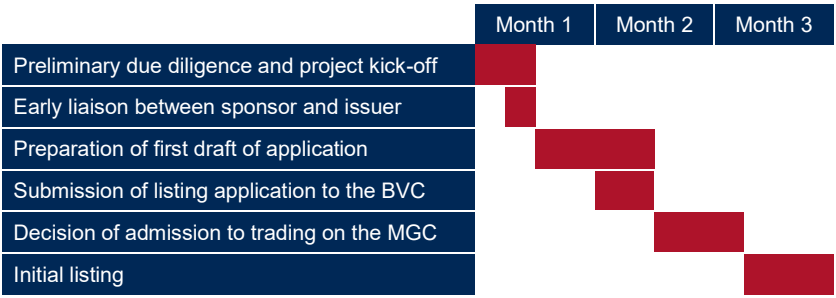
Below is an overview of the documentation and information to be supplied to the BVC by a company seeking a limited listing for its equity securities on the MGC.

Item*	Details
Application form	N/A
General information	• Name. • Type of ID. • ID number. • Jurisdiction of organization. • Address of the main office. • Website. • Industry or sector.
Information on the securities to be listed	• Exchange of its jurisdiction of organization (in English or Spanish). • Main exchange in which the securities are listed (which must be internationally acknowledged in the opinion of the SFC) (in English or Spanish). • Type and class of instruments. • Applicable CFI code. • ISIN applicable to its exchange of origin and the main exchange in which it is listed. • Abbreviation of the instrument on its exchange of origin and main exchange. • Currency of the exchange of origin and the main exchange. • Characteristics, rights, obligations, restrictions and risks associated with the applicable investment and protection mechanics of such rights. • Number of shares, amount of trades and average monthly price for both the original exchange and the main exchange of listing for the six months preceding the application.
Applicable tax regime for both the original exchange and the main listing exchange for authorized investors in Colombia	N/A
General information on the issuance	• Regulation applicable to the securities in the original exchange and in the main listing exchange.

Item*	Details
	• Number of issued and outstanding shares on the original exchange and the main listing exchange. • Latest registered book value or enterprise value per share and the date of such valuation. • Par or nominal value of the shares on the original exchange and/or the main listing exchange. • Certificate issued by a securities depositor (generally, DECEVAL) confirming that the depository is able to manage and provide custody services with respect to the shares, GDRs or ADRs subject to listing.
Statements of the sponsor	• Financial, economic, accounting, legal and administrative information that the issuer is required to disclose to its original exchange and/or the main listing exchange, including due dates, periods and form of disclosure, including updating mechanics. • Agreements existing between the centralized securities depository both in Colombia and abroad or between such Colombian depositories and international custodians. • Accounting rules under which the financial statements of the issuer are produced, which must be either IFRS or US GAAP. • That the shares, ADRs or GDRs meet the requirments to be considered securities pursuant to section 2.15.6.1.5 of Decree 2555/2010.
Other information	• Latest annual and quarterly report submitted to the supervisory authority of the original exchange and/or the main listing exchange jurisdictions (in English or Spanish). • Disclosure of material information made within the 30 days preceding the application (in English or Spanish).

Any sponsor may request the listing of the shares of a foreign issuer on the MGC.

Typical process and timetable for a listing of a foreign company on the MGC (Limited Listing)



4. Continuing obligations/periodic reporting

Companies registered with the RNVE (a prerequisite for full listings on the BVC)

- A copy of the annual management report must be filed with the SFC within ten working days after it was presented to the relevant corporate body.
- A copy of the minutes of the corporate body approving annual financial statements must be filed with the SFC within ten days following such meeting, plus a certificate of good standing (not older than three months).
- Interim quarterly financial statements must be filed with the SFC within 45 days of the end of each quarter.
- Material information (*información relevante*) must be clearly, accurately, timely and broadly disclosed to the public through the SFC's information mechanism. Material information is all information related to the issuer or the issue that would have been taken into account by a prudent and diligent expert when deciding to buy, sell or hold securities from the issuer or when exercising voting and other rights related to said securities. The law

specifically (but not exclusively) requires disclosure of the following as material information:

- Financial and Accounting Information:
  - Operations that cause changes of at least 5% in the total value of the assets, liabilities, operational income, operation profits or profits before taxes.
  - Increases in excess of 10% of the current liabilities.
  - Equity increases or reductions.
  - Changes in the number of issued shares.
  - Approval of the distribution of dividends.
  - Sales and purchases of any types of assets, that represent at least 5% of the given accounting class of assets.
  - Relevant changes in interest rates, payment terms and other conditions of loans granted or obtained, as well as any capitalization of credits.
  - Changes to financial statements already reported to the SFC.
  - Controlling investments in other companies, whether in Colombia or abroad.
  - Investment in other companies when these investments represent at least 5% of the issuer's investments.
  - Changes in the accounting classification of investments.
  - Changes in the accounting policies.
  - Granting of collateral and other encumbrances over assets that represent at least 5% of the applicable accounting class of assets.

- Granting or substitution of securities that represent at least 1% of all the assets.
- Relief of debts, whether in whole or in part, that represent 5% of the respective type of asset or liability.
- Payments in kind of at least 5% of the given type of assets under the accounting classification.
- Donations that represent at least 5% of the given type of assets or liabilities under the accounting classification.
- Exchanges of goods that represent at least 5% of the given type of assets under the accounting classification.
- In-kind contributions in companies, when the contribution represent at least 5% of the given type of assets.

- Legal:
  - Notices of shareholders' meetings.
  - Relevant decisions of the shareholders and the board of directors or similar bodies.
  - Appointments and removals of managers and the external auditor.
  - Amendments to the bylaws.
  - Cancellation of the RNVE registration and the listing at the BVC.
  - Material litigation and administrative processes, once the initial lawsuit has been responded to and information on any decision that may materially affect the issuer.
  - Fines and other sanctions on the issuer, its managers or the external auditor, by governmental authorities, even if the decision is subject to appeal.

- Changes of control of the issuer.
- Changes of at least 5% of the shareholding structure.
- Purchases and sales of shares by the managers and related parties.
- Reacquisition of shares and subsequent sales.
- Shareholders' agreements.
- Execution, amendment or termination of agreements with material restrictions for the issuer, such as prohibition to distribute profits or which may result in the acceleration of debts.
- Granting and termination of licenses and concessions by governmental authorities.
- Exercise by governmental authorities of extraordinary powers, under government contracts (such as the imposition of penalties under these contracts).

o Commercial and Employment:

- Changes in the main business activities. Changes to the main business activities will be deemed to have occurred when the main income in a given fiscal period comes from a source different to the main source of income reported for the preceding fiscal period.
- Business reorganizations (mergers, transformations, acquisitions, spin-offs and splits, assignments or others).
- Execution, amendment or termination of material agreements. Agreements will be deemed to be material when their value equals at least 5% of the issuer's operational income, sales costs, or sales and management expenses during the preceding tax year.

- Execution, amendment or termination of agreements with the issuer's parent company, its subsidiaries or any subsidiary of its parent company, when the amount of the agreement equals at least 1% of its operational income, sales costs, or sales and management expenses during the preceding tax year.
- Introduction of new products or services, or removal from the market, whenever it is material to the issuer's commercial strategy.
- Temporary or definitive closures to production plants or commercial establishments, when these represent at least 10% of the production or sales.
- Granting, termination or oppositions to the registration of intellectual property, when these are material.
- Entering or termination of collective bargaining agreements, initiation or termination of strikes, arbitral decisions to resolve labor issues, collective dismissals and other material labor and employment issues.

o Business Crises:

- Default for at least 60 days of two or more liabilities or reasonable concern that such default might occur, when such liabilities represent at least 5% of the issuer's current liabilities.
- Insolvency proceedings or other events that may affect the issuer's existence or that may result in its dissolution and liquidation.
- Governmental intervention for purposes of administration or liquidation.

- Issue of Securities:
  - Issue of securities in Colombia or abroad, including all decisions and authorizations in the process, and the cancellation or changes to rights under any securities issued.
  - Defaults or late payments in debt securities registered with the RNVE.
  - Notices for meetings of holders of any securities.
  - Decisions adopted in meetings of holders of any securities.
  - Removal or resignation by the representative of bondholders and the appointment of a new one.

Additional requirements for companies with a full share listing on the BVC

- Issuer and Financial information:
  - The prospectus and its amendments.
  - Public offering notices.
  - Audited financial statements with its notes for the two latest annual periods.
  - Latest quarterly financial report.
  - Corporate Governance Code (if adopted).
  - Rating of the issuer if applicable.
- Information on products and services offered by the issuer.

- Corporate information for the preceding two years, including:
    - Management report.
    - Survey on compliance with the suggested corporate governance code (*Código País*).
- Company presentations to investors (if any).
- Link to the SFC webpage.
- Certificate on know-your-customer/suppliers forms and anti-money laundering and terrorism financing (this information needs to be updated each year).
- Information reported to the RNVE as material information.
- To the extent the issuer is part of an economic group, it must describe its relationship with the group and include a link to the webpages of the other companies of the group.
- List of shareholders that need to be disclosed to the RNVE (generally the 10 largest shareholders).
- Consolidated bylaws of the issuer.
- Information on the individuals that comprise the management of the company.
- Contact information for the officer designated as investor relationship manager.
- If a foreign issuer, a report on the compliance with corporate governance practices in connection with (i) shareholder meetings, (ii) board of directors, (iii) disclosure of material information (both financial and non-financial in nature) and (iv) disputes resolution.

- To the extent that the minimum requirements on years of operation or distribution of dividends were not complied with, information on the performance or the applicable business plan or dividends plan submitted as part of the application.

Please note that the BVC offers an acknowledgement to issuers that comply with a higher degree of disclosure and corporate governance requirements. Approximately 30% of the current listed issuers meet those additional requirements.

Companies with an MGC (limited) listing

The sponsor is the party responsible to the BVC for reporting material information. Reporting requirements differ from those applicable to entities registered with the RNVE or with full listings on the BVC, but the reporting is made with respect to the same type of events.

Notably, reporting of the following events is mandatory:

- Corporate events (for example, shareholders summons, securities issuance, split of securities, mergers, acquisitions, splits or spin-offs, shares reacquisitions, equity increases or reductions).
- Dividend distributions.
- Cancellation of issued securities in the jurisdiction of organization, the original exchange and/or the main listing exchange.

Corporate events must be reported in Spanish. However, there may be a 15 days' grace period following disclosure in English. All other information may be reported either in English or Spanish.

5. Corporate governance

Full Listing

Issuers that are registered at the RNVE (a requirement for those applying for a full listing with the BVC) are not technically required

to adopt all the practices included in the suggested corporate governance code *(Código País*) but are required to report annually to the SFC and to the market at large the measures on corporate governance that they have adopted and, to the extent that they have failed to adopt these, must explain in a separate chapter of their annual report the extent to which they did not comply with the principles and best practice provisions during the relevant financial year (the so-called "comply or explain principle").

The suggested code includes 148 recomendations ranging from equal treatment of shareholders, shareholders meetings, board of directors, control architecture, disputes resolution and transparency on the disclosure of both financial and non-financial information.

The management board and the supervisory board are responsible for the company's corporate governance and compliance with the Code. Any deviation from the principles and best practice provisions should be specifically disclosed and explained to the general meeting of shareholders. Any deviation in complying with the Code in the years thereafter should again be disclosed and explained to the general meeting of shareholders following the year in which they are implemented. It is up to the general meeting of shareholders whether the company has sufficiently complied with or explained any deviation from the Code.

Foreign issuers with a limited listing on the MGC

There is no mandatory standard applicable to foreign issuers which have a limited listing on the MGC.

6. Specific situations

Large companies. There are no additional requirements, or any changes in the normal requirements, that apply to very large multinational companies.

Industries. There are no additional disclosures required for specialist issuers (such as property, mineral or scientific research-based

companies). However, additional disclosure may be expected in accordance with market practice.

Fast Track listing.

- Recurring and known issuers may also opt to qualify as such with the SFC and this will result in the automatic registration of their issuances at the RNVE which should shorten the process to launch public offerings. The following requirements must be met:
    - The issuer must have been registered for at least three years in the RNVE.
    - The issuer must have completed and disclosed to the market, in a timely fashion, the corporate governance survey (*Código País*) or the new corporate governance survey (*Nuevo Código País*) during the three consecutive years preceding the issuance.
    - The issuer must have (i) made three or more public offers of securities registered in the RNVE in the three years preceding the request and, at least one of such issuances must have securities validly registered and active in the RNVE or; (ii) made one issuance program in the three years preceding the request.
    - They must have launched at least three public offerings of securities registered with the RNVE for an aggregate value of at least 1.2 million monthly wages (equivalent to approximately US$322 million), with at least one of the classes of the securities so offered still listed.
    - The issuer must have either shares, bonds or securities resulting from a securitization program registered with the RNVE.

  - Neither the issuer, its parent company nor its management may have been subject to sanctions for the breach of securities regulations in Colombia or abroad.

- Issuers may opt for an issuance program limited to a global amount, so that several issuances at different times drawn down against the same program and without exceeding the global amount in the aggregate can be made. The full listing requirements would apply only to the program as whole, and for each specific issuance under the program, the issuer would only be required to provide the following items to the BVC within two days prior to the issuance: (i) the public offer notice, (ii) a certificate by the depository of securities that the global certificate is deposited and the amount available for issuance under the applicable global certificate, and (iii) an statement confirming that the conditions under which the listing was granted remain materially the same or, if that is not the case, the changes that have occurred.

7. Presence in the jurisdiction

Full listing

See the full listing eligibility criteria in section 2.

Limited listing (MGC)

No presence requirement.

8. Fees

Full listing fees

The admission fee is determined on the basis of the net worth of the issuer, ranging from COP13.1 million (approximately US$4,000) to COP76.6 million (approximately US$23,440).

No annual fee is payable for the first year of listing. Thereafter, the annual fee is determined in the same form as the admission fee.

The BVC may also charge additional fees for services associated with a public offering. There is a fee charged to the broker dealer that registers transactions associated with an initial offering and there are fees for the services rendered by the BVC to allocate the shares of an offering among the bidders). For example, there is a fixed fee for allocation services of approximately US$53,672 (COP175.4 million). Additional allocation fees are charged in accordance with the following chart:

Amount of Allocation	Fees
0 to COP100 billion (approx. US$34.79 million)	No additional fees
For the next COP500 billion (approx. US$173.97 million)	0.045%
For the next COP500 billion (approx. US$173.97 million)	0.025%
For the next COP500 billion (approx. US$173.97 million)	0.010%
For the next COP500 billion (approx. US$173.97 million)	0.005%

Limited Listing Fees (MGC)

Admission fee: COP5.46 million (approximately US$1,710).

Annual fee: COP4.5 million per security listed (approximately US$1,380).

Fees are calculated for each security listed.

* Fees do not include the applicable VAT (19%)

9. Contacts within Baker McKenzie

Ricardo Trejos, Daniel Botero and Sebastián Luque in the Bogota office are the most appropriate contacts within Baker McKenzie for inquiries about prospective listings on the BVC.

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Bolsa Mexicana de Valores & Bolsa Institucional de Valores

Initial financial listing requirements

To qualify for listing at the Mexican Stock Exchange (*Bolsa Mexicana de Valores* or BMV) and the Institutional Stock Exchange (*Bolsa Institucional de Valores* or BIVA), the following financial requirements must be met:

- Shareholders' equity of at least 20 million UDIs (approx. US$6.82 million) or its equivalent.
- Positive dividends for the last three years.
- At least 10 million shares must be offered, representing at least 15% of the paid-up equity stock.

Other initial listing requirements

Distribution. The free float and minimum number of shareholders requirements are as follows:

- Free-float: 12% at the time of listing and at all times thereafter.
- The minimum number of shareholders should be at least 200 at the time of listing and 100 at all times thereafter.

Share price. There is no requirement to maintain a minimum trading price, but all shares must be denominated and traded in Mexican pesos.

Lock-up/escrow. Unless otherwise agreed with the broker dealers, there are no requirements to place shares into escrow (or otherwise restrain them from being traded, such as "lock-up" arrangements) in connection with a listing.

Operating history. The BMV and BIVA requires that at least three years operating history for any company applying to list its shares.

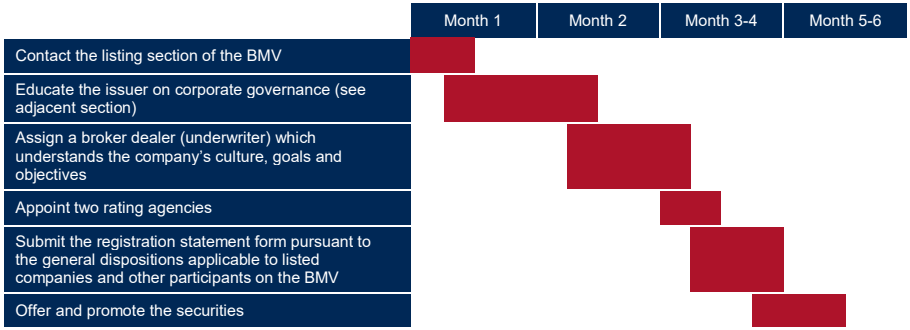
Language. All information provided to the BMV and BIVA must be provided in Spanish.

Accounting standards. Audited financial statements must be prepared in compliance with IFRS.

Financial statements. The company must submit last three years of annual audited financial statements.

Listing process

The following is a fairly typical process and timetable for a listing of a company on the BMV.



Corporate governance and reporting

Once listed, a company must comply with several continuing obligations, including:

- A board of directors composed of between three and 15 members with at least 25% of the members being independent.
- Committees created for a specific purpose as a result of special circumstances within the company. These committees will be in charge of oversight of company audit procedures, financial, legal, internal control and dealings with related parties matters.
- Disclosure of any changes to the company's management, contact details and/or share capital.
- Annual disclosure of insider lists.
- Provision of annual and quarterly financial statements.
- Provision of information pertaining to any shareholder meetings held and to be held.
- Provision of up-to-date copies of the company's bylaws.

Fees

Two initial fees are payable: (1) a fee for the initial assessment by the BMV 3,200 UDIs (approx. US$1,080)), and (2) an initial listing fee equal to 0.0084% of the total equity regarding shares to be listed, subject to a minimum of 7,000 UDIs (approx. US$2,370) and maximum of 243,000 UDIs (approx. US$82,280).

The BMV charges an annual fixed fee of US$797.02 (approx. MXN15,060).

1. Overviews

Bolsa Mexicana de Valores

The Mexican Stock Exchange (*Bolsa Mexicana de Valores* or BMV), is a corporation duly incorporated in Mexico, that operates by means of a concession granted by the Ministry of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público* or SHCP), pursuant to the Mexican Securities Law (*Ley del Mercado de Valores* or LMV).

The incorporation deed and bylaws of the legal entity known as the Bolsa Mexicana (formerly Bolsa de Valores de Mexico, S.A.) were approved by the SHCP on 28 August 1933. The articles of incorporation were registered on 5 September 1933.

The Mexico Stock Exchange is supervised by the National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores* or CNBV) (formerly the National Council on Securities). In 1975, the BMV became the only stock exchange in Mexico as a result of a merger between the Monterrey, Guadalajara and Mexico City stock exchanges.

The BMV is the second largest stock exchange in Latin America and has a total market capitalization in excess of US$530 billion. On 13 June 2008, the BMV conducted its initial public offering, thus changing its legal name to *Bolsa Mexicana de Valores, S.A.B. de C.V.*

Bolsa Institucional de Valores

Central de Corretajes, S.A.P.I. de C.V. (Cencor) has contributed to the growth of financial markets in Mexico, the United States, and Latin America. The companies comprising this group are Enlace (an interbank brokerage firm in Mexico), Proveedor Integral de Precios or PiP (company that performs valuation prices in Latin America) and Mercado Electrónico Institucional or MEI (an institutional brokerage firm, securities lending and investment platform).

In February 2013, Cencor submitted the project to create a new stock exchange to the Mexican financial authorities. Since then it has worked closely with the Ministry of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*), the Mexican Central Bank, and the Mexican Banking and Securities Commission (*Comisión Nacional Bancaria*, or CNBV) toward its development.

In October 2015, Cencor formally applied for a concession to organize and operate the Bolsa Institucional de Valores, S.A. de C.V. (BIVA), which was granted in August 2017.

Both the BMV and BIVA have two main markets: (a) an equities market, and (b) a debt market. Nevertheless, there are other type of securities offered within the BMV or BIVA, such as on the capital development securities (*certificados de capital de desarrollo* or CKD) and on the global securities market, known as the International Quotation System (*Sistemas Internacionales de Cotizaciones* or SIC). Listed securities are settled through the current clearing house (*Contraparte Central de Valores* or CCV). Broker dealers route their orders to either of the exchanges following the principles of "best execution" which has to consider price, volume, and the probability of execution.

Issuers have the option to list their debt or capital securities on just one of the two exchanges, and their securities will be quoted on both exchanges.

Initial public offerings in Mexico can be classified as follows:

- *Primary*: When the proceeds from the sale of shares offered go directly to the issuer.
- *Secondary*: When the proceeds from the sale of shares go directly to the issuer's selling shareholders.
- *Mixed*: When the proceeds from the sale of shares offered are divided between the issuer and the issuer's selling shareholders.

Pursuant to the BMV's Annual Report for 2018, the volume of shares traded on the equities market was 67,255 billion, valued at MXN$3,947 trillion (approximately US$208.80 trillion), which represented an increase of 1.08% in volume of shares traded and an increase of 8.48% on value, in comparison with 2017.

As at 1 January 2020, there were 144 listed companies listed on the BMV, including five foreign companies and 72 listed companies on BIVA. There are also several foreign entities listed on the BMV through Mexican subsidiaries.

The listed companies on the BMV and BIVA include construction, technology and energy companies. The BMV classifies listed companies pursuant to their industry.

The BMV and BIVA are governed by the LMV, their internal regulations (the Rules) as well as several other general rules issued by the CNBV from time to time. Any listing on the BMV and BIVA must follow a simultaneous process with the CNBV.

The CNBV has recently amended its rules for the SIC, in order to broaden and ease requirements for foreign securities to be listed and traded thereon.

Foreign securities can also be listed on the BMV and BIVA if there is an agreement in place with the originating foreign stock exchange (for example, the Latin American Integrated Market (*Mercado Integrado Latinoamericano* or MILA).

2. Principal listing and maintenance requirements and procedures

As long as specific BMV and BIVA requirements are met, in compliance with the BMV and BIVA, there are no jurisdictions of incorporation or industries that would be banned from listing securities on the BMV and BIVA.

The main eligibility criteria for listing equity securities are:

- Three years of audited financial statements (subject to certain exemptions).
- Three years of operating history.
- Shareholders' equity of at least 20 million investment units (approximately US$6.77 million) or their equivalent.

  Investment units (*Unidades de Inversión* or UDIs) are value units established by the Mexican Central Bank, revalued on a daily basis (as of 1 January 2020: MXN$6.400419 per UDI (approximately US$0.34).
- Positive average dividends for the last three years.
- The securities to be listed must represent at least 15% of the paid-up equity stock.
- At least 10 million shares must be offered.
- There must be at least 200 shareholders at the time of listing.

Additionally, in order to maintain a listing, the following requirements must be met at all subsequent times:

- Minimum 100 shareholders.
- At least a 12% float.

In order for an issuer to be listed it must comply with corporate governance requirements, as reflected under the Best Corporate Practices Code (*Código de Mejores Prácticas Corporativas* or the "Code"), which includes the following:

- Equal treatment of all the shareholders.

- Acknowledgment by the company that there are third parties interested in the good development, stability and tenure of the issuer.
- Publication of all relevant information, as well as transparency in management.
- Maintaining the strategic development and management.
- Board of Directors' liability for management.
- Identification, management, control and disclosure of applicable risks.
- Company statement of the ethics regarding its social responsibility.
- Prevention of illegal operations and conflict of interests.
- Disclosure of inappropriate actions by the company or its officers and protection for informers of such inappropriate actions.
- Compliance with the different regulations.
- Providing certainty and confidence to investors and third parties regarding the honest and responsible business management.
- Independent board members.
- Support committees.

A detailed description, with general requirements on corporate governance, is provided in section 5 below.

Companies that wish to list their securities on the BMV and BIVA must complete all necessary documents and information. Once their file submission is complete, the BMV and BIVA will issue a statement with information regarding the listing requirements, and perform a technical analysis.

Once accepted, the BMV or BIVA delivers the issuer with a positive resolution, and the issuer must then file a complete set of executed documents at least one business day before the listing, which includes:

- Final original information required for the listing, pursuant to the listing request.
- The authorization writ issued by the CNBV.

The BMV or BIVA must publish the listing on its webpage before 12:00 pm on the date thereof. The broker dealer, who must be a Mexican *casa de bolsa*, performs the securities registration process.

Unless otherwise agreed with the broker dealers, there are no requirements to place shares into escrow (or otherwise restrain them from being traded, such as "lock-up" arrangements) in connection with a listing.

The currency denomination of securities traded in Mexico is Mexican pesos.

3. Listing documentation and process

Below is an overview of the documentation and information to be supplied to the BMV or BIVA and the CNBV by an issuer looking to list its securities. For other types of financial instruments, slightly different documentation and information may need to be provided.

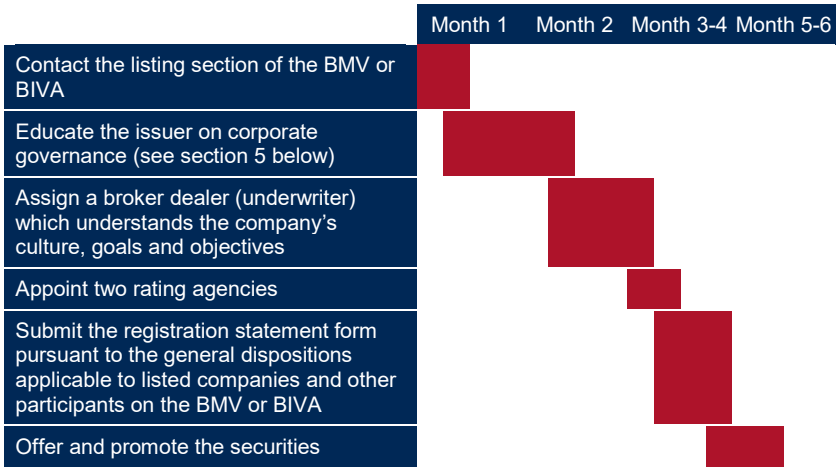
Item	CNBV	BMV or BIVA
Incorporation deed with current by-laws	✓	✓
Draft prospectus, and if applicable, information supplement*	✓	✓
Last three annual audited financial statements**	✓	✓
Legal opinion issued by an independent lawyer	✓	✓
Information on the guarantor, if applicable	✓	✓
Shareholders' Meeting minutes draft whereby the issuance of the securities is authorized	✓	✓

Item	CNBV	BMV or BIVA
Share certificates draft	✓	✓
Draft agreement to be executed with the broker dealer (underwriter)	✓	✓
Registration statement and authorization of initial public offering		✓
Summary chart with documents and information required	✓	✓
Final information on the initial public offer.		✓
Official letter issued by the CNBV		✓
Initial public offer notice		✓
Evidence that the share certificates have been duly deposited before the authorized depositary		✓

** The final version of the prospectus signed by the issuer, will also need to be sent to the CNBV the day before the listing.*

*** The financial statements must be prepared pursuant to the International Financial Reporting Standards issued by the International Accounting Standards Board.*

Typical process and timetable for a listing of a company on the BMV or BIVA



4. Continuing obligations/periodic reporting

Once listed, companies must comply with the following continuing obligations:

- Maintain updated information regarding the identity of the issuer's officers responsible for delivering the requisite periodic information to the BMV or BIVA and CNBV.
- Inform the BMV or BIVA and CNBV immediately of any management change, such as to the chairman of the board, the CEO or any officer immediately subordinate to them.
- Inform the BMV or BIVA and CNBV of any change in the official company address, telephone, fax numbers or e-mail addresses, within five days after the change.
- Inform the BMV or BIVA and CNBV of any changes in the identity of the company's external auditor, responsible for the audited financial statements.
- Authorize a representative of the BMV or BIVA to assist at shareholders' meetings.
- Pay maintenance fees due for the services rendered by the BMV or BIVA each January, pursuant to the regulations issued by the CNBV.
- Disclose the list of people that may have access to inside information on an annual basis.
- If applicable, inform the BMV or BIVA and CNBV of any deed or action of the issuer that may be contrary to market customs.
- Inform the BMV or BIVA and CNBV of any increase or decrease in the number of shares or share certificates listed, within five days after such increase or decrease has occurred.

- Provide the BMV or BIVA and CNBV with the financial, economic, accounting, legal and administrative information required by the specific type of issuer and listing status.
- Deliver copies of any public deed or public document five days prior to the registration of such document or it becoming enforceable.
- Inform the BMV or BIVA and the CNBV of any material events which may affect the volume of securities traded or the value of the securities listed.
- Deliver a detailed analysis of the issuer's corporate and economic rights.
- Deliver to the BMV or BIVA and CNBV Spanish translations of any information published abroad by the issuer.
- Inform the BMV or BIVA and CNBV of any issuer share buyback.
- Avoid spreading rumors or false information about the issue's securities.
- Avoid disclosing information in excess of what is required.
- Comply with maintenance programs issued by the BMV or BIVA.
- Comply with the contingency plans issued by the BMV or BIVA.
- Comply with the corrective and disciplinary measures imposed on the issuer.
- Provide the BMV or BIVA and CNBV with any required information.

In addition, a listed issuer must comply with the following maintenance requirements after listing:

- Maintain at least 100 shareholders.
- At least a 12% float.
- The secretary of the board must inform the board of the obligations, responsibilities and recommendations pursuant to applicable regulations.
- Secure a hedge analysis for the issuer.

The periodic information that must be provided to the BMV or BIVA and CNBV includes:

- Annual information, including the annual audited financial statements, management report and information on the corporate books. This information must be made public no later than the third business day after approval by the shareholders' meeting.
- Quarterly information, including quarterly financial statements and economic, accounting and administrative information.
- Monthly information (solely for listed trusts). Within 15 days after any operations regarding trust certificates representative of individual home loans.

The legal information that must be provided is:

- On the date published, the notice of the shareholders' meeting.
- One business day after the shareholders' meeting, a summary of the resolutions adopted by the shareholders.
- Five business days after the shareholders' meeting, a copy of the meeting minutes and attendance list.
- Six business days after the shareholders' meeting, the right of first refusal notice to the shareholders, notice for dividend payments and any other notice sent to the shareholders.

- Not later than 30 June every third year, the new and amended bylaws of the company, if applicable.

The requirements for foreign issuers are essentually the same as listed above, subject to certain formalities pursuant to the local law of the foreign issuer. All information provided to the BMV or BIVA and CNBV by foreign issuers must be filed in Spanish.

5. Corporate governance

Companies that are listed on the BMV or BIVA are required to comply with the rules on corporate governance contained in the Code. The Code also contains a series of optional recommendations for the issuer to adopt regarding the following:

- *Meetings.* The Code recommends notifying shareholders 15 days prior to the meeting of all the information contained in the agenda. It also recommends avoiding including different issues within the same item of the agenda.

  A dossier with information on potential voting options and information for the shareholders must be prepared and delivered to the shareholders before the meeting. Special emphasis must be made to the candidate members of the board.

- *Board.* The board should disclose to the shareholders all the available information regarding any committee (see below for details on committees), as well as names of the individuals involved in such committees. The required communication must be as efficient and up-to-date as possible. The board should be able to define the strategic vision and supervision of the company, appoint the general manager and other high level officers, create a succession plan for the general manager and promote the implementation of a code of ethics and social responsibility for the company.

  The board should not be able to interfere in the day to day management of the issuer's activities. It must be composed of

between three and 15 members. Deputy board members are not encouraged. Twenty five percent of the Board members must be independent from the issuer. The board should meet at least once every four months. All the members of the board should be provided with the required and up-to-date information five days prior to any board meeting.

- *Committees.* These committees are created for a specific purpose as a result of special circumstances within the company. These committees will be in charge of oversight of company audit procedures, financial, legal, internal control and dealings with related parties matters. They are comprised of three to seven independent board members. Information from these committees must be delivered to the board on a quarterly basis.

6. Specific situations

Large issuers. There are no additional requirements, or any changes in the normal requirements, that apply to large multinational issuers.

The LMV allows for two kind of companies to list their shares and publicly offer them on an exchange. Such companies are known as SAPIBs (*Sociedad Anónima Promotora de Inversión Busátil* or SAPIBs) and SABs (*Sociedad Anónima Bursátil* or SABs). Listing requirements for SAPIBs are less restrictive than listing requirements for SABs, since SAPIBs are usually recently created. Nevertheless, once SAPIBs have listed their securities there must be a commitment to transform into a SAB and comply with the additional disclosure requirements applicable to SABs.

Industries. Additional disclosure is required for special issuers such as hydrocarbon exploration issuers, real estate investment trusts (Mexican REITS) or capital development securities (*certificados de capital de desarrollo* or CKD).

Fast track listing. The only applicable fast track listing would be a listing without a public offering, and would also need authorization from the CNBV.

7. Presence in the jurisdiction

There are no requirements for a listed foreign issuer to maintain a presence in Mexico (such as through an agent for service of process, resident directors or corporate offices). The same applies when listing by means of the SIC or an agreement with a foreign stock exchange, like MILA.

8. Fees

Initial Assessment Fees

The BMV charges 3,200 UDIs (approximately US$1,080 or MXN$20,480) for the initial assessment of any request for listing on the BMV.

The BIVA does not charge for the initial assessment of any request for listing on the BIVA.

Initial Listing Fees

The BMV charges an initial listing fee equal to 0.0084% of the total equity regarding shares to be listed, subject to a minimum of 7,000 UDIs (approximately US$2,370 or MXN$44,800) and maximum of 243,000 UDIs (approximately US$82,280 or MXN$1.56 million).

The BIVA charges an initial listing fee equal to 0.0045% of the total equity regarding shares to be listed, subject to a minimum of MXN$40,000 (approximately US$2,120) and a maximum of MXN$1 million (approximately US$52,900).

Annual Fees

Similar to initial listing, the same principle applies for annual maintenance fees.

The BMV charges an annual fixed fee equal of US$797.02 (approximately MXN$15,060).

The BIVA charges an initial listing fee equal to 0.0032% of the total equity regarding shares to be listed, subject to a minimum of MXN$65,000 (approximately US$3,440) and a maximum of MXN$1.2 million (approximately US$63,500).

When the listing is performed after the beginning of the calendar year, then the fees will be charged pro-rata.

9. Additional information

MILA is the first multiple stock exchange agreement executed by the BMV. MILA is an agreement executed by the Santiago Stock Exchange (Chile), the Colombia Stock Exchange (Colombia), the Lima Stock Exchange (Peru) and the BMV. MILA was initially signed by Chile, Colombia and Peru in 2010. Mexico joined MILA in 2014.

On 8 January 2019 the Federal Official Gazette published a presidential decree to communicate the reduction of the income tax rate for the placement of securities from 35% to 10% in public offerings of securities. This downsize in income tax rate benefits the investor and the publicly traded company, and, in addition, aims to achieve a more competitive market of securities.

On 1 April 2019, Vanguard along with FTSE Russell and BIVA announced the filing of an Exchange Traded Fund following the FTSE BIVA Index. The filing was made public through BIVA and will start trading from 26 September 2020.

10. Contacts within Baker McKenzie

Lorenzo Ruiz de Velasco Beam in the Mexico City office and Aidé Banda-Mendoza in the Monterrey office are the most appropriate contacts within Baker McKenzie for inquiries about prospective listings on the BMV or BIVA or for more information on MILA.

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Borsa Istanbul

Initial financial listing requirements

To qualify for listing on the main operations market of Borsa Istanbul (formerly, the Istanbul Stock Exchange), a company typically must meet at least one of the following tests:

	BIST Star Group 1	BIST Star Group 2	BIST Main Group 1
Market value of the shares offered to public	Minimum TRY1 billion (approx. US$168.20 million)	Minimum TRY150 million (approx. US$25.23 million)	Minimum TRY30 million (approx. US$5.05 million)
EBITDA obtained	Within last two years	Within last two years	Within last two years
Float ratio	N/A	At least 10%	At least 20%
Equity to capital ratio	Greater than 0.75	Greater than 1	Greater than 1.25

Other initial listing requirements

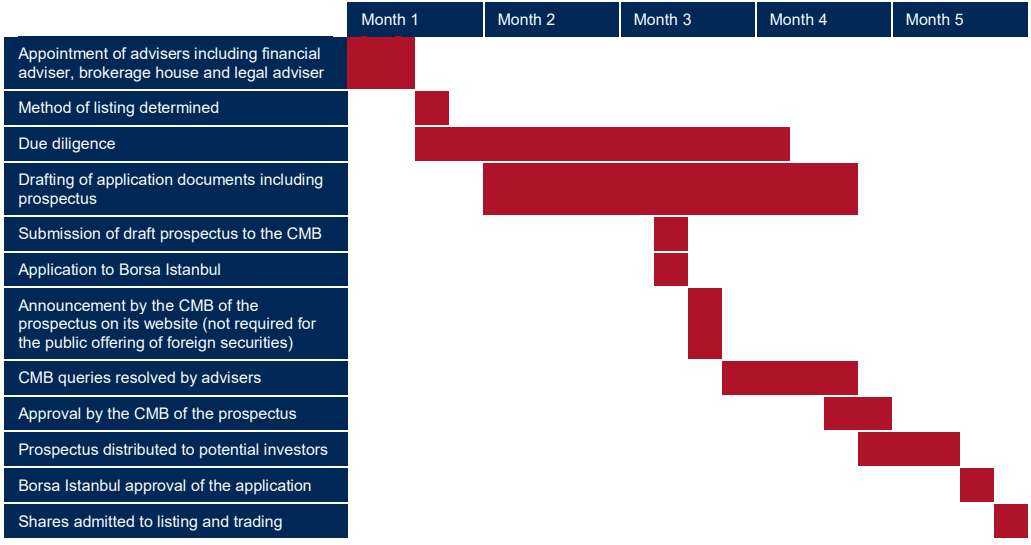
The Listing Directive allows dual-listing of capital markets instruments traded on foreign exchanges determined by Borsa Istanbul without seeking any further condition, provided that the relevant prospectus or issuance certificate is approved by the CMB.

Share price. There is no minimum closing or offering price for shares to be listed.

No shareholding requirement. There is no shareholding requirement for being a shareholder of a public company in Turkey.

Listing process

Listing involves registering the class of securities with the Capital Markets Board (the CMB). The CMB will typically review the registration statement, including the prospectus. The following is a fairly typical process and timetable for a listing on Borsa Istanbul.



Corporate governance and reporting

- There are ongoing financial reporting and independent audit requirements.
- All listed companies are required to disclose their financial statements, footnotes thereto and all material events through the Public Disclosure Platform, an electronic system that uses internet and electronic signature technologies.
- There are certain corporate governance rules governing matters such as shareholder matters and management.
- The foreign issuer must enter into an agreement with a representative in Turkey which is responsible by law for exercise of financial and managerial rights arising from the issued securities in accordance with the laws of the issuer's home jurisdiction.
- Sanctions are imposed for corrupt trading, including insider trading and market manipulation.

Fees

A company seeking to be listed must pay both additional listing fee, trading application fee, annual listing fees and other fees. No fee is charged for the initial listings of shares. Additional listing fee for the new shares issued through capital increase is 0.03% of the nominal value of such shares. The trading application fee is a fixed fee of TRY15,701 (approximately US$2,640). An annual listing fee is applied as (i) 0.005% of the nominal value of the shares listed with Borsa Istanbul and (ii) 0.005% of the annual average market value of the company as at the end of December. Annual listing fee is not charged at the first year of listing. For companies whose registered offices are located abroad, all of the above fees are applied with a 50% discount. Companies listed on the Borsa Istanbul Corporate Governance Index benefit from further subsequent discounts on their annual fees. The CMB charges companies a fee of 0.1% of the total nominal value of the shares being issued during the public offering. Additional costs may include announcement fees and notary fees incurred in relation with the public offering and listing processes.

1. Overview of exchange

Turkey has been of increasing interest to foreign investors over the past several years. Investment in Turkey has seen enormous growth in terms of both the volume of transactions and deal size. Turkish capital markets have similarly grown, with the largest IPOs in Turkish history taking place between 2010 and 2014. In 2018, the Turkish Capital Markets Board (the CMB) launched an IPO initiative to incentivize Turkish and international companies to list on Borsa İstanbul A.Ş. (Borsa İstanbul) (formerly, the Istanbul Stock Exchange). This initiative, together with pro-investment governmental policies, help attract foreign investors to Borsa Istanbul.

The new Capital Markets Law No. 6362 (the Capital Markets Law) entered into force on 30 December 2012, and following this major development, Istanbul Stock Exchange was replaced by Borsa Istanbul in April 2013. Borsa Istanbul began operations on 5 April 2013. Borsa Istanbul is the sole exchange entity of Turkey, combining the former Istanbul Stock Exchange, the Istanbul Gold Exchange and the Derivatives Exchange of Turkey. As a self-regulatory entity, Borsa Istanbul is currently the only stock exchange in Turkey. However, Borsa Istanbul does not enjoy any monopoly.

Borsa Istanbul has four markets:

- *Stock Market*. Corporate stocks, pre-emptive rights, exchange-traded funds, warrants and certificates are traded on the Stock Market. The Stock Market is divided into several sub-markets. Companies that satisfy Borsa Istanbul's listing requirements and meet its periodic evaluation criteria are traded on the Star Sub-Market, which is the main sub-market of Borsa Istanbul. Small and medium sized enterprises, companies temporarily or permanently delisted from the Star Sub-Market or which do not meet the listing and trading requirements for the Star Sub-Market are traded on the Main Sub-Market. Other Borsa Istanbul markets include the Emerging Companies Sub-Market, Watchlist Sub-Market, Structured Products and Funds Market, Equity Sub-

Market For Qualified Investors and Pre-Market Trading Platform. Foreign securities and depositary receipts that have been approved by the CMB are traded on the Stock Market based on the type of issuance.

- *Bonds and Bills Market*. The Bonds and Bills Market consists of the Outright Purchases and Sales Market, where the secondary market transactions of fixed income securities are conducted. As in the Stock Market, the Bonds and Bills Market also has its own sub-markets. Among these, the Offerings Market for Qualified Investors is the market where debt instruments of listed Borsa Istanbul companies are issued to qualified investors whereas the Repo-Reverse Repo Market is for repo-reverse repo transactions. The Repo-Reverse Repo Market for Specified Securities is limited to repo-reverse repo transactions with specified securities; the Equity Repo Market where repo- reverse repo transactions are carried out with the shares of the companies traded on Borsa Istanbul Equity Market and included on the BIST 30 Index. Foreign debt instruments issued by the Undersecretariat of Treasury and listed on Borsa Istanbul (such as Eurobonds) are traded on the Bonds and Bills Market and its sub-market, the International Bonds Market. There is also the Committed Transactions Market where same day or forward value date buy-sell transactions are realized between the seller, with a commitment to repurchase a predetermined security, and the buyer, with a commitment to resell that security, and the Watchlist Market, where capital market instruments which have been previously traded on the Outright Purchases and Sales Market are traded on the Watchlist Market pursuant to the Listing Regulations.

- *Derivatives Market*. The Derivatives Market is designed for trading futures and options contracts based on economic or financial indicators and capital market instruments, as well as other derivative products in an electronic environment. Orders in

the Derivatives Market can be placed on Main Board, Negotiated Deals Board, or Negotiated Deals Advertising Board.

- *Precious Metals and Diamond Market*. Precious metals and diamonds are traded on the Precious Metals and Diamond Market. The Precious Metals and Diamond Market was established upon the merger of the Istanbul Gold Exchange into Borsa Istanbul.

As of 1 January 2020, shares of 487 companies with a combined market capitalization of TRY1.1 tillion (approximately US$185.02 billion), were listed and traded on the Stock Market. The number of companies listed on the Stock Market has fluctuated between 322 and 487 since 2009. The total market capitalization has increased from TRY351 billion to TRY1.1 billion (approximately US$59.04 billion to US$185.02 billion) since 2009.

The Stock Market does not specialize in, or encourage listings by, any particular type of company. Rather, it encourages any company meeting its listing requirements to list on Borsa Istanbul. As of 1 January 2020, the Stock Market had listed companies active in banking, mining, construction, education and health, technology, transportation, telecommunication, energy, manufacturing, financial services, and wholesale and retail businesses, with the majority active in manufacturing and financial services.

This summary focuses on the Star Sub-Market (Borsa Istanbul's main operations sub-market) organized under the Stock Market.

Any proposed listing would be subject to regulation by the appropriate division of Borsa Istanbul and the CMB, which is the regulatory and supervisory authority for the securities markets in Turkey.

2. Principal listing and maintenance requirements and procedures

Capital markets instruments representing shareholding rights or receivables which are considered securities by the CMB may be listed on Borsa Istanbul. There is no jurisdiction of incorporation or industry

that would automatically be considered unacceptable for a listed company.

In order for a security to be listed on Borsa Istanbul, the issuer is required to prepare a prospectus (*izahname*) in case of a public offering, or, in the case of a private placement, an issuance certificate (*ihraç belgesi*). Both the prospectus and the issuance certificate are subject to the CMB's approval. The new law also facilitates subsequent offerings to be made by the same issuer by introducing a simplified approval procedure, which would be applicable for a term of 12 months from the approval of the original prospectus, unless a material change has occurred that may affect the investment decisions of the investors.

The role of the CMB

General. As the capital markets regulator, the CMB promulgates regulations relating to Turkish capital markets and the rules which participants in such markets are required to observe. CMB regulations issued under the former capital markets law required registration with the CMB of all securities to be offered in Turkey or issued by an issuer domiciled in Turkey. However, the Capital Markets Law abrogated this requirement to register with the CMB and the CMB has revised its regulations in accordance with the new statute. The Capital Markets Law requires that a prospectus (*izahname*) be submitted to, and approved by, the CMB for all securities to be publicly offered. The prospectus filed with the CMB for its approval must include all information reasonably necessary to enable a prospective investor to assess the merits of the issuer and the proposed investment. The CMB may refuse to approve the prospectus in the event that it is not satisfied with the quality of the issuer or the level of disclosure in the prospectus.

Requirements for CMB's approval. The provisions concerning the CMB's approval are stipulated separately depending on how the shares will be offered to the public. Such provisions, however, generally require that (i) the articles of association of the company be

amended as set forth in the relevant CMB regulation, (ii) no rights restrict the transfer or circulation of the securities to be issued or prevent the securities owner from using his rights (such as rights in rem, of retention or other similar rights) and, (iii) if the public offering will be realized through a capital increase, the shareholders not participating in the public offering waive their pre-emptive rights to purchase the newly-issued shares.

In addition to the requirements set forth for public offerings of domestic securities, foreign securities are subject to the following restrictions:

- The application for listing or offering of foreign securities must not have been rejected by a stock exchange or any competent capital markets authority in order to protect investors or on any other similar grounds.
- The foreign securities must have been issued in Turkish Lira or in a convertible currency recognized by the Central Bank of Turkey.
- The home jurisdiction does not impose any restriction on the sale of the foreign securities in Turkey, the performance of transactions and payments in relation to the financial rights the securities grant in Turkey, and the exercise of managerial rights arising therefrom.
- Where foreign securities other than shares are issued, the foreign issuer is required to obtain a long term grade confirming that such securities are adequate for investment according to the rating scale from a rating agency, within the year prior to the application to the CMB.

The CMB may set additional requirements for the purpose of protecting investors, provided that the CMB notifies the applicant of its decision.

If the securities are to be issued in a foreign convertible currency recognized by the Central Bank of Turkey, the sale will be realized in Turkish Liras.

Depending on how the shares will be offered to the public (whether by way of a capital increase or by shareholder sale), the issuer and/or the shareholders are required to enter into an agreement with a representative in Turkey. The representative performs certain transactions on behalf of the shareholders or the issuer, as the case may be, and ensures that the financial and managerial rights of the investors are exercised in compliance with the laws and regulations to which the shares are subject.

Application. The issuer or the shareholders intending to sell their shares in the public offering must enter into an agreement with a brokerage house/broker, which will execute the necessary transactions in relation to the public offering on behalf of the sellers.

The brokerage house applies to the CMB for the public offering of the shares with the required documents. These documents include, among others, the domestic prospectus (as explained in further detail below), the issuer's amended articles of association, a copy of the agreement executed with the brokerage house, written statements confirming the absence of restrictions on the transfer of the shares offered, the decision of the relevant body(ies) of the issuer approving the public offering, financial statements and independent audit reports and any other documents to be additionally requested by the CMB.

The listing application to Borsa Istanbul must be made simultaneously with the application to the CMB for its approval.

Listing on Borsa Istanbul

The listing and trading of foreign securities and depository receipts (issued by foreign entities in or outside Turkey) sold (i) through public offering or (ii) to qualified investors by private placement without a public offering, are regulated by the Borsa Istanbul Listing Directive

(Listing Directive). The requirements of the Listing Directive apply both to domestic and foreign securities, except in the instances outlined below.

Listing application requirement. Pursuant to the Capital Markets Law, all Turkish public companies whose shares are not traded on Borsa Istanbul must apply to Borsa Istanbul for listing within two years following the date they become subject to capital markets legislation. Otherwise, the CMB will decide whether the company will be listed or will lose its public status.

Shareholding requirements. For securities representing shareholding rights to be traded on Borsa Istanbul (except for securities of investment trusts), the companies whose shares have been sold to at least 500 real persons and/or legal entities are deemed public companies. However, there is no shareholding requirement for being a shareholder of a public company under Turkish capital markets laws. Domestic or foreign investment trusts, mutual funds, private pension funds, banks, brokerage houses and other persons regarded as professional investors by the CMB are considered professional investors.

Type of legal entity. Under the Capital Markets Law, only joint stock companies (*anonim şirket*) may become public companies and be listed on Borsa Istanbul.

Financial and other requirements. To list and trade securities on Borsa Istanbul, the Listing Directive requires that the company:

- Submit financial statements and independent audit reports (which will be included in the prospectus for a public offering) in accordance with the CMB regulations (including balance sheets, income statements, cash flow statements and equity capital change statements for the previous three years prepared in accordance with TAS/TFRS (which are substantially in line with IAS/IFLR) and independent audit reports prepared in relation thereto; please

see the chart included in Section 3 below, *Listing Documentation and Process*).

- Be operative for at least two calendar years.
- Meet all the conditions of the group to which it belongs below:

	BIST Star Group 1	BIST Star Group 2	BIST Main Group 1
Market value of the shares offered to public	Minimum TRY1 billion (approx. US$168.20 million)	Minimum TRY150 million (approx. US$25.23 million)	Minimum TRY30 million (approx. US$5.05 million)
EBITDA obtained	Within last two years	Within last two years	Within last two years
Float ratio	N/A	At least 10%	At least 20%
Equity to capital ratio	Greater than 0.75	Greater than 1	Greater than 1.25

- Obtain confirmation from Borsa Istanbul that the company's financial structure is sufficient for its operations.
- Confirm that its articles of association do not include any provision restricting the transfer and trading of the securities to be traded on Borsa Istanbul or preventing shareholders from exercising their rights.
- Not have any material legal disputes which might adversely affect the company's production or other commercial activities.
- Not have (i) suspended its operations for more than three months during the last two years, or (ii) applied for liquidation or concordat, or any other similar situation specified by the Borsa Istanbul Board has occurred, except as the Borsa Istanbul Board may deem appropriate.

- An independent attorney's report confirming the legal status of the company and its compliance with the applicable laws, and that there are no material legal disputes which might adversely affect its activities.

Further, any company that has not generated any profits in the last two financial years and/or meets the equity to capital ratio as set out above can still be listed on Borsa Istanbul's Star Market provided that:

- Such company (i) has recorded operating profits (Borsa Istanbul may decide to include the amortization and redemption costs that do not require any cash outflow when calculating the operating profits) in the preceding financial year and the relevant interim period and (ii) has an equity to capital ratio greater than 0.5.

- The public offering involves the issuance and offering of new shares (that is to say, the issuer receives all, or at least part, of the offering proceeds).

- The other requirements applicable to listing on the Star Market are satisfied.

- The board of Borsa Istanbul approves the listing application through considering the issuer's projections on operations, financial structure and use of proceeds to be generated from the offering.

Borsa Istanbul may impose additional requirements for securities granting extraordinary shareholding rights (such as non-voting shares or privileged share certificates) or require the company to provide missing information and/or documents not submitted to Borsa Istanbul. If the missing information or documents are not submitted in a timely fashion, Borsa Istanbul may reject the application. Borsa Istanbul may also waive any of the requirements indicated above.

Ongoing requirements. For a company to maintain its Borsa Istanbul listing, it must, among others requirements:

- Comply with Borsa Istanbul's regulations and decisions.
- Not have been declared bankrupt, nor have lost its status as a legal entity, nor have been liquidated.
- Not have been in financial distress at a level halting its operations.
- Comply with its public disclosure requirements.
- Have not suspended their operations for a period of exceeding one year.

Requirement specific to foreign companies. The Listing Directive allows dual-listing of capital markets instruments traded on foreign exchanges determined by Borsa Istanbul without seeking any further condition, provided that the relevant prospectus or issuance certificate is approved by the CMB.

Sponsor or broker requirement. Companies may only execute transactions relating to Borsa Istanbul-listed securities through Turkish-licensed brokerage houses or other duly-qualified Borsa Istanbul members. Moreover, the CMB requires that the foreign company appoint a representative in Turkey as explained further above.

Corporate governance. The Corporate Governance Communiqué of the CMB No. II-17.1, dated 3 January 2014 (the Corporate Governance Communiqué), set out the Corporate Governance Principles. The Corporate Governance Principles are non-binding for public companies that are not listed on Borsa Istanbul. Publicly listed companies, however, are obligated to comply with certain of these rules, which are described in further detail below.

Interview. Although the company is not required to submit to an interview with Borsa Istanbul, Borsa Istanbul may, and generally does, conduct a due diligence at the headquarters or production or service units of the company (or, as the case may be, of companies having a capital or control relationship with the company) to acquire

information on the company's production technology, operations, investments, business plans and financial status, and ascertain the accuracy of the information provided in the application. The company (or the other companies) must enable the Borsa Istanbul to review all financial statements, transactions, accounts and other company records.

Trading prices. The trading prices listed on Borsa Istanbul are generally limited to a daily range established by Borsa Istanbul. Accordingly, traders are not permitted to place orders at prices which are more than 20% higher or lower than the base price of securities for the preceding trading session.

Restrictions on trading. Shares need not be placed into escrow or otherwise restrained from trading, through "lock-in", "lock-up" or other arrangements, in connection with the listing. As an exception to this rule, an issuing company may undertake not to realize a capital increase and the shareholders may undertake not to sell their shares within a certain period after completion of the public offering in the public offering prospectus.

Shareholders (i) holding 10% or more of the share capital of the company, or (ii) controlling the company without regard to shareholding percentage, as of the date of the CMB's approval of the domestic prospectus (*izahname*), are prohibited from selling their shares at a price less than the offering price for one year following the shares' first trading date on the stock exchange.

Before all readily available shares are fully sold, existing shareholders (i) holding 10% or more of the share capital of the company, or (ii) controlling the company without regard to shareholding percentage, are not permitted to sell any shares on the stock exchange as of the date of approval of prospectus for a period of one year following the date the prospectus is published on the Public Disclosure Platform (the PDP).

Currency denomination. Foreign securities issued and offered to the public in Turkey are required to be traded in the currency of their issuance. Borsa Istanbul may, however, upon the issuers' request, permit the foreign securities and depository receipts to be traded in another currency. CMB-approved foreign securities and depository receipts which an issuer wishes to trade in Turkish Liras will be traded, depending on the type of the security, either in Borsa Istanbul's main Stock Market or in the Bonds and Bills Market; if in foreign currency, they will be traded in the Foreign Securities Market. Foreign securities and depository receipts issued for private placement or sale to qualified investors without a public offering will be traded only on relevant Borsa Istanbul markets among qualified investors.

Prices for foreign currency denominated securities listed on Borsa Istanbul will be converted into Turkish Lira at the Buying Rate of the Central Bank of Turkey announced for the day of the Borsa Istanbul's decision to list the securities.

Settlement and clearing system. Settlement is conducted through pool accounts and individual issuer accounts held with the Central Registry Agency (*Merkezi Kayıt Kuruluşu*) (the CRA). Information on daily transactions is sent to pool accounts at the CRA. The CRA then checks the accuracy of the information on the traded securities from its records. A central settlement agency concludes the settlement according to this information. The CRA then transfers the cash to individual issuer accounts (at the CRA) and electronically distributes securities from pool accounts to individual issuer accounts in line with the settlement.

Currently, the CRA is the only central depository institution operating in Turkey. However, under the Capital Markets Law, securities other than stocks are to be retained by other central depository institutions, while stocks will continue to be held at the CRA accounts. Borsa Istanbul Settlement and Custody Bank (*İstanbul Takas ve Saklama Bankası A.Ş.*) is the only central settlement agency currently operating in Turkey.

The CRA and Borsa Istanbul Settlement and Custody Bank systems are fully interlinked in real-time, so securities transfers are reflected in the CRA instantaneously.

Compliance adviser. A foreign company is not required to retain a compliance adviser in order to list its securities on Borsa Istanbul. As described above, however, a foreign company may only perform transactions relating to listing its securities on Borsa Istanbul through brokerage houses licensed in Turkey or other Borsa Istanbul members. Moreover, the CMB requires that the foreign company appoint a representative in Turkey as further explained below.

3. Listing documentation and process

Initial listing

Initial listing applications are submitted to Borsa Istanbul together with documents including:

- An information form containing detailed information on the company's corporate structure and operations.
- Articles of association approved by the CMB.
- If the issuer is subject to special regulation, all permissions, authorizations and license agreements; if the issuer operates under a license granted by another company, a copy of the license agreement and copies of all other similar agreements and licenses obtained pursuant to that special regulation.
- Financial statements and independent audit reports to be included in the prospectus. For companies which will conduct a public offering through a capital increase or sale of the existing shares to the public:

Timing of the public offering	Financial statements to be independently audited
16 February – 15 May	Financial statements for the last three years

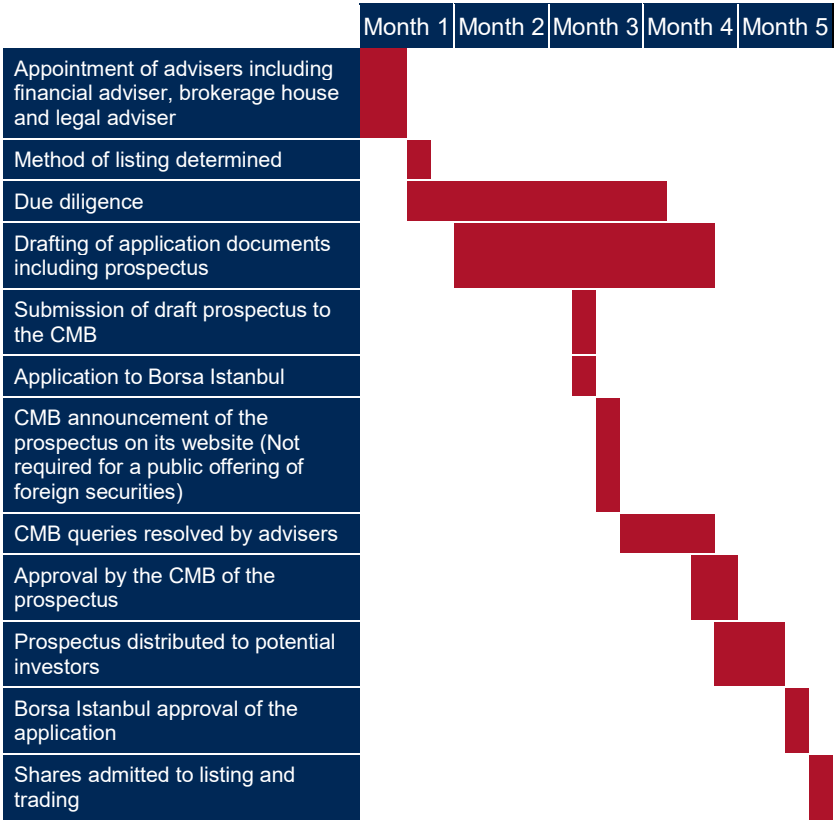
Timing of the public offering	Financial statements to be independently audited
16 May – 15 August	Financial statements for the last three years and three-month interim financial statements
16 August – 15 November	Financial statements for the last three years and six-month financial statements
16 November – 31 December	Financial statements for the last three years and six-month financial statements and/or nine-month interim financial statements
1 January – 15 February	Financial statements for the last three years and nine-month interim financial statements

- Draft prospectus (or issuance certificate).
- Copies of agreements with Turkish brokerage houses, if any.
- A signature circular of the company's authorized signatories.
- A list of the Turkish Trade Registry Gazettes where all the general assembly meeting decisions in the last three years have been published.
- A written undertaking to comply with Borsa Istanbul public disclosure rules and principles.
- A list of insurance policies for immovable and movable property (such as machinery and equipment) recorded as the company's assets.
- Documents regarding registered trademarks, logos, royalties and similar rights owned by the company, if any.
- Reports and other statements confirming that the legal status of the company and its securities are in compliance with the law to which they are subject, and that there are no material legal disputes which might adversely affect its activities.

In an initial listing application, the reporting periods of the financial statements to be presented to Borsa Istanbul must be identical to those in the prospectus relating to the public offering.

Depending on the type of securities and the company's structure, Borsa Istanbul may add or delete items contained in the list of documents above.

Summary timetable for a listing of a foreign issuer on the Borsa Istanbul Stock Market (Star Sub-Market Market)



Although the timetable is typical for listing a foreign company on the Borsa Istanbul Stock Market (Star Sub-Market), the time required will depend on the substance and quality of the applications submitted both to the CMB and Borsa Istanbul, and whether these institutions require further information or documentation.

Additional listing

Companies whose shares are already listed on Borsa Istanbul must also register new shares issued by way of a capital increase with Borsa Istanbul. In this case, the new shares are listed automatically upon the registration of new capital with the relevant trade registry without any further actions.

Other

Prospectus. A public offering prospectus must include corporate information, including the company's history, development and operations, risk factors, basic information on its corporate governance, approximate timeline for the offering, selected financial information, and information on its financial statements, shareholding structure, current indebtedness, reason for the public offering, the proposed use of the proceeds, financial condition, key personnel, related parties, and any other additional information (such as its capital and the material provisions of the articles of association) reasonably necessary to enable a prospective investor to assess the merits of the issuer and the proposed investment.

4. Continuing obligations/periodic reporting

Disclosure requirements

Public Disclosure Platform. All listed companies are required to disclose, through the PDP, their financial statements, footnotes thereto, material events and all other information and/or events that may affect an investor's decision to invest in securities. The PDP is a Borsa Istanbul-operated and managed electronic system utilizing internet and electronic signature technologies. The system enables all

users to access both current and past notifications of a listed company, to obtain current announcements and up-to-date general information on listed companies in a transparent and timely manner and to make basic comparisons of listed companies. The internet address of the system is www.kap.gov.tr.

Financial disclosure requirements. Companies listed on the Borsa Istanbul are required to comply with Borsa Istanbul information and disclosure requirements. There are two types of disclosure requirements: one relating to financial statements, the other to material events. For financial statements:

- Companies must apply TAS/TFRS (which are substantially in line with IAS/IFRS). Companies are required to publish annual and interim financial statements and independent audit reports through the PDP. These statements and reports must also be published on the companies' websites, if any.

- Listed companies must provide a financial statement annually and interim financial statements quarterly each calendar quarter. Interim statements must contain a comparison statement against the annual statement.

- Audited year-end financial statements and reports must be submitted to the Borsa Istanbul and CMB within 60 days following the end of the accounting period (if a company is required to submit consolidated financial statements, this is extended to 70 days). The report must remain publicly available for at least five years on the company's website.

- Independently audited interim financial statements must be submitted within 40 days following the end of the respective interim period (if a company is required to submit consolidated financial statements, this is extended to 50 days).

- Audited interim financial statements must be submitted within 30 days following the end of the respective interim period (if a

company is required submit consolidated financial statements, this is extended to 40 days).

Disclosure of material events. On 23 January 2014, the CMB issued the new Communiqué on Material Events No. II-15.1 (the Disclosure Communiqué) (amended on 10 February 2017) which repeals the Communiqué Serial VIII and No. 54 on principles regulating public disclosure of material events (former communiqué), to integrate new rules under the Capital Markets Law. The Disclosure Communiqué expands disclosure requirements to also include private companies that have offered debt instruments, non-public companies issuing securities through private placement and companies listed in the Equity Market for Qualified Investors (i.e. non-public companies whose shares are traded in the foregoing sub-market). Beyond that, the Disclosure Communiqué follows the former communiqué, which had a fairly broad scope of disclosure. Under Article 27 of the Disclosure Communiqué, the CMB is authorized to publish disclosure guidelines that define and discuss the disclosure requirements, and provide illustrative examples. Accordingly, the CMB has published the new public disclosure guidelines on implementing these new disclosure rules on 27 June 2014 (amended on 10 February 2017) and abolished the CMB's disclosure guidelines published in 2009. The new disclosure guidelines, however, does not provide any major changes as there is no major change in the rules' underlying aim.

The Disclosure Communiqué applies to (i) public companies, (ii) companies issuing capital market instruments, and (iii) companies listed in Equity Market for Qualified Investors.

Generally, under the Disclosure Communiqué, any information, event or development that may affect investors' investment decisions and/or the value or price of capital market instruments must be publicly disclosed.

In addition, the Disclosure Communiqué provides for cases that must be disclosed without regard to their effect on investment decisions or

capital market securities prices. These special disclosure requirements also concern block sales of issuers' shares.

Disclosure of beneficial interests in shares. Persons who become direct or indirect holders of 5%, 10%, 15%, 20%, 25%, 33%, 50%, 67% or 95% of an issuer's issued share capital or voting rights are required to publicly disclose such event. The same requirement also applies to shareholders of issuers when the total number of their shares or voting rights falls below or exceeds these thresholds. All of the voting rights, including the circumstances where a voting right freezes, are considered in calculating the percentages above. This calculation is made separately for different groups of shares and their attached voting rights.

Disclosures on acquisition of blocks of shares must contain the (i) name of the person making the disclosure, (ii) name of the company that is the subject of the disclosure, (iii) date of the transaction, (iv) number, nominal value of the shares and transaction value, and (v) number of shares and shareholding structure pre- and post-transaction.

Shareholding of persons acting together must be aggregated to determine if the above thresholds are exceeded. For instance, the shareholdings or voting rights held by an entity are aggregated with the shareholdings or voting rights of (i) its controlled subsidiary, and (ii) persons who have agreed explicitly or implicitly, verbally or in writing to vote in the same way on the same matter.

Other disclosure requirements. Any changes in issuers' general information published on the Public Disclosure Platform must be updated by the issuers within two business days following the change.

There are several other detailed public disclosure requirements in connection with events such as mergers and acquisitions specifically governed by the Disclosure Communiqué.

Regimes applicable to corrupt trading

Insider trading. Insider trading is a crime defined in the Capital Markets Law as benefiting from, or permitting others to benefit from, or avoiding losses through, or enabling others to avoid losses through, the use of non-public information which may affect the value of securities. Benefiting from non-public information is the essential element. For an act to constitute an insider trading violation, the information must be utilized in a manner which provides an unfair advantage over other investors. Insider trading violations are punishable by a prison term of two to five years or by fines. The minimum monetary fine imposed may not be less than two times the monetary benefit obtained through such actions.

Manipulation. The Capital Markets Law defines two types of market manipulation. The provision of information, disseminating news or making comments in a false, falsified, misleading or groundless manner and not disclosing information which is required to be disclosed by law is defined as "market manipulation based on information"; whereas, the sale and purchase of securities for the purpose of artificially affecting supply and demand, creating an impression of an active market, keeping the prices at a particular level or artificially increasing or decreasing the prices is defined as "market manipulation." Manipulation violations are punishable by a prison term of two to five years and by fines. The minimum monetary fine imposed may not be less than the monetary benefit obtained through such actions.

5. Corporate governance

The Corporate Governance Communiqué sets forth the general principles of Turkish corporate governance. As described below, listed companies incorporated in Turkey are obligated to comply with certain of the corporate governance principles.

The Corporate Governance Communiqué addresses four major topics: shareholders' rights and equal treatment of shareholders; public

disclosure and transparency; stakeholders; and management. Material provisions include the following:

- If a cross-shareholding involves a control relationship, the companies in the cross-shareholding relationship may not vote at each other's general assembly meetings unless certain exceptional cases such as need of meeting the quorum. The affected companies must disclose the relationship publicly.

- Boards of directors must be composed of at least five directors. At least one-third (and, in any case, a minimum of two) directors must be independent board members within the meaning of the Corporate Governance Communiqué. However, except for the banks, if at least 51% of a company's share capital is equally owned by two independent shareholders contractually sharing equal management control but having no direct or indirect shareholding, management or audit relationship between themselves, the company may apply to CMB to limit the number of independent board members to two. Third-tier companies may also limit the number of independent board members to two. Third-tier companies are (i) newly listed companies, and (ii) the companies whose average market capitalization is below TRY1 billion (approximately US$168.20 million) or which have a free float with a value over TRY250 million (approximately US$42.05 million) and whose shares are traded on the Star Sub-Market, Main Sub-Market or Collective and Structured Products Sub-Market of Borsa Istanbul.

- Directors elected as representatives of, or upon nomination by, a shareholder group are not deemed independent.

- Certain material transactions are deemed void without the approval of the board of directors or the general assembly, as the case may be. This approval must include the affirmative votes of the majority of the independent directors. If it does not, the matter must be referred to the general assembly for a vote. Related parties involved in the transaction, if any, may not vote on the

proposal. Under the Corporate Governance Communiqué, "material transactions" are deemed to include: the sale, purchase of or similar transactions in connection with assets in substantial amounts determined by the Corporate Governance Communiqué.

- Prior to entering into a related party transaction, board of directors of the company and board of directors of its affiliates, are required to take a resolution to determine the essential points of the transaction. Depending on the nature and substantiality of the transaction, the company or its affiliate may be subject to further requirements such as public disclosure, the need to obtain an appraisal report, and/or a board of directors resolution including the affirmative votes of the majority of the independent directors, or if it does not, approval of the general assembly. The related parties involved in the transaction may not vote on the proposal both in board of directors and general assembly level.

- In their annual reports, companies must either confirm compliance with the corporate governance principles set forth under the Corporate Governance Communiqué or explain the reasons for their non-compliance with its non-mandatory provisions.

- Listed companies and their affiliates may not grant any security, pledge or surety other than (i) for their own benefit, (ii) consolidated affiliates, (iii) for the benefit of third parties to carry out its ordinary commercial activities and (iv) for the benefit of a group company providing funds to it, provided that such security, pledge or surety is limited to the such transferred funds.

6. Specific situations

There are no additional or separate requirements applicable to large multinational companies or smaller companies or special industries.

In subsequent offerings to be made by the same issuer, the CMB sets out a simplified approval procedure, which would be applicable for a term of 12 months from the approval of the original prospectus, unless

a material change has occurred that may affect the decisions of the investors.

7. Presence in the jurisdiction

Representative in Turkey. A foreign issuer must enter into an agreement with a representative who is responsible by law for the exercise of financial and managerial rights arising from foreign securities as required by the laws of the issuer's home jurisdiction, submitting notifications and making disclosures to the PDP, and making payments in relation to the securities issued.

Central registry system. Shares traded on Borsa Istanbul are in dematerialized form and electronically held through the CRA. Similarly, rights issues are no longer in printed form but entered into the CRA's book-entry system.

8. Fees

Listing fees consist of the additional listing fees, trading application fees, annual listing fees and other fees. No fee is charged for the initial listings of shares. The Borsa Istanbul-determined fees become effective upon CMB approval.

Additional listing fees. Additional listing fee for the new shares issued through capital increase is 0.03% of the nominal value of such shares.

Trading application fees. Trading application fee is a fixed fee of TRY15,071 (approximately US$2,640).

Annual listing fees. An annual listing fee is applied as (i) 0.005% of the nominal value of the shares listed with Borsa Istanbul and (ii) 0.005% of the annual average market value of the company as at the end of December. Annual listing fee is not charged at the first year of listing.

For companies whose registered offices are located abroad, all of the above fees are applied with a 50% discount.

The annual fee for companies listed in the "Borsa Istanbul Corporate Governance Index" is granted a 50% discount for the first two years after having been listed in the Borsa Istanbul Corporate Governance Index, 25% for the following two years, and 10% for after the fourth anniversary. Publicly listed companies whose corporate governance credit scores are at least seven are listed on the Borsa Istanbul Corporate Governance Index.

Other fees. The CMB charges companies a fee of 0.1% of the total nominal value of the shares being issued during the public offering. There may be additional costs and expenses such as announcement and other public relations fees and notary fees incurred in relation with the public offering and listing processes.

9. Additional information

All information and documents attached to Borsa Istanbul regulations must be prepared in Turkish. Other required documents must be submitted with certified Turkish translations.

Key differences in requirements for domestic companies

Listing requirements for domestic companies are generally the same as those for foreign companies. Foreign companies are, however, subject to certain requirements that Turkish companies are not, such as:

- The application for listing or offering of foreign securities must not have been rejected by a stock exchange or any competent capital markets authority in order to protect investors or on any other similar grounds.
- The foreign securities must have been issued in Turkish Lira or in a convertible currency recognized by the Central Bank of Turkey.
- The home jurisdiction should not impose any restriction on the sale of the foreign securities in Turkey, the performance of transactions and payments in relation to the financial rights the

securities grant in Turkey, and the exercise of managerial rights arising therefrom.

- In case of the issuance of foreign securities other than shares, the foreign issuer is required to obtain a long term grade confirming that such securities are adequate for investment according to the rating scale from a rating agency, within a year prior to the application to the CMB.
- The foreign issuer and/or the shareholders are required to enter into an agreement with a representative in Turkey, who performs certain transactions on behalf of the shareholders or the issuer, as the case may be, and ensures that the financial and managerial rights of the investors are exercised in compliance with the laws and regulations to which the shares are subject.

Foreign issuers are exempt from certain CMB requirements such as publishing of the draft prospectus on the website of the issuer and the broker.

10. Contacts within Baker McKenzie

Muhsin Keskin of Esin Attorney Partnership, a member firm of Baker McKenzie International, in Istanbul is the most appropriate contact for inquiries about prospective listings on the Borsa Istanbul.

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Borsa Italiana

Initial financial listing requirements

Companies seeking a listing on Borsa Italiana's main market (*Mercato Telematico Azionario* or the MTA) must meet the following requirements:

- Foreseeable market capitalization of at least €40 million (approx. US$44.85 million).
- The company must conduct a business which is able to generate profit.

Besides the ordinary segment, the MTA includes the "STAR" segment.

The STAR listing segment imposes higher compliance and disclosure requirements. In particular, a company listed on the STAR segment must satisfy certain additional transparency and disclosure requirements, a minimum free float of 35% must be satisfied, and must comply with certain additional corporate governance requirements.

Other initial listing requirements

Share price. There is no minimum closing or offering price for shares to be listed.

Free Float, Distribution. To list its securities, a company must have a minimum free float of 25%. For those companies listed on the STAR segment, the minimum free float is 35%.

Accounting standards. For a company incorporated in a EEA member state, the accounts should generally be prepared under IFRS. For an issuer incorporated outside the EEA, the accounts should be prepared either under IFRS or GAAP that have been internationally accepted (US, Canadian, Chinese, South Korean and Japanese GAAP have been deemed equivalent to IFRS by the European Commission).

Financial statements. The prospectus must generally include historical financial information for the last three financial years (which must be audited) together with the audit report for each financial year. Pro-forma financial information must be prepared under certain circumstances.

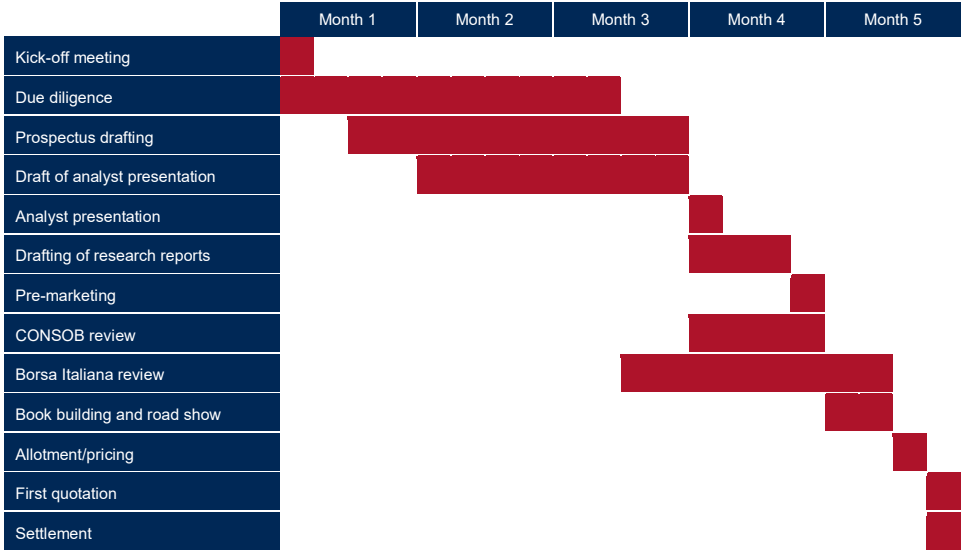
Operating history. Typically, an operating history of three years is required.

Management continuity. No specific period of continuity of management is generally required.

Cross-listing. Where the shares of the company are already listed on another EU or non-EU regulated market, Borsa Italiana may waive any of its requirements.

Listing process

Listing involves the *Commissione Nazionale per le Società e la Borsa* (CONSOB) reviewing the prospectus. Borsa Italiana admits the shares to trading. The following is a fairly typical process and timetable for a listing of a foreign issuer on the MTA of Borsa Italiana.



Corporate governance and reporting

A company listed on the STAR segment must:

- Have a market capitalization, actual or foreseeable, of the shares ranging between €40 million and €1 billion (approximately US$44.85 million and US$1.12 billion).
- Have a minimum free float of 35%.
- Involve a "specialist" who acts as market maker for the shares.
- Disclose information on its website both in English and Italian.
- Publish its semiannual report within 60 days from the end of the period and the annual report within 90 days from the end of the financial year.
- Involve an investor relator.
- Have independent directors in the board of directors.
- Have internal committees in the board of directors.
- Have a remuneration policy of the top management that is incentive.

Requirements for companies listed on the standard segment of the MTA are less strict.

Fees

A company seeking to list must pay both initial listing fees and annual fees to Borsa Italiana and CONSOB, generally calculated according to market capitalization. Initial fees to be paid to Borsa Italiana for a company not already listed on a foreign market are about €180 (approximately US$202) for each €1 million (approximately US$1.21 million) of market capitalization, with a maximum of €500,000 and minimum of €35,000 (approximately US$39,250). Additional shares listed subsequently will require additional payments. Fees may be different where the company is already listed on foreign markets.

1. Overview of exchange

Borsa Italiana S.p.A. (Borsa Italiana) is responsible for the organization and management of the Italian stock exchange and following a merger, effective 1 October 2007, is part of London Stock Exchange Group. Borsa Italiana manages five regulated markets:

- The *Mercato Telematico Azionario* - MTA, where, among other things, shares, convertible bonds, warrant and option rights are traded.
- The *Mercato degli Investment Vehicles* - MIV, where, among other things, shares or units of alternative investment funds, special investment vehicles and SIIQ, convertible bonds, warrant and option rights issued by such subjects are traded.
- The *Mercato Telematico delle Obbligazioni* - MOT, where, among other things, government bonds, eurobonds, non-convertible bonds and capital market instruments are traded.
- The *Mercato degli Strumenti Derivati* - IDEM, where certain derivative agreements are traded.
- The *Mercato telematico degli ETF e degli ETC/ETN - ETFplus, wher*e, among other things, financial instruments whose value is linked to the prices of the underlying assets are traded.

In addition, Borsa Italiana manages five multilateral trading facilities:

- The AIM Italia - *Mercato Alternativo del Capitale*, where, primarily, shares of small and medium enterprises are traded.
- The ExtraMOT where, among other things, certain bond instruments and capital market instruments are traded.
- The *Mercato Borsa Italiana Equity MTF* comprising:
    - The Segmento After Hours (TAH) where, between 6 pm to 8.30 pm, a selection of the most liquid shares as well as

covered warrants and certificates (for which there is a specific request of the issuer) are traded (see below).

- The Segmento Borsa Italiana Global Equity Market (Segmento BIt GEM), introduced on 11 July 2016 (and replacing the MTA International), where shares of foreign companies (already traded on other regulated markets of the EU countries or countries member of the OECD) are traded (see below).

- The Mercato SeDeX where, securitized derivative financial instruments are traded.

- The Mercato ATFund where open-end collective investment undertakings are traded.

This summary only relates to shares admitted on the MTA, which is Borsa Italiana's main market for medium and large issuers.

The regulatory framework applicable to MTA-listed companies is comprehensive and includes globally recognized standards of regulation and corporate governance. As a result, a listing on the MTA demonstrates a company's commitment to compliance with high regulatory standards and provides companies with the means to access capital from the widest set of investors.

Besides the ordinary segment, the MTA has one segment, the STAR segment, which is dedicated to medium-size companies which satisfy particular requirements regarding disclosure, market communication, liquidity and corporate governance.

The MTA is the Borsa Italiana's principal market for listed companies from Italy and abroad. The relevant regulatory authority for a listing on the MTA is the Italian Securities and Exchange Commission (*Commissione Nazionale per le Società e la Borsa* or CONSOB) in its capacity as the Italian Listing Authority. Borsa Italiana must also give its approval on the listing. Typically, Borsa Italiana and CONSOB co-operate in assessing listing requests.

2. Principal listing and maintenance requirements and procedures

There are no jurisdictions of incorporation or industries that would not be acceptable for a listed company.

There is essentially no difference in listing requirements between a foreign company and a domestic company.

Requirements applicable to a share issuer

Any company applying for listing of shares must have published (pursuant to its national legislation) financial statements (including consolidated financial statements) covering the last three financial years. At least the most recent financial statements, including the consolidated financial statements, must be audited by a statutory auditor or by a licensed auditing firm according to Italian law (or the equivalent legislation of the country of incorporation). The admission to listing is denied where the statutory auditor or the auditing firm have issued an adverse opinion or a disclaimer opinion.

Pro-forma financial information must be prepared in addition to the historical financial statements for a company resulting from extraordinary transactions (such as a merger or acquisition) or that has undergone (at the time of the application to the listing or subsequently) significant changes to its financial structure, subject to certain exceptions at the discretion of Borsa Italiana.

Pro-forma financial information must be supplemented by an opinion issued by a statutory auditor or by an auditing firm, stating that the assumptions on which pro-forma data have been prepared are reasonable, that the procedure followed to prepare such data has been correctly applied and that the accounting standards used to prepare such data are correct.

In certain exceptional cases, the above mentioned rules regarding financial information can be waived by Borsa Italiana. Any waiver must serve the interests of both the issuer and the investors, and

investors must in any event be provided with any information required to assess the issuer and the securities to be admitted to trading.

The issuer and its major subsidiaries must adopt a management control system which enables it to have, periodically and timely, an adequate overview of the economic and financial situation of the company and its major subsidiaries. The management control system must permit management to:

- Monitor the main key performance indicators and the risk factors of the company and its major subsidiaries.
- Produce data and information, in particular financial information, which must be appropriate in light of the type of business, organizational complexity and specific informational needs of the management.
- Draft financial prospective data of the business plan and the budget plan and check the achievement of the goals through a gap analysis.

The company must prepare a memorandum describing the management control system, which must be approved by the board of directors. The memorandum must describe how the system is made, the persons in charge of the system, the output of the system with reference to the tools used to monitor the main key performance indicators and the risk factors.

The memorandum must also specify which are the critical areas of the management control system at the time that the application is filed.

The issuer must conduct a business capable of generating profits (i) directly or through its own subsidiaries, and (ii) with complete managerial autonomy. For this purpose, Borsa Italiana will check that there are no obstacles to the achievement of the issuer's financial goals. Where Borsa Italiana believes that there are potential obstacles to managerial autonomy, it will require that the investors are duly

informed at the time of the admission to trading and, where necessary, on an ongoing basis.

The majority of the issuer's assets or revenues must not be predominantly linked to the investment or the result of an investment in a company with shares listed on a regulated market.

Additional requirements must be satisfied by those companies that:

- Are subject to the direction and coordination of another company.
- Control other companies incorporated and governed by the law of non-EU countries.
- Are holding companies.

The issuer must have appointed a statutory auditor or an auditing firm as required by Italian law or by the equivalent applicable foreign law in order to carry out the legal auditing on the annual accounts.

Where the issuer has been assigned a credit rating in the 12 month period preceding the listing application, that rating and any update, if public, must be disclosed to Borsa Italiana.

Borsa Italiana may waive the above mentioned requirements for a share issuer that is admitted to trading in another EU or non-EU regulated market, giving consideration to, among other things, the issuer's inclusion in primary international or national financial indices, the size of the issuer and how long the issuer has been admitted to trading.

Requirements applicable to the shares

In order for the shares to be listed, the following requirement must be met:

- Foreseeable market capitalization of at least €40 million (approximately US$44.85 million). However, Borsa Italiana may

accept a lower figure if it expects there will be a sufficient market for the shares.

- The shares must be sufficiently distributed among professional and non-professional investors (at least 25% must be held by the public in free float). Borsa Italiana may waive this requirement where it believes that a lower percentage does not jeopardize the regular trading on the market, based on the market value of the shares held by the public.

Borsa Italiana may clear the distribution only among professional investors where, in light of the market value of the shares held by such investors and/or in light of the number of such investors, the regular trading in the shares is ensured.

Additional requirements for admission to the STAR segment

Upon the filing of the application form for the listing, or after the admission to listing, the issuer may request that its common shares are admitted to the STAR segment.

Common shares admitted to the STAR segment must satisfy the following requirements:

- The market capitalization, actual or foreseeable, of the shares must range between €40 million and €1 billion (approximately US$44.85 million and US$1.12 billion).

- The shares must be adequately distributed among professional and non-professional investors (at least 35% must be held by the public in free float).

The following additional requirements related to the issuer must, among others, also be satisfied (as integrated in the Borsa Italiana's guidelines):

- The issuer must make available to the public certain additional financial information listed in the Italian Financial Act within 45

days from the end of the first, third and fourth quarters. The fourth quarter financial information is not required, provided that the annual financial statements and certain related documents (including, among others, the financial statements, consolidated financial statements, the management report and the audit report of the statutory auditor or of the auditing firm) are published within 90 days from the end of the financial year.

- The statutory auditor or the auditing firm's report on the last financial statements (and on the consolidated one, if any) must not contain an adverse opinion.
- The majority of the issuer's assets and revenues must not be predominantly linked to the investment or result of an investment in a company with shares listed on a regulated market.
- The financial statements and the consolidated financial statements, if any, must not be challenged by the CONSOB.
- The issuer must publish on its website the annual and semi-annual financial report, the interim report on operations and price sensitive information. The information and documents must be provided according to Borsa Italiana's guidelines, in Italian and English. Price sensitive information must be disclosed in English contemporaneously with the publication in Italian.
- The issuer must have published, within the term provided by law, the mandatory accounting documents.
- The issuer must not have infringed any disclosure obligations in the preceding 18 months.
- The issuer and its subsidiaries must not be subject to insolvency or similar procedures.
- The trading of the issuer's common shares must not be suspended for an undefined period.

- The issuer's capital must not been reduced for losses or below the minimum required by law.
- The issuer must have appointed an investor relator.
- The issuer must have adopted a policy pursuant to law no. 231/2001, regarding the penal liability of companies.
- The issuer must comply with certain rules regarding the composition of the board of directors, the role and tasks of the non-executive and independent directors, the establishment and functioning of the internal committees of the board of directors, the remuneration policy of the directors and the appointment of an appropriate control and risk committee.
- The issuer must generally prohibit the directors, auditors, top managers and top officers from trading in the 30 days which precede the meeting where financial data have to be approved.
- The issuer must have appointed a specialist who acts as market maker for the shares.

The requirements described in this section generally apply to foreign issuers. Borsa Italiana may, in light of the home country regulation of the relevant foreign issuer, provide different or additional terms or requirements.

3. Listing documentation and process

The applicant company must prepare a prospectus. The CONSOB will review the draft prospectus, provide detailed comments and raise points for clarification.

On 16 May 2017, the European Council adopted new rules on prospectuses for the offering and listing of securities (the Prospectus Regulation) which replaced the former prospectus rules under Directive 2003/71/EC. The new rules are aimed at lowering the regulatory hurdles that companies face when issuing equity and debt

securities, and intend to simplify administrative obligations related to the publication of prospectuses while ensuring that investors are well informed. Although the Prospectus Regulation is binding in its entirety and directly applicable in all Member States, certain of its provisions will need to be implemented by Italian national law. Such laws that, as of the date of this summary, are still pending approval.

The Prospectus Regulation is supported by secondary legislation such as Commission Delegated Regulation (EU) 2019/980 that provides the format and content of the different sorts of prospectuses and repeals former Commission Regulation (EC) No 809/2004.

In particular, the prospectus must include:

- Details of the persons responsible for the prospectus.
- Details of the statutory auditors.
- Risk factors relating to the company and its industry.
- General information about the company.
- A business overview, covering the company's operations, principal activities, significant new products and services and principal markets, important developments, its strategy and objectives, the dependency on intellectual property, and its investments.
- Organizational structure.
- A description in narrative form of the company's financial condition, changes in financial condition and results of the operations for the periods covered by the financial statements and any significant factors affecting its operating results (Operating and financial review).
- Capital resources.
- Regulatory environment.

- Trend information.
- Details of the company's management and supervisory bodies.
- Management remuneration and benefits.
- Board practices.
- Number of employees and their share options.
- Major shareholders.
- Recent related party transactions.
- Dividend policy.
- Legal and arbitration proceedings.
- Details of the company's share capital, objects, articles of association or charter, rights attaching to shares, procedure for conducting general meetings of shareholders and other related information.
- A summary of material contracts.
- In addition, information on the securities must be given that includes:
    - A statement that the issuer has sufficient working capital.
    - A statement on the issuer's capitalization and indebtedness.
    - A description of any interest including a material conflict of interest of the persons involved in the offering.
    - Reasons for the offer and use of proceeds.
    - Information concerning the securities to be offered/admitted to trading.

- Terms and conditions of the offer.
- Admission to trading and dealing arrangements.
- Information on any selling securities holder.
- A statement on dilution.

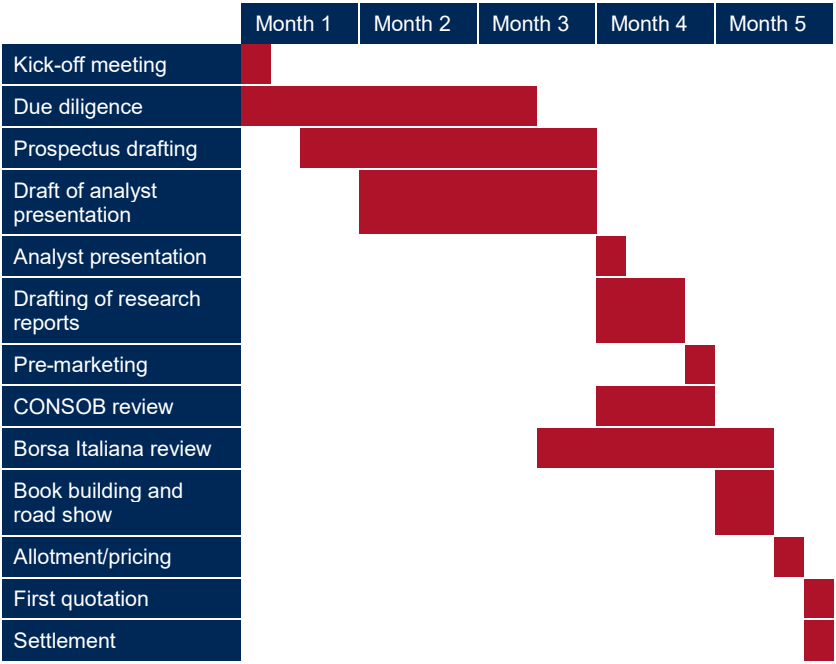
In addition, the prospectus should also include audited historical financial information for the latest three financial years together with the audit reports. For an issuer incorporated in an EEA member state, such financial information should generally be prepared under IFRS. For an issuer incorporated outside the EEA, the financial information should be prepared either under IFRS or under GAAP that have been internationally accepted (US, Canadian, Chinese, South Korean and Japanese GAAP have been deemed equivalent to IFRS by the European Commission). Any quarterly or half-year financial information that the company has published since the date of the last audited financial statements must also be included together with any audit or review report with respect thereto.

Any prospectus must contain a prospectus summary and the format of the summary has changed substantially under the Prospectus Regulation. Most importantly, its maximum length was shortened to seven pages, and the maximum number of risk factors was limited to 15. Overall, the intent is to make the summary more reader-friendly, also by using a "questions and answers" format.

For the purpose of admission to listing the company must submit an ad-hoc application to Borsa Italiana that must include, among other things, the draft prospectus. Borsa Italiana approves or rejects the listing application within two months from the day when the complete set of required documentation has been submitted. The admission decision remains subject to the filing with CONSOB of the prospectus (or to the publication in Italy of the prospectus duly approved by the competent authority of another EU member State) within six months.

The admission is finalized when Borsa Italiana confirms the publication of the prospectus.

Typical process and timetable for a listing of a company on the MTA



4. Continuing obligations/periodic reporting

A company listed on the MTA is subject to a number of continuing reporting obligations, some of which are periodic (such as, among others, the duty to file with Borsa Italiana the annual calendar of corporate events, and the duty to make available to the public the annual financial reports), while others are event-driven. Events requiring disclosure include, among others, notices of general meetings and certain related information, dividend distribution, issuance of new shares and the agreement or exercise of exchange or

conversion rights, warrants, redemption and subscription rights. These obligations vary depending on the type of issuer.

Inside information

A company whose shares are listed on the MTA is subject to the general obligation to publish all "inside information" (*informazione privilegiata*—see below for the definition) that affects the company, or its subsidiaries, without any undue delay. Inside information typically includes all material non-public information that is price sensitive, such as major agreements, acquisitions or divestitures, major losses, insolvencies, or loss of key personnel, among others.

The report published by the company must contain all the elements required to have a full and clear view of the events and circumstances as well as links and comparisons with previous reports.

Any significant change to the inside information published before must be disclosed to the public without undue delay.

The disclosure of inside information to the public and the marketing of own activities by the company must be kept separate so as not to be misleading.

The disclosure to the public should be made in a manner that, as far as possible, is synchronized among all the different categories of investors and all the countries in which the company has requested or has had approved the admission to trading of its financial instruments on a regulated market.

Under certain circumstances, a company may self-exempt itself from the obligation to promptly disclose inside information, such as in the case of pending negotiations.

Other information

A company with shares listed on the MTA must also disclose to the public the following information and documents:

- Any accounting situations that will be included in the financial statements, in the consolidated financial statements or in the condensed semiannual financial statements, as well as any information or accounting situations that will be included in any interim report on operations (i) where such accounting situations are transmitted to third parties, except where this transmission occurs in the regular exercise of the activity, profession, function or office and such third parties are required to keep such information or report confidential by way of a legal, regulatory, contractual requirements or is required by the bylaws, or (ii) where such accounting situations or information have reached a sufficient level of certainty.

- The resolutions with which the competent body approves the financial statements, the dividend distribution proposal, the consolidated financial statements, the condensed semiannual financial statements and the interim reports on operations.

Insider dealing

Pursuant to article 7 of the EU Regulation of 16 April 2014, no. 596 concerning market abuses (MAR) "privileged information" is deemed to be any information of a precise nature, which has not been made public, relating, directly or indirectly, to the issuer or to the financial instruments of the issuer, and which, if made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments.

Information has a precise nature where (a) it refers to a set of existing circumstances or circumstances that it is reasonable to assume will occur in the future, or to the occurrence of an event that it is reasonable to assume will occur in the future, and (b) it is sufficiently accurate that it may be used to reach a conclusion regarding the effect of the aforementioned circumstances and events on the price of the instruments. Information that, if it were made public, could have a significant effect on the price of the instruments, is deemed to be any

information that it is reasonable that a rational investor would use as one of the elements to take an investment decision.

Any person possessing inside information by virtue of being a shareholder, director, auditor, top manager or officer in an issuer, or by virtue of carrying out any working activities, profession or office, must refrain from carrying out any of the following actions:

- Purchase, sell, either by himself or through a third party, directly or indirectly, financial instruments, using the inside information.
- Cancel or amend an order concerning a financial instrument to which the information relates, where the order was placed before the person concerned possessed the inside information.
- The use of the recommendations or inducements where the person using the recommendation or inducement knows or ought to know that it is based upon inside information.

Market abuse

Under MAR, market manipulation comprises, among others, the following activities and behaviors (which may be subject to administrative and criminal sanctions):

- Entering into a transaction, placing an order to trade or any other activity or behavior which affects or is likely to affect the price of one or several financial instruments, which employs a fictitious device or any other form of deception or contrivance.
- Transmitting false or misleading information or providing false or misleading inputs in relation to a benchmark where the person who made the transmission or provided the input knew or ought to have known that it was false or misleading, or any other behavior which manipulates the calculation of a benchmark.
- The conduct by a person, or persons acting in collaboration, to secure a dominant position over the supply of or demand for a

financial instrument, related spot commodity contracts or auctioned products based on emission allowances which has, or is likely to have, the effect of fixing, directly or indirectly, purchase or sale prices or creates, or is likely to create, other unfair trading conditions.

- The buying or selling of financial instruments, at the opening or closing of the market, which has or is likely to have the effect of misleading investors acting on the basis of the prices displayed, including the opening or closing prices.

5. Corporate governance

Corporate governance regulation in Italy is contained in two sets of rules. There are certain compulsory corporate governance rules primarily set forth under the Consolidated Financial Act (Legislative Decree no. 58/1998, as amended and integrated from time to time). There are also certain voluntary rules set forth under a voluntary code (*Codice di Autodisciplina* or the Codice), which are subject to the "comply or explain" principle.

The core of the Italian compulsory corporate governance rules are in line with EU standards and directives and incorporate certain corporate governance provisions, including information and transparency duties (such as the obligation to publish an annual corporate governance report and an annual directors' remuneration report), certain directors' duties (such as reporting conflicts of interest), the obligation to approve an internal regulation of the general shareholders meetings and of the board of directors, certain rules for calling shareholders meetings and for participating and voting in the meetings and regarding the exercise of shareholders rights (such as information rights prior to the general shareholders meeting or the recognition of the principle regarding equal treatment of shareholders).

The voluntary corporate governance rules under the Codice contain recommendations relating to a wide range of corporate-related

matters, such as size and functional structure of the board of directors, disclosure of certain information regarding the directors, number of independent directors, proportion between directors appointed by the major shareholders and independent directors, information to be provided to directors and dedication of the same and approval and transparency of the directors' remuneration. Under the Codice, the companies required to issue an annual corporate governance report are also required to include in the report an explanation of the degree of compliance (or lack of compliance) with the recommendations of the Codice. Therefore, in certain cases, Italian rules leave it up to companies to decide whether or not to follow corporate governance recommendations, but require them to give a reasoned explanation for any deviation, so that shareholders, investors and any other stakeholders may take an appropriate and informed decision.

6. Specific situations

There are no additional requirements, or any changes in the normal requirements, that apply to very large multinational companies or smaller companies.

There are no situations in which a "fast track" or expedited listing can be procured.

7. Presence in the jurisdiction

Foreign issuers have no obligation to maintain a presence in Italy. In particular, no corporate records of a foreign issuer need to be kept in Italy by the sole virtue of listing on the MTA.

8. Fees

Initial listing

Borsa Italiana charges fees on admission through a formula based on the market capitalization of the company.

- A company whose shares are already listed on a foreign market must pay a fee equal to €100 (approximately US$112) for each €1 million (approximately US$1.21 million) of market capitalization, with a maximum of €50,000 (approximately US$56,300) and minimum of €15,000 (approximately US$16,800).

- A company not already listed on a foreign market must pay a fee equal to €180 (approximately US$202) for each €1 million (approximately US$1.21 million) of market capitalization, with a maximum of €500,000 (approximately US$560,600) and minimum of €35,000 (approximately US$39,250).

CONSOB's initial fees are established (and must be paid) the year following the approval of the prospectus. The initial fees for listings that occurred following the approval of the relevant prospectus from 2 January 2018 to 1 January 2019 are €21,880 (approximately US$24,530).

9. Ongoing fees

Borsa Italiana's ongoing fees are:

- For companies whose shares are already listed on a foreign market, fixed and equal to €10,000 (approximately US$11,200) every six months (therefore the annual ongoing fees equal €20,000 (approximately US$22,400).

- For companies not already listed on a foreign market, equal to about €22.00 (approximately US$24.50) for each €1 million (approximately US$1.12 million) of market capitalization every six months, with a maximum of €215,000 (approximately US$241,000) and minimum of €10,000 (approximately US$11,200) in relation to each six-month period.

CONSOB's ongoing fees are decided each year. The 2019 fees charged to companies whose shares are listed on Italian markets depend on the number and value of the listed instruments with a maximum amount of €646,140 (approximately US$724,450).

10. Additional information

Additional information as well as brochures on Borsa Italiana, the MTA and the other markets managed by Borsa Italiana are available on Borsa Italiana's website at *www.borsaitaliana.it*.

Key differences in requirements for domestic companies

Listing requirements for domestic companies are generally the same as those for foreign companies. However, certain foreign companies can be subject to Borsa Italiana's case by case assessment for suitability to list in Italy. In particular, also in the light of the applicable foreign law, Borsa Italiana may establish for individual issuers different procedures and time limits for the listing process.

11. Contacts within Baker McKenzie

Alberto Fornari and Ludovico Rusconi in the Milan office are the most appropriate contacts within Baker McKenzie for inquiries about prospective listings on Borsa Italiana.

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+39 02 76231 349

Ludovico Rusconi
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Buenos Aires Stock Exchange

Initial listing requirements

Foreign companies wishing to issue securities on the Buenos Aires Stock Exchange (BCBA) through *Mercado de Valores de Buenos Aires S.A.* (MERVAL) must comply with the same requirements applicable to local issuers. When submitting a request to participate in a public offering, such companies are required to prove that they are not subject to any legal restriction or prohibition imposed by their country of incorporation.

In addition, foreign issuers should evidence that:

- They have one or more branches and/or permanent establishments in Argentina.
- They own non-current assets in other companies.
- They have fixed assets in the country of incorporation of the company.

Effective 10 April 2017, Bolsas y Mercados Argentinos S.A. (BYMA) replaced MERVAL as the market on which securities on the BCBA are traded. BYMA was formed as a result of the spin off from MERVAL.

Other initial listing requirements

To apply for a primary or secondary listing, foreign entities must provide the following documents:

- Certified copy of the by-laws of the company and their subsequent amendments, if any.
- Certified copies of all legal provisions applicable to the company in its country of incorporation.
- Professional legal opinion signed by an attorney in the country of incorporation certifying that the company is not subject to any legal restriction or prohibition.
- Financial statements of the company corresponding to the last fiscal year, duly approved by the company. If the applicable law of the country of incorporation does not require the preparation of financial statements, supplementary documentation may be requested by the CNV.
- Prospectus using a template provided by the CNV.

In addition, foreign entities must meet the following requirements:

- Have a permanent establishment in Argentina.
- Indicate if the company makes public offering of its securities abroad and, if so, indicate the applicable requirements that must be met in such countries.

All documentation to be filed with the CNV must be submitted in compliance with the requirements of legal authentication of the country of incorporation, and should have the corresponding apostille (Hague Convention 1961) or be legalized by the corresponding Ministry of Foreign Affairs. Additionally all documentation must be translated into Spanish by a sworn public translator.

Special regimes and exemptions

Collaboration agreements. The CNV may agree to lesser requirements for foreign companies authorized to offer their securities to the public in: (i) countries which have entered into a cooperation agreement with Argentina; or (ii) countries whose regulations are considered by the CNV to reasonably protect local investors and ensure an adequate information regime.

Small and medium enterprises (SMEs). The CNV has a simplified regime for SMEs. The securities included in this regime may only be acquired by qualified investors.

Financial statements. Last three fiscal years, or as from its date of incorporation (if the company was constituted less than three years ago). If the latest financial statement to be filed is older than five months at the filing date, the issuer should also file a special financial statement, which must be prepared within three months of the required filing.

Accounting standards. The CNV does not require any specific accounting/auditing standards.

Operating history. The CNV does not require any specific time period.

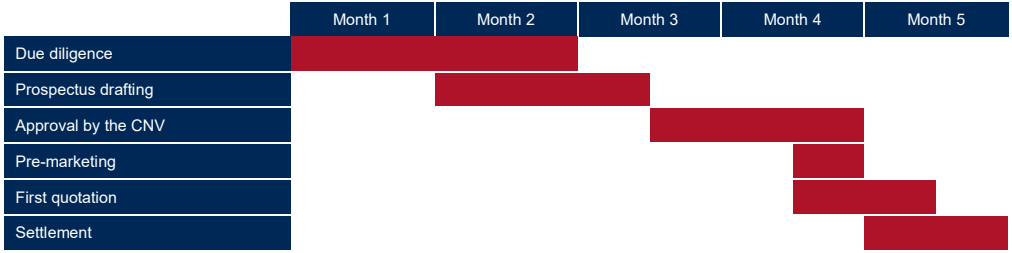
Management continuity. The CNV does not require any specific period of continuity of management.

Corporate governance and reporting

Local regulations regarding corporate governance for issuers seeking to list on the BCBA are the same for domestic and foreign companies. Consequently, there are no additional listing requirements (either pre-IPO or post-IPO) that either type of company must comply with.

Listing process

The following is a fairly typical process and timetable for a listing of a foreign issuer on the BCBA and registering with the CNV:



Periodic reporting

Following the initial listing, entities making a public offering of their securities are required to submit financial and corporate documentation to the CNV on an annual basis.

The CNV may require the entities to provide notice of material corporate developments (e.g., acquisitions, annual meetings, declaration of dividends, change of line of business, etc.) and/or to submit the above-mentioned documentation on a quarterly basis.

In addition, companies making a public offering of their securities in foreign markets must make available to local investors all information that may be required by said markets or their regulatory authorities.

Fees

Companies wishing to make a public offering of their securities must pay to the CNV an initial fee (*aranceles de autorización*) of 0.05% of the total amount issued. In addition, an audit fee of ARS 240,000 (US$4,008) must be paid annually.

Annual fees are also payable to the BCBA, to be paid quarterly and calculated using a formula that combines a fixed scale of fees based on the corporate capital of the relevant company, with an additional percentage amount (different for each range) over the exceeding minimum corporate capital amount of the corresponding range of the scale. The current scale of fees ranges from US$50 to US$2,000 (though this is expected to be revised imminently).

1. Overview of exchange

The Argentine capital markets are under the supervision and control of the National Securities Commission (CNV). The CNV may authorize, regulate, supervise and sanction participants of the capital market, as well as suspend and revoke the authorization granted to markets to offer securities.

Although the controlling body is the CNV, it requires other entities to perform supervisory and controlling activities over the operations carried out in the capital markets. The main ones are: (i) stock exchanges; (ii) exchange markets; (iii) securities depositories; and (iv) settlement entities.

A stock exchange is an entity (constituted under the form of civil association or corporation), in which securities are listed to be publicly offered with the prior authorization of the CNV. There are 14 stock exchanges authorized to operate in Argentina. The main ones are located in the cities of Buenos Aires, Rosario, Córdoba, La Plata and Mendoza. The Buenos Aires Stock Exchange (BCBA), founded in 1854, is the organization responsible for the operation of Argentina's primary stock exchange. Nearly 90% of all securities authorized for offering in local securities markets are traded on the BCBA.

The BCBA follows the rules and regulations issued by the CNV.

Securities in Buenos Aires are traded on the *Mercado de Valores de Buenos Aires S.A.* (MERVAL) and in over-the-counter markets such as the *Mercado Abierto Electrónico S.A.* MERVAL is the main index of the BCBA, composed of the 25 most liquid stocks listed. Stock purpose corporations, registered and authorized by the CNV, are allowed to carry out transactions involving securities in the local stock markets.

Historically, the BCBA has been home to large local companies. Currently there are almost 90 companies listed in the BCBA, four of which are foreign companies. This situation has not changed over the

past year, although we expect this number to increase in the coming years. The aggregate market capitalization of listed securities included in the MERVAL Index was approximately US$750 billion in 2016, the highest volume recorded in the last 10 years. The BCBA does not encourage listings of any particular types of companies. Companies from all industrial sectors and sizes have and can be listed on the BCBA.

With the objective of channeling the needs of the local capital market scenario, MERVAL has recently implemented a partial spin-off, carving out some of its assets to constitute a new entity named Bolsas y Mercados Argentinos S.A. (BYMA). BYMA continues the activity of MERVAL, having incorporated BCBA as a shareholder of the new entity.

In turn, BYMA owns Caja de Valores S.A. (Caja de Valores), which is the entity that acts as the central securities depository. Caja de Valores offers capital market participants collective deposit services, custody services, registration services, liquidation services and payment of credits services, as complementary services to those already offered by BYMA as a stock exchange, clearing house and issuer.

Other relevant exchange markets are ROFEX S.A. (Rofex) and Mercado a Término de Buenos Aires S.A. (Matba), which specializes in futures and options. Rofex and Matba merged in 2019 to constitute a single futures exchange.

2. Principal listing and maintenance requirements and procedures

Securities Law No. 26,831 (the Securities Law), along with the general resolutions issued by the CNV, constitute the securities' regulatory framework in Argentina. Any proposed listing must comply with the registration requirements established by the CNV and the Securities Law.

Pursuant to the provisions of the Securities Law, securities may be issued in bearer, in registered or in book-entry forms, and may be denominated in either local or foreign currency. Rates for securities can be fixed or floating and may vary substantially depending on the market conditions and the issuer's creditworthiness.

Argentine corporations, cooperatives, non-profit organizations and branches of foreign corporations can issue different types of securities, provided they comply with the legal requirements of the Securities Law. It is not necessary for their by-laws to expressly contemplate the issuance of securities. Such a decision can be adopted by an ordinary shareholders' meeting, where all necessary powers to approve the terms and conditions regarding the issuance of securities are delegated to the board of directors.

If an entity wishes to offer securities to the public, it must submit a request to the CNV for the purpose of its analysis and approval. Submissions that do not comply with all the documentation requested by the CNV will be rejected. Entities making public offering of their securities in foreign markets are required to submit simultaneously to the CNV all additional information requested by said foreign markets.

The request to make a public offering must be submitted by the legal representative of the issuer or its attorney in fact. The application should include the purpose of the request and any other additional information that may be requested by the CNV.

Entities wishing to make public offerings must submit financial statements for the last three fiscal years, or as from its date of incorporation (if the company was constituted less than three years ago). If the latest financial statement to be filed is older than five months at the filing date, the issuer should also file a special financial statement, which must be prepared within three months of the required filing. Please note that there are no additional financial requirements (profits, revenues, cash flow, market capitalization or assets) that a company must meet in order to qualify to list its securities on the BCBA, nor ongoing financial requirements to be met after the initial

listing in order to maintain a listing on the BCBA. Nevertheless, the issuer must provide written notification of any fact or situation that could affect: (i) the development of the business of the issuer; (ii) its financial statements; or (iii) the offering or negotiation of the securities.

As regards any particular length of trading history or any particular length of time in operation, the CNV does not have any requirements or limitations on the same. In addition, there are no ownership requirements specifically applicable to a listing of a foreign company's securities, in terms of holders of a particular nationality or size of individual shareholdings.

There are no corporate governance requirements that a company must meet in order to qualify to list its securities on the BCBA (please refer to Section 5 below). Additionally, there is no requirement specifically to appoint a sponsor or a broker for the listing. However, it is market practice for the issuer to appoint a broker and a law firm experienced in capital markets law in connection with its listing.

Even though a company does not need to conduct any interviews with the CNV, it is good market practice for the representatives of the appointed broker and the law firm to meet several times with the CNV before the listing to discuss the process, organization and timing of all steps before the application for listing is made.

There is no requirement for listed companies to have or maintain a specific minimum number of security holders or to have or maintain a minimum trading price for their securities. In addition, there is no requirement for any shares to be placed into escrow (or otherwise be restrained from being traded, such as through "lock-in" or "lock-up" arrangements) in connection with the listing.

Normally, whilst a company applying for a listing does not need to fulfil any specific free float requirements, it is usual that during the pre-listing stage, the amount of free float is agreed with the CNV representatives in order to allow sufficient liquidity for trading.

There are no restrictions on the currency denomination of securities. The securities to be listed or traded must be freely transferable. There is no specific requirement for securities to be settled within a particular clearing system or registered with a particular share transfer agent.

Normally, a company applying for a listing does not need to obtain a compliance adviser that is established with the CNV. However, it is a usual market practice that both brokers as well as law firms are engaged in this process.

3. Listing documentation and process

Generally, foreign companies wishing to issue securities in the BCBA must comply with the same requirements applicable to the local issuers. When submitting a request to participate in a public offering, such companies are required to prove that they are not subject to any legal restriction or prohibition imposed by their country of incorporation.

In addition, when submitting a request to participate in a public offering, foreign issuers should evidence that: (i) they have one or more branches and/or permanent establishments in the country; (ii) they own non-current assets in other companies; and (iii) they have fixed assets in the country of incorporation of the company.

No special difference is made for registration or listing purposes based on whether the offering involves a primary or secondary listing.

General regime for foreign entities

The same requirements apply to local issuers and apply to foreign issuers wishing to issue securities in Argentina.

To apply for a primary or secondary listing, foreign entities must provide the following documents:

- Certified copy of the by-laws of the company and their subsequent amendments, if any.
- Certified copies of all legal provisions applicable to the company in its country of incorporation.
- Professional legal opinion signed by an attorney in the country of incorporation certifying that the company is not subject to any legal restriction or prohibition.
- Financial statements of the company corresponding to the last fiscal year, duly approved by the company. If the applicable law of the country of incorporation does not require the preparation of financial statements, supplementary documentation may be requested by the CNV.
- Unless otherwise provided in the company's by-laws, an audit committee shall be appointed by the board of the issuer. The audit committee will issue its own internal regulations, which shall be registered in the Public Registry of Commerce. Appointment of its members, as well as any modification to it shall be communicated by the issuer to the markets in which the shares of the issuer are traded, within three business days.
- The committee shall review the plans of the external and internal auditors, evaluate their performance and issue an opinion on the presentation of the annual financial statements. Please note that the CNV does not require any specific accounting/auditing standards.
- The ordinary shareholders' meeting of an entity making public offer of its securities shall designate an external auditor who will issue the audit report of its annual financial statements and for intermediate periods.

In addition, foreign entities shall meet the following requirements:

- Permanent establishment in Argentina.
- Indicate if the company has publically listed securities outside Argentina and, if so, indicate the applicable requirements that must be met in such countries.

All documentation to be filed must be submitted in compliance with the requirements of the country of incorporation, and should have the corresponding apostille (Hague Convention 1961) or be legalized by the corresponding Ministry of Foreign Affairs. Additionally all documentation must be translated into Spanish by a sworn public translator.

Special regime for foreign entities

The CNV may agree to lesser requirements for foreign companies already authorized to offer their securities to the public in: (i) countries which have entered into a cooperation agreement with Argentina; or (ii) countries whose regulations are considered by the CNV to reasonably protect local investors and ensure an adequate information regime.

Prospectus

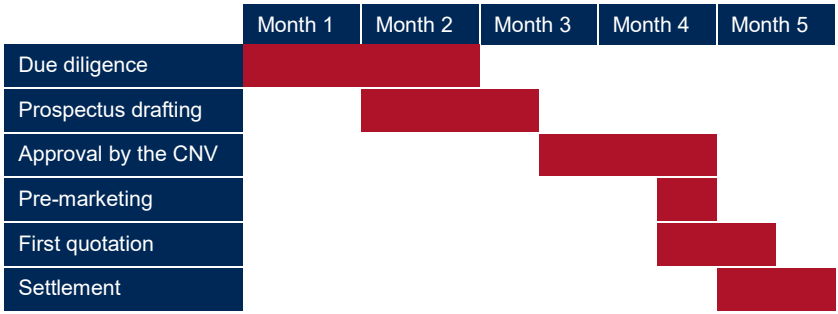
Companies wishing to make a public offering of their securities must prepare a prospectus using a template provided by the CNV, in plain and understandable language. The prospectus must be signed by a person duly authorized by the issuer, describing in detail the placement efforts to be carried out.

In addition, the CNV may require the issuer to include in the prospectus additional information, warnings and/or considerations as are deemed necessary, or to provide additional documentation. Furthermore, where the company is issuing securities other than shares, the information included in the prospectus should be consistent with the nature of the security being offered.

A sufficient number of copies of the prospectus must be printed to cover the demand of potential interested parties and it must also be published in the Financial Information Gazette. For the purposes of the latter publication, the company may prepare a short version of the prospectus including a summary with all the information required by the CNV, without the need to include the complete financial statements. In such case, the complete version of the prospectus must be available for investors: (i) at the registered office of the issuer; (ii) if applicable, at the premises of the placing and distribution agents; or (iii) in any other place indicated by the issuer.

Finally, please note that it is not necessary to prepare a prospectus in the following cases: (i) issuance of shares for capitalization of reserves, accounting adjustments, profits or other special accounts recorded in the financial statements; (ii) issuance of shares with suspension of pre-emptive subscription rights; or (iii) issuance of shares by conversion or exchange of other securities.

Typical process and timetable for a listing of a foreign company on the BCBA



4. Continuing obligations/periodic reporting

Periodic reporting

Following the initial listing, entities making a public offering of their securities must submit the following documentation to the CNV on an annual basis:

- Annual report.
- Financial statements.
- Summary of consolidated financial statement.
- Copy of the minutes approving the documentation mentioned above.
- Report of the Supervisory Committee on the management of the company.
- Report of the External Auditor on the financial statements.
- List of any controlled and/or related entity.

Please note that the CNV may require the entities to provide notice of material corporate developments (such as acquisitions, annual meetings, declaration of dividends and change of line of business) and/or to submit the above-mentioned documentation on a quarterly basis.

In addition, the annual and quarterly financial statements must include an audit report issued by an independent public accountant appointed by shareholders' meeting and duly registered in the External Auditors Registry of the CNV, whose signature will be legalized by the corresponding professional council. The financial statements must be submitted in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board.

An audit committee shall be appointed by the board of the issuer. The audit committee will issue its own internal regulations, which shall be registered in the Public Registry of Commerce. Appointment of its members, as well as any modification to it shall be communicated by the issuer to the markets in which the shares of the issuer are traded, within three business days.

The committee shall review the plans of the external and internal auditors, evaluate their performance and issue an opinion on the presentation of the annual financial statements. Please note that the CNV does not require any specific accounting/auditing standards.

Furthermore, companies making a public offering of their securities in foreign markets should make available to local investors all information that may be required by said markets or their regulatory authorities.

Insider trading

Under the Argentine Criminal Code, any director, supervisory body member, shareholder, shareholder's representative and any person that by way of his/her work, profession or position at an issuing company, directly or through any other person, provides or uses privileged information to which he/she had access as a result of his/her activity, for the negotiation, pricing, purchase, sale or liquidation of securities, can be punished by up to six years' imprisonment, a fine and a special disqualification.

Penalties are increased when: (i) the privileged information is used or provided on a regular basis; (ii) the use or supply of privileged information brings an economic benefit or avoids a financial loss to the holder of said privileged information or to third parties; (iii) the use or supply of privileged information damages any stock market; or (iv) the crime is committed by a director, a member of the supervisory body, an officer or an employee of a stock market or by any individual whose job requires a license, or by a public officer.

For clarification purposes, the term privileged information includes all information not available to the public, the disclosure of which could have a significant influence on the stock market.

Stock market manipulation

Criminal penalties are applied to anyone making transactions which increase, maintain or lower the price of securities, by using false information, fake negotiations, or coalition of main holders. Criminal penalties may also be applied to persons offering securities who conceal the true facts or circumstances or assert false information.

Unauthorized stock market activities

Persons carrying out financial intermediation activities without being authorized may be subject to imprisonment, a fine and a special disqualification.

Sanctions applicable to legal entities

When the above-mentioned criminal acts are committed on behalf of or for the benefit of a legal entity, the following sanctions may be imposed on the company: fines ranging from 2-10 times the value of criminal assets; suspension of activities; suspension from participating in public bids; cancellation of the legal entity if it was created solely for the purpose of committing the crime, or if such criminal acts constitute its principal activity; loss or suspension of state benefits; and/or publication of an extract of the judgment.

5. Corporate governance

Local regulations regarding corporate governance for issuers seeking to list on the BCBA are the same for domestic and foreign companies. Consequently, there are no additional listing requirements (either pre-IPO or post-IPO) that either type of company must comply with. However, a foreign issuer's legal status must comply with the legal framework of the country where the issuer has its registered office (a

fact that must also be declared by the issuer in its application for admission).

6. Specific situations

There are no additional requirements, or any changes in the normal requirements, that apply to very large multinational companies. On the contrary, small and medium-sized enterprises (SMEs) benefit from a simplified regime.

In this regard, CNV regulations define SMEs, only to the effect of access to capital markets, as companies duly organized and existing under the laws of Argentina, whose total annual income in Argentine Pesos does not exceed the following values:

(i) agribusiness sector: AR$431.45 million (approximately US$7.21 million);

(ii) industrial and mining sector: AR$1,441.09 million (approximately US$24.07 million);

(iii) commerce sector: AR$1,700.59 million (approximately US$428.40 million);

(iv) service sector: AR$481.57 million (approximately US$8.04 million); and

(v) construction sector: AR$630.79 million (approximately US$10.53 million).

Financial institutions, markets authorized by the CNV, entities that provide public services and small or medium-sized enterprises that are related to or controlled by an external company or economic group that do not fall under the SME regime will not be considered SMEs.

The securities included in this regime may only be acquired by qualified investors included in the following categories:

- The National Government, Provinces, their related entities, state-owned companies and public entities.
- International organizations.
- National Social Security Administration.
- Financial entities.
- Investment funds and Listed Financial Trusts.
- Insurance companies.
- Registered brokers.
- Legal entities and individuals, which possess investments in securities and/or deposits in financial entities for an amount of UVA 350.000 (approx. US$276,176).
- Foreign legal entities or individuals.

There are no industries for which the normal listing or maintenance rules do not apply or apply only in a modified form. In addition, the BCBA does not have a "fast track" or expedited listing procedure.

7. Presence in the jurisdiction

Foreign companies listed in the BCBA are required to set up a permanent establishment under the terms of Section 118 of Companies Law No. 19,550 and to determine a specific domicile in Argentina, where all judicial or extrajudicial notices related to the public offering will be served.

In this regard, foreign companies must act either through a permanent representation office (a Branch) or a local company (a Subsidiary). No

agents for service of process, resident directors, corporate offices or their equivalent are required.

8. Fees

Companies wishing to make a public offering of their securities must pay to the CNV an initial fee (*aranceles de autorización*) of 0.05% of the total amount issued. In addition, an audit fee of ARS 240,000 (US$4,008) must be paid annually.

Additional costs must be taken into account, such as those of the broker, lawyers and accountants in connection with preparing the prospectus, negotiating with the CNV, arranging for the listing and registration of securities, and drafting and negotiating the related agreements.

If the listing is combined with an offering, the underwriting bank will charge a commission for its services (usually defined as a percentage of the offering proceeds) and also charge its out-of-pocket expenses. In larger offerings, a financial communications firm may also be involved to assist in the preparation of marketing materials.

Annual fees are also payable to the Exchange, to be paid quarterly and calculated using a formula that combines a fixed scale of fees based on the corporate capital of the relevant company, with an additional percentage amount (different for each range) over the exceeding minimum corporate capital amount of the corresponding range of the scale. The current scale of fees ranges from US$50 to US$2,000.

9. Additional information

All information or materials submitted to the BCBA and the CNV must be translated into Spanish by a sworn public translator, with signature legalized by the corresponding professional board, certifying that the corresponding translations are a faithful copy of the information filed by the issuer at the applicable foreign country.

10. Contacts within Baker McKenzie

Gabriel Gómez Giglio and Francisco Fernández Rostello in the Buenos Aires office are the most appropriate contacts within Baker McKenzie for inquiries about prospective listings on the BCBA.

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Bursa Malaysia

Initial financial listing requirements

To qualify for listing, a company must meet at least one of the following tests:

Profit Test	Uninterrupted profit of three to five full financial years, with an aggregate after-tax profit of at least MYR20 million (approximately US$4.90 million). After-tax profit of at least MYR6 million (approximately US$1.47 million) for the most recent financial year.
Market Capitalization Test	A total market capitalization of at least MYR500 million (approximately US$122.50 million) upon listing.
Infrastructure Project Corporation Test	Must have the right to build and operate an infrastructure project in or outside Malaysia: • With project costs of not less than MYR500 million (approximately US$122.50 million). • For which a concession or license has been awarded by a government or a state agency with a remaining concession of license period of at least 15 years.

Other initial listing requirements

Share price. Minimum offering price of MYR0.50 (approximately US$0.12) per share.

Distribution. The applicant must:

- Have at least 25% publicly held shares.
- Have at least 1,000 public shareholders, holding not less than 100 shares each.
- Allocate 50% of the public spread requirement to Bumiputera (the indigenous people of Malaysia) investors (where the company derives more than 50% of its after-tax profit from operations based in Malaysia).

Accounting standards. The audited financial statements must be prepared in accordance with the approved accounting standards under the Malaysian Financial Reporting Act 1997.

Financial statements. The applicant is required to disclose its audited financial statements for the past three to five financial years and the latest financial period (or any shorter period during which the applicant has been in operation).

Operating history. The applicant must have been incorporated and operating in the same core business over the profit track record period (if it is seeking to qualify by way of the profit test) or must have been incorporated and generated operating revenue for at least one full financial year prior to the application for listing (if it is seeking to qualify by way of the market capitalization test).

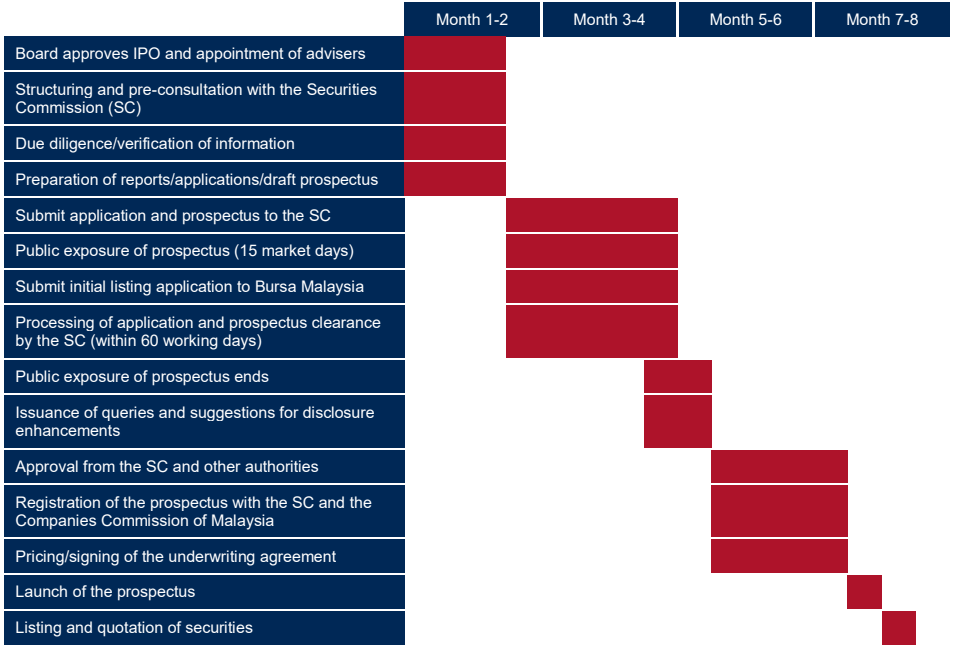
Management continuity. The applicant must have substantially the same management for at least three full financial years or since the commencement of its operations (if the applicant has been in operations for less than three full financial years and is seeking listing by way of the market capitalization or infrastructure project corporation tests).

Incorporation. A foreign company must be incorporated in a jurisdiction that is subject to corporation laws and other relevant laws and regulations, which have standards at least equivalent to those in Malaysia.

Registration. A foreign company must register with the Malaysian Registrar of Companies and establish a share transfer or share registration office in Malaysia.

Listing process

The indicative process and timeline for listing a company on the Main Market of Bursa Malaysia is as follows:



Corporate governance and reporting

Requirements for a company listed on the Main Market include:

- At least two directors (or 1/3 of its board of directors, whichever is higher) must be independent directors. The Malaysian Code on Corporate Governance 2017 recommends a higher proportion of independent directors.
- Each director must hold no more than five directorships in listed issuers (including the company).
- If the company has operations that are predominantly based in Malaysia, it must have a majority of directors whose principal or only place of residence is in Malaysia.
- If the company has operations that are predominantly foreign-based, it must have at least two directors whose principal or only place of residence is in Malaysia.
- Appointing an audit committee (consisting of at least three directors).
- Appointing a suitable accounting firm to act as its external auditors.
- Establishing an independent internal audit function.
- Preparing an annual report which includes its audited financial statements as well as the auditors' and directors' reports of the listed issuer.
- A listed issuer also has other continuing disclosure and reporting obligations to Bursa Malaysia.
- Additional requirements relating to the governance of a company may be imposed by sectoral regulators.

Fees

A company seeking to list must pay both initial listing and annual fees. The initial listing fee for the Main Market is 0.01% of the total market value of the company's share capital and ranges from MYR20,000 to MYR200,000 (approximately US$4,900 to US$49,000). Additional shares listed subsequently will require additional payments. The annual fee is 0.00025% of the total market value of the company's share capital and ranges from MYR20,000 to MYR100,000 (approximately US$4,900 to US$24,500). Other costs include processing fees payable to the SC, fees for registration of the prospectus, advisers' fees as well as brokerage fees.

1. Overview of exchange

Bursa Malaysia Berhad is the exchange holding company in Malaysia. It operates a fully-integrated exchange and offers exchange-related services through its subsidiaries. Bursa Malaysia Securities Berhad (a subsidiary of Bursa Malaysia Berhad) provides, operates and maintains the securities exchange in Malaysia, which is commonly referred to as Bursa Malaysia.

Bursa Malaysia is an ideal exchange for companies seeking to list Shari'ah-compliant equity securities. In addition, companies may find Bursa Malaysia's financial listing criteria to be less stringent than many other stock exchanges. For example, and as discussed further below, a company may satisfy Bursa Malaysia's financial listing criteria based on market capitalization and one year of operating revenue alone (i.e., the company is not required to demonstrate a period of uninterrupted profits).

Companies are either listed on the Main Market or the ACE Market of Bursa Malaysia. The Main Market (which resulted from the merging of the Main Board and Second Board counters in August 2009) is generally the preferred platform for the listing of established companies with sound operating track records. The Main Market is designed for all companies that meet the listing requirements and does not target particular types of companies. In contrast, the ACE Market (previously known as the MESDAQ Market) is an alternative, sponsor-driven market designed to offer early access to equity funding for emerging companies of all sizes and business sectors.

Unless stated otherwise, the discussion in the rest of this summary relates to the listing of, and quotation for shares on, the Main Market.

While Bursa Malaysia does not generally make a distinction between primary and secondary listings on the market scoreboard, there are certain regulatory distinctions between these listings. A corporation seeking secondary listing on the Main Market is subject to the listing rules of its home exchange as well as admission, information

provision and continuing listing obligations of Bursa Malaysia. These are discussed below.

The aggregate market capitalization of listed securities on Bursa Malaysia in December 2019 was MYR1,712 billion (approximately US$419.44 billion), which represents an increase of approximately 0.41% from the aggregate market capitalization of MYR1,705 billion (approximately US$417.73 billion) in January 2017. As at 2 January 2020, 790 companies were listed on the Main Market, representing a marginal increase from 2017 (when 789 companies were listed). Only 8 of the 790 companies currently listed on the Main Market are foreign incorporated.

The primary regulatory authorities involved in a proposed listing on Bursa Malaysia include:

- The Securities Commission (the SC), whose prior approval is required for an initial public offering, back-door listing, secondary listing, cross listing or transfer of listing from the ACE Market to the Main Market.
- Bursa Malaysia, the listing authority for admission to the stock exchange.

Depending on the licenses, approvals and permits held by prospective issuers and their subsidiaries, and the conditions endorsed on those documents, it is possible that the approval(s) and/or waiver(s) of the sectoral regulators may be necessary in connection with a listing on Bursa Malaysia.

2. Principal listing and maintenance requirements and procedures

Jurisdiction of incorporation

As a general matter, there is no specific jurisdiction of incorporation or industry that would not be acceptable to the SC or Bursa Malaysia for a listed company. However:

- Malaysia does not have diplomatic relations with the State of Israel and does not allow its citizens to travel to the State of Israel, save in very limited circumstances.

- A foreign company seeking to list on Bursa Malaysia must be incorporated in a jurisdiction that is subject to corporation laws and other relevant laws and regulations, which have standards at least equivalent to those in Malaysia, particularly with respect to corporate governance, protection of shareholders and minority interests, and the regulation of takeovers and mergers.

With regard to the latter, however, it is possible for the regulatory authorities to approve the listing application of a foreign company that is incorporated in a jurisdiction that does not provide similar regulatory standards, if it is possible for such standards to be adopted by varying the foreign company's constituent documents. For this purpose, the applicant must submit a comparison of the standards of laws and regulations of the jurisdiction in which it is incorporated and those provided in Malaysia, together with the proposed variations to its constituent documents to address the deficiencies in the standards.

Quantitative and qualitative criteria

Generally, a domestic or foreign company seeking a primary listing on Bursa Malaysia must fulfill both quantitative and qualitative criteria, and additional criteria must be met by a foreign company seeking primary listing. However, a foreign company seeking a secondary listing on Bursa Malaysia need only meet certain qualitative criteria; it is not required to meet any quantitative criteria.

There is no difference between the quantitative criteria applicable to a foreign company and a domestic company that is seeking a primary listing on Bursa Malaysia. An applicant company whose core business does not involve undertaking infrastructure projects must satisfy either the profit test or the market capitalization test. A company whose core business is carrying out infrastructure projects (that is, attending to projects that create the basic physical structures or foundations for the

delivery of essential public goods and services that are necessary for the economic development of a state, territory or country) must satisfy the infrastructure project corporation test. These tests are as follows:

- *Profit test*. Under the profit test, the applicant company must have an uninterrupted profit of three to five full financial years, based on audited financial statements as of the financial year-end immediately prior to its application to the SC, with an aggregate after-tax profit of at least MYR20 million (approximately US$4.90 million) and an after-tax profit for the most recent financial year of at least MYR6 million (approximately US$1.47 million).

- *Market capitalization test*. An applicant seeking listing by way of the market capitalization test must have a total market capitalization of at least MYR500 million (approximately US$122.50 million), based on the issue or offer price as stated in the listing prospectus and the share capital upon listing.

- *Infrastructure project corporation test*. An infrastructure project company must have the right to build and operate an infrastructure project (within or outside Malaysia) with project costs of not less than MYR500 million (approximately US$122.50 million) and for which a concession or license has been awarded by a government or a state agency with a remaining concession or license period of at least 15 years. An applicant with a shorter remaining concession or license period may be considered if it meets the profit test, above.

In addition to the above, a Mineral and Oil and Gas (MOG) corporation seeking listing on Bursa Malaysia must comply with additional requirements as follows:

- It must have an adequate portfolio of at least contingent resources (for oil and gas) or indicated resources (for minerals) supported by an independent competent person’s report.

- For the majority of its MOG assets, it must have the legal rights for exploration or extraction activities in respect of the MOG assets and control over the MOG assets.
- It must have sufficient level of working capital for at least 18 months from the date of the prospectus.
- It must have at least one independent director out of the requisite number of independent directors, with the appropriate MOG exploration or extraction experience or expertise.
- It must have an audit firm with the relevant MOG exploration or extraction industry expertise as its external auditor.
- It must appoint a reporting accountant that has relevant MOG exploration or extraction industry expertise.

As a pre-requisite to listing, each applicant must also demonstrate to the SC that it has:

- A sufficient level of working capital for at least 12 months (18 months for MOG corporations) from the date of the listing prospectus.
- Positive cash flow from operating activities over the profit track record period (if listing is sought under the profit test) or in the most recent financial year (if listing is sought under the market capitalization test) based on audited financial statements.
- No accumulated losses, based on its latest audited balance sheet at the time of submission to the SC (if listing is sought under the profit test).

Operating history. A foreign or domestic company seeking a primary listing must have been incorporated and operating in the same core business over the profit track record period (if it is seeking to qualify by way of the profit test) or must have been incorporated and generated operating revenue for at least one full financial year prior to

the application for listing (if it is seeking to qualify by way of the market capitalization test). This requirement does not apply to a foreign company that is seeking listing by way of a secondary listing.

Public float and Bumiputera participation. Any applicant seeking a primary listing must ensure that it complies with the public shareholding spread requirement. This entails having at least 25% of the total number of shares to be listed being in the hands of at least 1,000 public shareholders, holding not less than 100 shares each. In addition, a company that derives more than 50% of its profits (after tax) from operations based in Malaysia must allocate 50% of the public spread requirement (that is, 12.5% of the total number of shares to be listed) to Bumiputera (the indigenous people of Malaysia) investors. The SC has previously provided specific guidance about how to make this allocation to Bumiputera investors (see https://www.sc.com.my/regulation/regulatory-faqs/bumiputera-equity-requirements-for-public-listed-companies) but this is currently under review by the SC. The Bumiputera equity participation requirement must be met at the point of listing, but does not need to be maintained thereafter. It is worth noting that a company with predominantly foreign-based operations (that is, where the profits after tax derived from the foreign-based operations are higher than those from Malaysian-based operations), or that has been granted Multimedia Super Corridor or Bionexus status, is exempted from the Bumiputera equity requirements.

Offerings to the general public. Any applicant seeking a primary listing is required to allocate a proportion of the securities to the general public through a balloting process. The minimum proportion of securities to be allocated to the general public is as follows:

- If the enlarged issued and paid-up capital is below MYR200 million (approximately US$49.00 million), at least 5% of the enlarged issued and paid-up capital or an aggregate of MYR3 million (approximately US$735,000) in nominal value, whichever is higher, must be allocated to the general public.

- If the enlarged issued and paid-up capital is at least MYR200 million (approximately US$49.00 million), then at least 2% of the enlarged issued and paid-up capital or an aggregate of MYR10 million (approximately US$2.45 million) in nominal value, whichever is higher, must be allocated to the general public.

Minimum price. A company applying to list on the Main Market must have a minimum initial public offering price of MYR0.50 (approximately US$0.12) per share. However, there are no requirements for a listed company to have or maintain a minimum trading price for its securities after listing.

Corporate governance. Any applicant submitting a proposal to the SC is expected to have good corporate governance practices. A foreign company seeking to list on Bursa Malaysia must comply with the corporate governance requirements of its home jurisdiction, meeting standards that are equivalent to those in Malaysia. Please see section 5 for a further discussion of the applicable corporate governance requirements for foreign and domestic companies.

Sponsorship and submission. There is no requirement for an applicant company to obtain a sponsor to list its securities on the Main Market. However, a licensed investment bank, merchant bank or approved universal broker will need to be appointed to submit the relevant application to the SC and Bursa Malaysia.

Interviews. There is no specific requirement for an applicant to conduct interviews with the SC or Bursa Malaysia in connection with its listing application. It is not uncommon, however, for the senior management team of the applicant to deliver a presentation to the SC that will provide the SC with an overview of the operations of the group.

Escrow; "promoter" lock-up. While shares do not have to be placed in escrow in connection with a listing, a "promoter" is not allowed to sell, transfer or assign its entire shareholding in a company for six months after the date of that company's admission to the Main Market

(if listing is sought under the profit test or market capitalization test). The term "promoter" refers to any controlling shareholder, person connected with a controlling shareholder or executive director who is a substantial shareholder, of the company. Certain situations are subject to additional requirements:

- A "promoter" of a company that is listed by way of the infrastructure project corporation test will only have the moratorium lifted at the end of the six-month period if its infrastructure project has generated one full financial year of audited operating revenue. In cases where the infrastructure project corporation has not yet generated one full financial year of audited operating revenue, the "promoter" must retain its shareholding amounting to 45% of the issued and paid-up share capital of the company, until one full financial year of audited operating revenue has been achieved.

- Where a "promoter" is a corporation that is not listed, all direct and indirect shareholders of the "promoter" corporation, up to the ultimate individual shareholders, must give an undertaking to the SC that they will not sell, transfer or assign any of their securities in the "promoter" corporation for the six months after listing.

This "regulatory" lock-up is also conventionally supplemented with contractual lock-ups with the underwriters.

Currency. Except for the currency of the State of Israel (which has been designated as a restricted currency by the Central Bank of Malaysia, requiring prior approval of the Central Bank of Malaysia), there is no restriction on the currency denomination of the securities of a foreign company. Multi-currency quotation for a foreign company is allowed (for both a primary and secondary listing), subject to the prior approval of the Central Bank of Malaysia.

Clearing and settlement. All securities must be cleared and settled through Bursa Malaysia Securities Clearing Sdn Bhd, which is the sole approved clearing house for Bursa Malaysia.

Compliance adviser. There is no requirement for a foreign or domestic company, seeking to maintain its listing, to appoint a compliance adviser that is established with Bursa Malaysia.

Additional qualitative requirements. In addition to the criteria described above, any applicant company (domestic or foreign) seeking a primary listing on the Main Market must:

- Have an identifiable core business, of which it has majority ownership and management control, but which is not merely holding investments in other listed companies.
- Provide evidence of management continuity and capability. The company must have substantially the same management for at least three full financial years before it submits its corporate proposal for listing to the SC or since the commencement of its operations (if the company has been in operation for less than three full financial years and is seeking listing by way of the market capitalization or infrastructure project corporation tests).
- Ensure that all transactions entered into between the company (or its subsidiaries) and related parties, before listing, were based on terms and conditions that are not unfavorable to the company.
- Settle fully all trade debts exceeding the normal credit period and all non-trade debts, owing by interested persons to the company (or its subsidiaries), before listing.

In addition, a foreign company seeking a primary listing on the Main Market must also:

- Obtain the approval of all relevant regulatory authorities of the jurisdiction in which it is incorporated and carries out its core business.
- Register as a foreign company with the Malaysian Registrar of Companies under the Companies Act 2016.

- Prepare its financial statements and reports in accordance with the approved accounting standards under the Malaysian Financial Reporting Act 1997.
- Ensure that all documents furnished to the SC, which are in a language other than Bahasa Malaysia or English, are accompanied by an English translation.
- Obtain the prior approval of the Central Bank of Malaysia to utilize proceeds from the offering of securities, if applicable.
- Either:
    - If the company's operations are entirely or predominantly based in Malaysia, have a majority of directors whose principal (or only) place of residence is within Malaysia.
    - If the company's operations are entirely or predominantly foreign-based, have at least two directors whose principal (or only) place of residence is within Malaysia and at least one of these directors must be a member of the company's audit committee.
- Establish a share transfer or share registration office in Malaysia.
- Appoint an agent or representative in Malaysia to be responsible for communication with Bursa Malaysia on behalf of the applicant/listed issuer.

A foreign company seeking secondary listing on the Main Market must meet the criteria described in the above bullet points, and must also:

- Already have a primary listing on the main market of a foreign stock exchange that is a member of the World Federation of Exchanges and has disclosure rules that are at least equivalent to those of Bursa Malaysia.

- Be in full compliance with the listing rules of that foreign stock exchange.

Continuing listing criteria

Although a listed company is not required to continuously meet the quantitative criteria after listing, its financial condition and level of operations on a consolidated basis must warrant continued trading or listing on the exchange. If a listed company triggers any of the following criteria, it must comply with the directions of Bursa Malaysia to regularize the condition, failing which Bursa Malaysia may suspend trading in the company's securities and/or de-list them:

- Shareholders' equity on a consolidated basis is 25% or less of the capital (excluding treasury shares) and is less than MYR40 million (approximately US$9.80 million).

- A receiver or manager is appointed over the assets of the listed company, its subsidiary or its associated company, if the assets account for at least 50% of the listed company's total assets employed on a consolidated basis.

- A winding-up of the listed company's subsidiary or an associated company, which accounts for at least 50% of the company's total assets employed on a consolidated basis.

- The auditors have expressed an adverse or disclaimer opinion on the listed company's latest audited financial statements.

- The auditors have highlighted a material uncertainty related to a going concern or expressed a qualification on the listed company's ability to continue as a going concern in the listed company's latest audited financial statements, and the consolidated shareholders' equity is 50% or less of the listed company's capital (excluding treasury shares).

- A default in payment by the listed company, its major subsidiary or a major associated company is announced by the listed

company, and the listed company is unable to provide a solvency declaration to Bursa Malaysia.

In addition, following listing, a listed company must ensure that at least 25% of its total listed shares (excluding treasury shares) are held by public shareholders, unless Bursa Malaysia accepts a lower percentage where it is satisfied that such lower percentage is sufficient to maintain a liquid market.

Additional equity conditions may be imposed by sectoral regulators through the licenses, approvals and permits held by the listed issuer and/or its subsidiaries. Unless these equity conditions are waived by the relevant sectoral regulator, a listed company must continuously comply with these conditions after listing. For instance, based on the guidelines on foreign participation in the distributive trade services in Malaysia issued by the Ministry of Domestic Trade and Consumer Affairs, listed issuers involved in the operation of hypermarkets are required to maintain a minimum of 30% Bumiputera equity participation (unless waived by the regulator).

3. Listing documentation and process

Primary listing

A foreign or domestic company applying for a primary listing must seek the approval of the SC in respect of the company's proposal for the listing. The SC has prescribed the minimum content of the company's application in the SC's Equity Guidelines (which must in turn be read together with the SC's Prospectus Guidelines and other practice notes and guidance that the SC has issued from time to time). By way of an overview, the application package will include:

- A completed application term sheet, providing basic corporate information on the company and its advisers.
- A cover letter, signed by two authorized signatories of the company's principal adviser, which is supplemented by appendices containing information relating to the company, its

subsidiaries and its associated companies, as well as other matters required to be disclosed under the Prospectus Guidelines.

- A registrable prospectus.
- A checklist, prepared by the company's principal adviser, indicating compliance with the Equity Guidelines and any other applicable guidelines.
- A declaration by the company, and each of its current and proposed directors, confirming that each has never been charged with, convicted of or compounded for, any offenses under securities laws, corporate laws or other laws involving fraud or dishonesty, and no action has been taken against each person for breach of any listing requirements or rules issued by a stock exchange.
- Experts' reports (if applicable).
- Audited financial statements.
- A comparison of the standards of laws and regulations of the company's jurisdiction of incorporation with those provided in Malaysia, together with any proposed changes to the constituent documents (where the jurisdiction of incorporation does not have the requisite standards).

Once the SC has approved the company's application for the primary listing, the company must submit to Bursa Malaysia for approval an initial listing application that includes, among other documents:

- A completed prescribed listing application form.
- In the case of a foreign company, confirmation that it is able to comply with Bursa Malaysia's Listing Requirements (commonly known as the BMLR), insofar as the compliance does not contravene the laws of its place of incorporation. Where the foreign company is unable to comply with the BMLR, it should

provide a report from an independent legal adviser explaining why compliance with the relevant provisions of the BMLR will contravene the laws of the place of incorporation.

- The company's certificate of registration issued by the Malaysian Registrar of Companies (in the case of a foreign company) or certificate of incorporation or notice of registration (in the case of a domestic company).
- The latest constitution, certificate of incorporation or notice of registration, certificate of change of name, certificate of change of status (if any) and a checklist showing compliance with the listing requirements on constitution.
- The registrable prospectus.
- A statement of the percentage of the total number of shares for which listing is sought that are held by the public, and a distribution of the company's existing shares, in a prescribed format.
- A letter of undertaking to comply with Bursa Malaysia's regulations, executed by the company, each director and independent director of the company.
- A letter from the company's principal adviser confirming that all approvals of the relevant authorities have been obtained.
- A copy of the letter of approval from any relevant authority.
- A letter of notification, issued by the company, which appoints a stabilizing manager.
- A cheque for the listing fees, drawn to the order of Bursa Malaysia Securities Berhad.

Once the SC approves the prospectus, the final copy of the prospectus must be registered with the SC and the Malaysian Registrar of

Companies. Following Bursa Malaysia's approval for the admission of securities, the applicant company may proceed to issue the prospectus.

Secondary listing

An applicant seeking a secondary listing on the Main Market must submit an application to the SC and the relevant authorities at its place of incorporation and other stock exchange (where applicable) for approval. The above discussion of the documents required to be submitted to the SC for a primary listing is also applicable to a secondary listing.

Once the SC and the Relevant Authorities have approved the corporate proposal for a secondary listing, the company must then submit a listing application to Bursa Malaysia. The supporting documents for the listing application are largely similar to the supporting documents described above for the listing application for a primary listing, except that there is no requirement for the company to submit a check for the listing fees at this stage.

The applicant seeking a secondary listing must also submit a quotation application to Bursa Malaysia, which includes:

- A copy of the company's latest return of allotment filed with the Malaysian Registrar of Companies and a document showing its latest capital filed with the relevant authority in its place of incorporation.
- An undertaking that all notices of allotment will be issued and dispatched to all successful applications before the date of listing and quotation of the securities.
- A confirmation from Bursa Malaysia Depository Sdn Bhd of the receipt of the allotment information for crediting of the securities.
- A cheque for the listing fees, drawn to the order of Bursa Malaysia Securities Berhad.

- Details relating to any moratorium imposed on the sale of securities.

- A confirmation from the company's principal adviser that all conditions, including conditions imposed by the relevant authorities (if any), which must be met before the listing of and quotation for the securities have been met and there are no circumstances or facts that have the effect of preventing or prohibiting the listing and/or quotation of the company's securities.

- A confirmation from the company's principal adviser that the new securities rank *pari passu* in all respects with each other.

Prospectus contents

The prospectus must include all information that investors and their professional advisers would reasonably require, and reasonably expect to find in the prospectus, for the purposes of making an informed assessment of:

- The company's assets and liabilities, financial position, profits and losses, and prospects.

- The rights attaching to the securities.

- The merits of investing in the securities and the extent of the risk involved in doing so.

This would include any information that is known to a director of the issuer, a "promoter," the company's principal adviser and any person named in the prospectus as having performed or performing any function in a professional, advisory or other capacity, such as the issuer's stockbroker, underwriter, auditor, banker or solicitor. A prospectus must not contain any statement or information that is false or misleading or from which there is a material omission.

In particular, a prospectus must include disclosure of:

- Information about the company and its group (including a description of its business and assets, major customers and suppliers, industry overview, future plans, strategies and prospects).
- Details of the offering.
- Details of the directors, auditors, accountants, solicitors, principal adviser/lead arranger, managing underwriter and guarantor.
- Details of the company's shareholders, "promoters," directors and key management.
- Details of approvals from any relevant authorities and conditions of the approvals.
- Details of any related party transactions for the three most recent financial years and any subsequent financial period immediately preceding the date of the prospectus.
- Details of any conflicts of interest of the company's directors and substantial shareholders.
- Financial information (further details are set out below).
- Reports of the directors for the period between the date of the last audited financial statement and a date not earlier than 14 days from the date of the issue of the prospectus, as well as reports of the accountant and any experts.
- Risk factors that are specific to the company and its industry and to the securities being offered.
- The company's proposed utilization of proceeds, including the minimum level of subscription to be raised, the time frame for full utilization and the financial impact on the corporate group from the utilization of proceeds.

- Material contracts (made outside the ordinary course of business) entered into within two years before the date of the prospectus and material litigation and arbitration that may materially affect the company's business or financial position.

- Instructions on how to apply for the securities and how to complete the application form.

Financial statements

Under the Prospectus Guidelines, the company's prospectus must include:

- Selected financial information from the audited financial statements provided in the prospectus, as determined by the quantitative listing criteria that the company will need to satisfy to qualify for listing.

- A statement of capitalization and indebtedness as of a date no earlier than 60 days prior to the date of the prospectus, showing the company's capitalization, actual and as adjusted, where applicable, to reflect the new securities being issued and the intended application of proceeds.

- A detailed analysis of the company's financial condition, changes in financial condition and results of operations for each year and interim period for which financial information is provided in the prospectus.

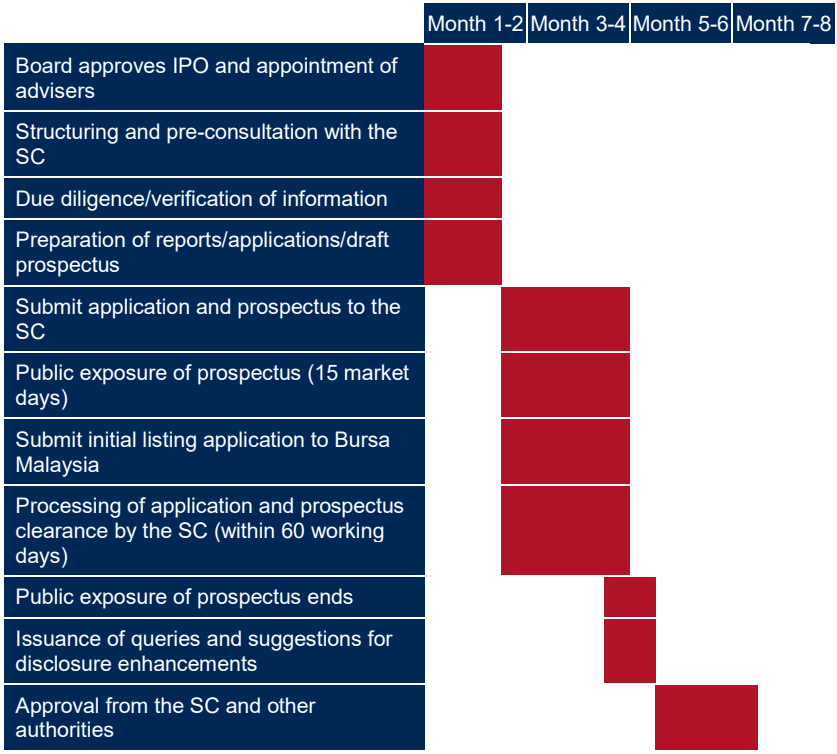
- Interim audited financial statements, if the date of the issue of the prospectus is later than six months after the end of the last financial year.

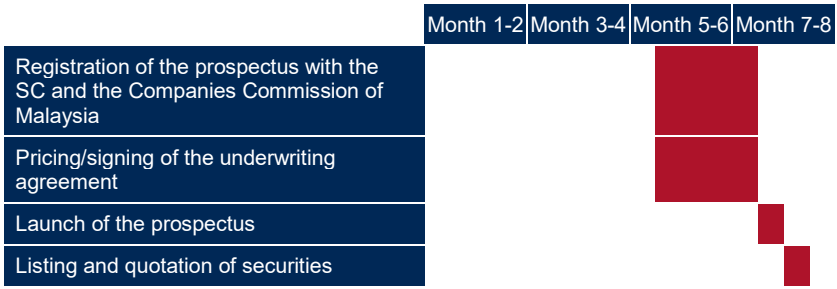
- A pro forma statement of financial position for the most recent financial year and/or latest audited financial period.

In addition, the prospectus must contain an accountant's report prepared by a reporting accountant on the audited financial statements

and audited interim financial statements of the applicant for each of the financial years and periods under review. The audited financial statements provided in the prospectus must be prepared in accordance with the Malaysian Financial Reporting Act 1997. For this purpose, a reporting accountant is a firm of accountants that is a registered auditor with the Audit Oversight Board established under the Securities Commission Malaysia Act 1993. A MOG company must appoint a reporting accountant which has relevant exploration and extraction industry expertise.

Potential indicative process and timeline for listing a foreign or domestic company on the Main Market of Bursa Malaysia





4. Continuing obligations/periodic reporting

Continuing listing obligations

A foreign or domestic company with a primary listing on the Main Market must comply with the continuing listing obligations prescribed under Chapters 8 and 10 of the BMLR. Among other matters, these obligations include:

- Complying with the public shareholding spread requirement and making the relevant announcement on Bursa Malaysia when the company becomes aware that it is no longer in compliance with this requirement.
- Submitting to Bursa Malaysia semi-annual returns (based on an electronic template with prescribed information) as at 30 June and 31 December of each calendar year, within two months from each date. This requirement is separate from the quarterly financial information.
- Ensuring that the company's proxy form allows a securities holder appointing a proxy to indicate how the holder would like the proxy to vote on each resolution.
- Providing Bursa Malaysia, upon request, with an external auditor's certificate to the effect that the issuance of securities by the company is in accordance with the BMLR.

- Where there are circumstances to signify that the company will change its sectoral classification, it must inform Bursa Malaysia of the change.
- Seeking shareholder approval of related party transactions and certain transactions that are deemed significant and/or announcing such transactions to Bursa Malaysia.
- Keeping any accounting and other records required to sufficiently explain the financial position or operations of the company, together with its subsidiaries.
- Where any agreement has been entered into by a company or its subsidiaries in connection with any acquisition or disposal of assets or any transaction outside the ordinary course of business, making a copy of the relevant agreement available for inspection at the company's registered office for three months after the date of the announcement.

In addition, a foreign listed company with a primary listing on the Main Market must, among other matters:

- Ensure that it has established a share transfer or share registration office in Malaysia.
- Ensure that its directors comply with the minimum residency requirement.
- Ensure that it has appointed an agent or representative in Malaysia to be responsible for communication with Bursa Malaysia.
- Announce to Bursa Malaysia concurrently all information required to be publicly disclosed to its domestic regulatory authority and other stock exchanges.
- Distribute to all its shareholders in Malaysia all notices of general meetings to be held, annual reports, accounts and other documents or information that it is required to distribute in its place of

incorporation and other stock exchanges, and ensure that sufficient notice is given to the Malaysian shareholders to comply with the terms of the notice.

- Announce to Bursa Malaysia the appointment of a director and include the director's principal place of residence in the announcement.
- Announce to Bursa Malaysia any change in the interest(s) of a substantial shareholder in its voting shares upon notification by the substantial shareholder.
- Ensure that financial statements announced to Bursa Malaysia are prepared on a consolidated basis and in accordance with the approved accounting standards prescribed under the Malaysian Financial Reporting Act 1997.
- Ensure that the annual audited financial statement is accompanied by a statutory declaration signed by the director or person responsible for the company's financial management.
- Ensure that, as far as practically reasonable, all new issues of securities are admitted and quoted on Bursa Malaysia on the same day as they are admitted and quoted on any other stock exchange.
- Ensure that any change in the laws of its country of incorporation or the laws in the country of incorporation of its foreign principal subsidiaries which may affect the rights of its shareholders is immediately announced.
- Ensure that the audit committee has at least one independent director who has his/her principal or only place of residence in Malaysia.

The specific requirements with which a foreign listed issuer with a secondary listing on the Main Market must comply are largely similar to the specific requirements imposed on a foreign listed company with a primary listing on the Main Market.

Continuing disclosure

The continuing disclosure requirements in Chapter 9 of the BMLR apply to a foreign or domestic company with a primary listing in Malaysia. Broadly, the listed company must disclose to the public all material information necessary for informed investing and take reasonable steps to ensure that all who invest in its securities enjoy equal access to this information. For this purpose, the BMLR establishes six guiding policies for a listed issuer to follow, covering:

- Immediate disclosure of material information.
- Thorough public dissemination.
- Clarification, confirmation or denial of rumors or reports.
- Response to unusual market activity.
- Types of unwarranted promotional disclosure activity.
- Prohibitions on insider trading.

As a general rule, a listed foreign or domestic company must make immediate public disclosure of any material information. Information is considered material if it is reasonably expected to have a material effect on the price, value or market activity of the listed company's securities, or the decision of a security holder or an investor in determining his/her choice of action. Material information may include information regarding:

- The listed company's assets and liabilities, business, financial condition or prospects.
- Dealings with employees, suppliers, customers and others.
- Any event affecting the present or potential dilution of rights or interests of the listed company's securities.

- Any event materially affecting the size of the public holding of its securities.

In exceptional circumstances, a company may temporarily refrain from publicly disclosing material information if complete confidentiality is maintained. However, the material information must not be retained for an unreasonable period of time. Examples of exceptional circumstances include situations when:

- Immediate disclosure would prejudice the company's ability to pursue its corporate objectives.
- The facts are in a state of flux and a more appropriate moment of disclosure is imminent.
- The laws prohibit the disclosure of such information.

Notwithstanding the foregoing, the listed issuer must immediately announce information to Bursa Malaysia where:

- The material information is (or is believed to have been) inadvertently disclosed to third parties or has become generally available through the media or otherwise.
- There is unusual market activity in the company's securities, which signifies that a leak of the information may have occurred.
- Rumors or reports about the information have appeared.
- The listed company learns of signs that insider trading may be taking place.

A listed issuer is required to maintain its own website and must publish on the website all announcements made to Bursa Malaysia and the contact person for queries.

Periodic disclosure

A foreign or domestic company with a primary listing in Malaysia must provide to Bursa Malaysia an interim financial report that is prepared on a quarterly basis, as soon as the figures have been approved by the company's board of directors, and in any event not later than two months after the end of each quarter of a financial year.

An annual report, including audited financial statements together with auditors' and directors' reports, must also be issued to Bursa Malaysia and the company's shareholders within four months after the close of the company's financial year. The annual audited financial statements must be prepared using the appropriate accounting or auditing standards.

A foreign company or domestic company with a primary listing in Malaysia must immediately announce to Bursa Malaysia the status of any memorandum of understanding it has entered into with a third party, and that has been previously announced, at least once every quarter or upon the occurrence of a material change, whichever is earlier.

Market misconduct

The following market misconduct regulations are applicable to foreign and domestic companies listed on the Main Market:

False trading and market rigging transactions. Under the Capital Markets and Services Act 2007 (CMSA), no person is allowed to create (or cause to be created or do anything that is calculated to create) a false or misleading appearance of active trading in any securities on a stock market within Malaysia or a false or misleading appearance with respect to the market for, or the price of, any of those securities. The CMSA also restricts any person from purchasing or selling any securities in a manner that does not involve any change in beneficial ownership of those securities or from maintaining, inflating, depressing, or causing fluctuations in the market price of any securities by any fictitious transaction or device.

It is a defense for a person prosecuted for false trading and market rigging transactions if the defendant establishes that:

- The actions of the defendant were not intended to create, or did not include the creation of, a false or misleading appearance.
- The defendant did not act recklessly, whether or not the defendant created a false or misleading appearance of active trading in securities on a stock market.

Stock market manipulations. The CMSA also prohibits any person from effecting, taking part in, engaging in, being concerned in or carrying out, either directly or indirectly, any number of transactions in securities of a corporation that have, or are likely to have, the effect of raising, lowering, pegging, fixing, maintaining or stabilizing the price of securities of the corporation on a stock market in Malaysia.

False or misleading statements. It is an offense under the CMSA for a person to make a statement, or disseminate information, that is false or misleading in a material particular and is likely to:

- Induce the sale or purchase of securities by other persons.
- Have the effect of raising, lowering, maintaining or stabilizing the market price of securities.

These activities are considered an offense if, when the person makes the statement or disseminates the information, that person either:

- Does not care whether the statement or information is true or false.
- Knows (or ought to have known) that the statement or information is false or misleading in a material particular.

Fraudulently inducing persons to deal in securities. It is also unlawful for a person to induce (or attempt to induce) another person to deal in securities by:

- Making or publishing any statement, promise or forecast that the person knows to be misleading, false or deceptive.
- Dishonestly concealing any material facts.
- Recklessly making or publishing (dishonestly or otherwise) any statement, promise or forecast that is misleading, false or deceptive.
- Recording or storing (by means of any mechanical, electronic or other device), information that the person knows to be false or misleading in a material particular, unless the person can establish that when the information was recorded or stored, the person had no reasonable grounds for expecting that the information would be available to any person.

Use of manipulative and deceptive devices. It is an offense for any person, directly or indirectly, in connection with the subscription, purchase or sale of any securities, to:

- Use any device, scheme or artifice to defraud.
- Engage in any act, practice or course of business that operates (or would operate) as a fraud or deceit upon any person.
- Make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements, made in the light of the circumstances under which they were made, not misleading.

Inside information. Under the CMSA, an "insider" must not, whether as a principal or agent, in respect of any securities to which he has inside information:

- Acquire or dispose of (or enter into an agreement for or with a view to acquiring or disposing of) those securities.
- Procure (in other words, by inciting, inducing, encouraging or directing an act or omission by another person), directly or indirectly, an acquisition or disposal of (or the entering into of an agreement for or with a view to acquiring or disposing of) those securities.
- Directly or indirectly communicate the inside information to another person if the insider knows that the other person would (or would tend to) either:
    - Acquire or dispose of (or enter into an agreement with a view to the acquisition or disposal of) those securities.
    - Procure a third person to acquire or dispose of (enter into an agreement with a view to the acquisition or disposal of) those securities.

A person is considered an "insider" if that person:

- Possesses information that is not generally available, which on becoming generally available a reasonable person would expect to have a material effect on the price or the value of securities (in other words, information that would influence a reasonable person who invests in securities in deciding whether to acquire or dispose of, or enter into an agreement with a view to acquire or dispose of, the securities).
- Knows or ought reasonably to know that the information is not generally available.

Penalties. Any person who commits any form of misconduct described above commits an offense under the CMSA. On conviction, such a person may be imprisoned for up to 10 years and given a fine of at least MYR1 million (approximately US$245,000).

Domestic companies. Except for the continuing listing obligations described above that would specifically apply to a foreign listed issuer with a primary or secondary listing on the Main Market, all documentation and requirements described in this section 4 would also apply to a domestic company.

5. Corporate governance

Before a foreign or domestic company's IPO, the SC takes into account the company's corporate governance practices when considering its proposal for listing on the Main Market of Bursa Malaysia. Factors include whether any previous actions have been taken against the company for any breach of relevant laws, guidelines or rules issued by the SC and Bursa Malaysia. Where the SC is not satisfied with the company's corporate governance record or the integrity of any of the company's directors, it may reject the corporate proposal for listing or approve the proposal subject to conditions. These conditions may include prohibiting (or imposing a moratorium on) any trading or dealing in securities, requiring the company to take appropriate measures to improve its governance structure or requesting that the director in question step down or refrain from participating in the proposal.

Upon the listing of a foreign or domestic company on the Main Market, the company must:

- Ensure that at least two directors (or one-third of its board of directors, whichever is higher) are independent directors. The Malaysian Code on Corporate Governance 2017 recommends that half of the board of a listed company must comprise of independent directors, and for large companies, there should be a majority of independent directors.

- Ensure that no director has been convicted by a court of law, within Malaysia or elsewhere, of an offense involving bribery, fraud or dishonesty, in connection with the promotion, formation or management of a corporation or under any securities laws or corporation laws.
- Ensure that no director is of unsound mind or bankrupt or has been absent from more than 50% of the total board meetings held after that director's appointment.
- Ensure that each director holds no more than five directorships in listed issuers (including the company).
- Appoint an audit committee (consisting of at least three directors) to review, among other issues:
    - The audit plan.
    - Internal audit functions and controls.
    - Quarterly results and year-end financial statement.
    - Related party transactions.
    - Conflicts of interest.

    At least one member of the audit committee must be a member of the Malaysian Institute of Accounts or have at least three years' working experience and must have passed the requisite examinations specified by the First Schedule of Accountants Act 1967 or be a member of one of the associations of accountants specified in that Act.
- Appoint a suitable accounting firm to act as its external auditors (considering, among other factors, the adequacy of the experience and resources of the firm).
- Establish an internal audit function that is independent of the activities it audits, and that reports directly to the audit committee.

To promote better corporate governance in Malaysia, the Malaysian Code on Corporate Governance 2017 (2017 Code) was introduced by the SC. The 2017 Code supersedes the Malaysian Code of Corporate Governance 2012 (2012 Code) and took effect from 26 April 2017. The 2017 Code supplements certain recommendations contained in the 2012 Code and also introduces new recommendations to enhance corporate governance. Among other things, the 2017 Code introduces the CARE approach (abbreviated from the phrase 'Comprehend, Apply and Report') which encourages companies to clearly identify the thought processes involved in good corporate governance practice. The 2017 Code also recommends a shift from "comply or explain" to "apply or explain an alternative" where companies are required to apply the practices by taking into account the environment that the company operates in and, failing which, companies are required to apply a suitable alternative practice to meet the intended outcome.

Additionally, the 2017 Code provides that:

- Large companies (that is, Companies on the FTSE Bursa Malaysia Top 100 Index or Companies with market capitalization of RM 2 billion (approximately US$490,000) and above) are required to have at least 30% women directors.
- At least half of the board of a company must comprise of independent directors, and for large companies, there must be a majority of independent directors.
- Aside from establishing formal and transparent remuneration policies for directors and for these procedures to be disclosed in the annual report, companies are now required to make such policies available on the company's website.
- It is recommended for the board of a company to establish a Risk Management Committee, which comprises a majority of independent directors to oversee the company's risk management framework, policies and its implementation.

The 2017 Code is a voluntary code that serves as a best practices guide for companies. However, listed companies are required to disclose their application of each Practice set out in the 2017 Code during the financial year to Bursa Malaysia and announce the same together with the announcement of annual report.

A listed foreign or domestic company must also ensure that its board of directors states in the company's annual report:

- In narrative form, how the company has applied the principles set out in the 2017 Code to its particular circumstances.
- The extent of the company's compliance with the 2017 Code, specifically identifying and giving reasons for any areas of non-compliance and any alternatives to the Best Practices that the company has adopted.
- An explanation of the board's responsibility for preparing the annual audited financial statements.
- A statement of the state of internal controls and risk management of the company's corporate group.

Additional requirements relating to the governance of a company may be imposed by sectoral regulators. For instance, based on the Corporate Governance guidelines issued on 3 August 2016 by the Central Bank of Malaysia, the chairman of the board must not be an executive (that is to say, the chairman must be an independent director).

6. Specific situations

There is no additional requirement, and no change to the normal listing requirements, that would apply to very large multinational companies or small companies. However, a smaller company may wish to consider whether the listing of and quotation for its securities would be more appropriate on the ACE Market (to which a separate regime applies).

Similarly, there are no industries for which the normal listing or maintenance rules do not apply, or apply in modified form, except that:

- Additional disclosure requirements apply to a listed issuer in the business of plantation or timber, which must immediately announce to the Bursa Malaysia the production figures for each month not later than the end of the subsequent month.
- A listed issuer which fulfils the criteria prescribed in relation to MOG related activities (in other words, if its MOG exploration or extraction activities represent 25% or more of its total assets, revenue, operating expenses or after tax profit) must comply with additional disclosure requirements.
- An infrastructure project corporation must immediately announce to the Bursa Malaysia any substantial variance in its earnings and cash flow projections that may have an adverse impact on its earning prospects at any time during the period of construction of the infrastructure project and for three years after operating pre-tax profits are generated.
- An infrastructure project corporation must also announce the quarterly progress reports on its infrastructure project, not later than two months after the end of each quarter of a financial year.

There are no procedures to procure a "fast track" or expedited listing for companies. However, consultation meetings with the SC prior to submission of the corporate proposal for listing may assist in expediting the SC's review of the proposal.

7. Presence in the jurisdiction

As discussed in section 2, a listed foreign company must establish a share transfer or share registration office in Malaysia and appoint an agent or representative in Malaysia to be responsible for communication with Bursa Malaysia. If a company's operations are entirely or predominantly foreign-based, it must appoint at least two

directors whose principal (or only) place of residence is within Malaysia.

There are no specific corporate records that a listed foreign company must keep in Malaysia. However, the Malaysian Companies Act requires every foreign company registered with the Companies Commission of Malaysia to keep in Malaysia any accounting and other records that will sufficiently explain the company's transactions and financial position (arising out of its operations in Malaysia). These records must be kept in a manner that enables them to be conveniently and properly audited.

8. Fees

The initial listing costs for both primary and secondary listing on the Main Market include:

- A processing fee payable to the SC of MYR80,000 (approximately US$19,600) plus 0.05% of the total market value of securities to be listed, subject to a maximum of MYR800,000 (approximately US$196,000).
- A registration fee for the prospectus of MYR15,000 (approximately US$3,675), payable to the SC.
- An initial listing fee of 0.01% of the total market value of the company's share capital, subject to a minimum of MYR20,000 (approximately US$4,900) and a maximum of MYR200,000 (approximately US$49,000), payable to Bursa Malaysia.
- Professional advisers' fees.
- Underwriting, placement and/or brokerage fees, which may range from 1% to 3% of the value of the shares, subject to negotiations by the foreign company with its underwriter and brokers.

After its listing, the company will be required to pay Bursa Malaysia an annual listing fee of 0.0025% of the total market value of the

company's share capital, subject to a minimum of MYR20,000 (approximately US$4,900) and a maximum of MYR100,000 (approximately US$24,500).

9. Additional information

All materials submitted to the SC and Bursa Malaysia may be in the English language, except that the following documents must also be submitted to the SC in Bahasa Malaysia for registration of the prospectus:

- Two copies of the registrable prospectus.
- A copy of the application form for the subscription of the shares.
- Original or certified copies of any experts' reports disclosed in the prospectus.
- A copy of the summary advertisement of the prospectus to be included in a widely distributed Bahasa Malaysia newspaper.

In addition, any experts' reports disclosed in the prospectus must be prepared in both English and Bahasa Malaysia.

10. Contacts within Baker McKenzie

Brian Chia of Wong & Partners, a member firm of Baker McKenzie International, in Kuala Lumpur are the most appropriate contacts for inquiries about prospective listings on Bursa Malaysia.

Brian Chia
Kuala Lumpur
brian.chia
@wongpartners.com
+60 3 2298 7999

Egyptian Exchange

Initial financial listing requirements

To qualify for listing on the Egyptian Exchange (EGX), an Egyptian issuer must typically meet the following requirements:

- Issued capital must be fully paid, and may not be less than EGP100 million (approx. US$6.26 million), or its equivalent in foreign currency.
- The net profits of the issuer (before tax deductions and generated from carrying out the activities of the issuer in accordance with its objective as contained in the bylaws) for the fiscal year preceding the listing may not be less than 5% of the issued capital, subject to certain exceptions that may be approved by the Financial Regulatory Authority (FRA).

In addition to the general standards described above, a foreign issuer must also satisfy the following criteria:

- If seeking a listing of Egyptian depository receipts (EDRs), submit an application for the approval of the FRA for issuance of Egyptian depository receipts (EDRs), with a nominal value of at least EGP100 million (approx. US$6.26 million), or its equivalent in another currency.
- If seeking a share listing, the capital of the foreign issuer to be listed must be at least US$100 million (or in the case of small and medium sized companies, US$10 million).

Other initial listing requirements

Public subscription notice. A listing and offering of foreign securities in Egypt would require a public subscription notice to be approved by FRA and published in Arabic for local use.

Free float. A listing of EDRs/foreign shares generally requires a free float of 5% of the total EDRs/foreign shares of the issuer, whilst a listing of domestic shares generally requires a free float of no less than 10% of the total shares of the issuer, with a market value of at least EGP100 million (approx. US$6.26 million) at the time of the offering.

EDR holders / shareholders. There must be at least 150 EDR holders / shareholders after the offering in the case of a listing of EDRs/foreign shares, and 300 shareholders in the case of a listing of domestic shares.

Accounting Standards: In general Egyptian Accounting Standards are required. However, International Accounting Standards and US Accounting Standards are acceptable for foreign issuers.

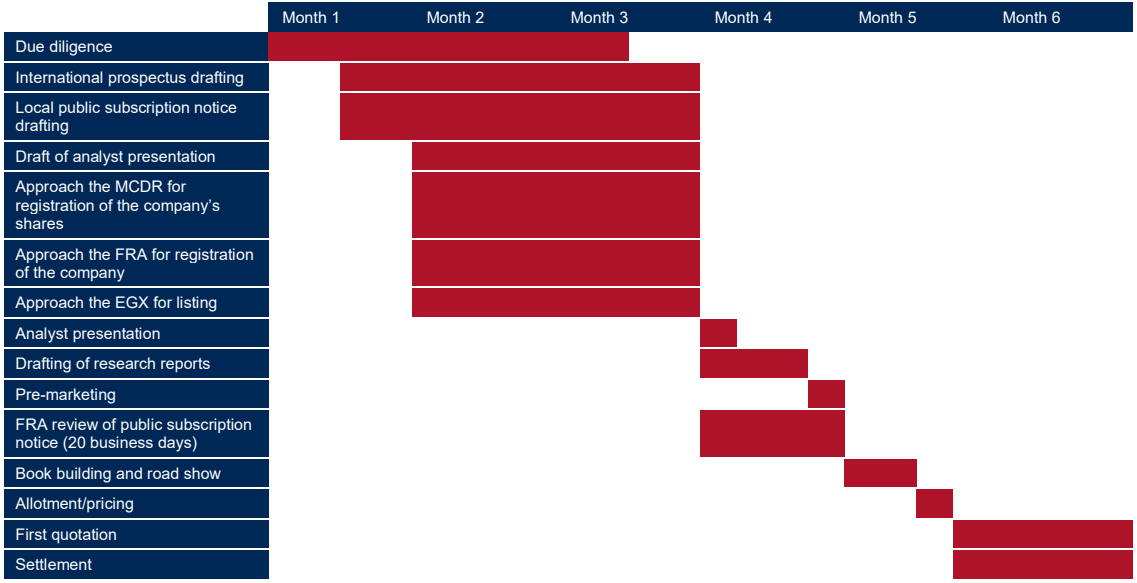
Financial statements. Generally, the applicant must submit audited annual financial statements, including the company report, for the last two fiscal years and the auditor reports. The applicant may further be required to provide interim set of accounts for part of the current financial year.

Local representative. A listing of foreign shares would require appointment of a local legal representative who must be well informed about the issuer to respond to inquiries of the EGX, FRA, shareholders and related parties.

Foreign stock exchange listing. Shares subject to EDRs/foreign shares must be listed on one of the foreign stock exchanges that is supervised by a supervisory body having a role and authorities similar to those of FRA.

Listing process

The following is a fairly typical process and timetable for a listing of a foreign issuer on the EGX.



Corporate governance and reporting

Requirements for listed companies include:

- Audit committee and its composition.
- Insider trading and price manipulation rules and sanctions apply to listed companies.
- Annual and periodic disclosures and reporting requirements to both the EGX and FRA of financial statements.
- Disclosure and reporting requirements to both the EGX and FRA of corporate resolutions (such as board meetings and shareholders meetings).
- Disclosure and reporting requirements to both the EGX and FRA of material information and material events.
- Additional reporting may be required by the EGX and FRA.

Fees

In general, a company seeking to list must pay initial fees and annual listing fees. Initial inspection and review fees are paid once at the time of listing, and are divided as follows: (1) EGX fees, which generally include an inspection fee of 0.05% of the capital or issuance depending on the threshold, capped at a maximum EGP250,000 (approx. US$15,650); and (2) FRA fees comprising an inspection fee of 0.0002% of the total offering size. Annual listing fees are similarly divided into: (1) EGX fees, ranging from 0.0002% of the company's market capitalization, up to a maximum of EGP500,000 (approx. US$31,300), and (2) FRA fees, which are 0.0002% of the company's total annual revenue. The company may also have to pay an annual fee of EGP10,000 (US$626) for publishing its financial statements on the EGX website, depending on the company's capital.

1. Overview of exchange

The Egyptian Exchange (EGX) was first established in 1883 as the Alexandria Stock Exchange, and eventually merged with the stock exchange in Cairo. By the 1960s, the merged Cairo and Alexandria Bourse was one of the largest stock exchanges in the world. The Cairo and Alexandria Bourse was re-organized in 1997 during Egypt's economic reform programs. The EGX currently has a total market capital of approximately EGP720 billion (approximately US$34.11 billion).

Regulations governing the Egyptian securities market are not as extensive as those in other global financial centers. However, main features are captured, and advanced rules are in place to sanction certain bad practices, such as insider trading. A substantial portion of Egypt's securities laws and rules have not yet received sufficient judicial or regulatory interpretation or review and are therefore less developed than comparable global financial centers.

The EGX Listing Rules and executive regulations (as recently entirely re-issued effective as of February 2014), set the general framework, criteria and requirements for listing securities in Egypt. The Listing Rules supersede two sets of preceding rules, which had been in place for over a decade. The Listing Rules are supervised and enforced by the EGX and the Financial Regulatory Authority (FRA), the securities regulator in Egypt. The Listing Rules have been subjected to a number of amendments since issuance.

Although the Listing Rules allow for foreign securities to be listed on the EGX, the regulations are not as developed as those for domestic securities, leaving broad discretion to the EGX and FRA, and with only a handful of foreign companies having been listed to date. Therefore, as applicable, portions of this summary describe the requirements and procedures for domestic companies seeking a listing on the EGX.

2. Principal listing and maintenance requirements and procedures

The Listing Rules set out certain general conditions that need to be met by any issuer in order to be listed on the EGX, in addition to certain specific conditions and criteria that need to be met for the specific types of securities.

General EGX standards

Any company wishing to list its shares on the EGX is required to register with the FRA prior to such listing and, accordingly, must comply with the following conditions, which generally apply to all issuers seeking to list securities on the EGX:

- Securities must be registered in the central depository and registry system.
- Bylaws of the issuer must be entirely free of any transfer restrictions, except as mandated by law (for example, there can be no first refusal rights or similar restrictions).
- All securities of the same type must be listed, as well as any subsequent issuances, and pre-emptive rights (that is, there can be no partial listing of the issued and outstanding shares).
- Issuer must establish a website once listed and prior to any securities trading being authorized, which will be utilized for posting the issuer's annual and periodic financial statements, audit reports and other relevant information and data disclosures prescribed by the EGX.
- Filing of the listing request must be undertaken by the legal representative of the issuer or a certified listing agent.
- Issuer must enter into an agreement with the EGX, setting out the rights and obligations of the parties, and addressing breaches and remedies.

- The cumulative voting method must be used to elect members to the board of directors whenever possible, in order to facilitate proportional representation.
- The issuer's board of directors should include at least one female member.

Additional requirements for listing Egyptian shares

In addition to the general standards described above, a domestic issuer seeking a listing of shares must also satisfy the following criteria:

- At least 25% of the total shares of the issuer must be offered, or 0.025% of the total free float capital of the EGX (subject to a minimum of 10% of the issuer's shares).
- At least 300 shareholders must hold the issuer's shares, provided that the shares allocated to such shareholders are distributed in accordance with the guidelines set by the EGX to ensure that it is a bona fide offering.
- The percentage of the free float shares must be maintained at no less than 10% of the total shares of the issuer or 0.0125% of the total free float capital of the EGX (subject to a minimum of 5% of the issuer's shares).
- At least five million shares must be listed.
- The issuer must provide financial statements for the two full consecutive financial years preceding the listing application, which must be prepared in accordance with Egyptian Accounting Standards, audited by an auditor registered with the Financial Regulatory Authority (FRA) and approved by the company's general assembly of shareholders.
- The issued capital must be fully paid, and may not be less than EGP100 million (approximately US$6.26 million), or its equivalent in foreign currency.

- The issuer generally must undertake to lock up the stake of principal shareholders at a level of 51% of the shares they hold in the issuer, for a period of at least two fiscal years from the date of launching of the public offering on the EGX, subject to certain exceptions that may be approved by the FRA.

- The issuer must provide a report on its business, management structure, prior activities, and the corporate governance to be in place after listing.

- The net profits of the issuer (before tax deductions and generated from carrying out the activities of the issuer in accordance with its objective as contained in the bylaws) for the fiscal year preceding the listing may not be less than 5% of the issued capital, subject to certain exceptions that may be approved by the FRA.

Additional requirements for listing foreign securities

In addition to the general standards described above, a foreign issuer seeking a listing of securities has two options, to list (i) Egyptian depository receipts (EDRs), or (ii) shares. The foreign issuer must also satisfy the following criteria (taking into consideration any agreement or memorandum of understanding entered into by the FRA/EGX and a foreign exchange or securities regulator in the jurisdiction in which the issuer has its primary listing):

(i) Requirements for EDRs

- EDRs may be registered and offered within a month from the date of the issuance of the issuer's registration with the FRA, with the offering based on a disclosure report approved by FRA in accordance with the prepared form. This period may be extended with the approval of the FRA.

- Submit an application for the approval of the FRA for issuance of EDRs with a nominal value of at least EGP100 million (approximately US$6.26 million), or its equivalent in another currency.

- At least 150 holders of EDRs must exist after the offering.
- The percentage of the free float EDRs may not be less than 5% of the total EDRs.
- The shares underlying the EDRs must be listed on one of the foreign stock exchanges that is supervised by a supervisory body having a role and authorities similar to those of the FRA.
- The foreign issuer must undertake to provide the EGX with financial statements, prepared in accordance with International Accounting Standards or US Accounting Standards, as well as submit the board of directors' report and an Arabic translation of the financial statements to be published on its website.
- The foreign issuer must satisfy the profitability and shareholders' rights requirements, required for listing shares of Egyptian companies.

In order to maintain its listing on the EGX, the issuer must maintain the minimum required free float, minimum number of EDR holders, and the minimum required nominal value of the EDRs described above.

In all cases, the Listing Rules restrict foreign issuers from listing on the EGX a portion of their securities in the form of EDRs and another portion in the form of shares at the same time.

The EGX may issue a preliminary approval conditioned upon fulfilment of the fifth item above (that is, listing the shares subject of the EDRs on a foreign stock exchange), and the final approval would be issued by the EGX after verifying that such condition has been satisfied.

The foreign issuer's shares may be registered if it was not listed on a foreign exchange provided more than 50% of its ownership rights, assets and revenues derive from Egyptian subsidiaries. The foreign issuer must provide financial statements for the two full consecutive

financial years preceding the listing application, which must be prepared in accordance with Egyptian Accounting Standards, International Accounting Standards or US Accounting Standards, provided that it is committed to preparing its financial statements after registration in accordance with Egyptian Accounting Standards, to be audited in accordance with such standards.

(ii) Requirements for listing shares

In addition to the general standards described above, a foreign issuer seeking a listing of foreign shares must obtain the prior approval of the FRA and satisfy the following criteria:

- The shares must be listed on one of the foreign stock exchanges that is supervised by a supervisory body having a role and authorities similar to those of the FRA.
- The shares should be denominated in a foreign currency convertible into EGP, or in EGP.
- The foreign issuer must undertake to provide the EGX with its financial statements, which must be prepared in accordance with Egyptian Accounting Standards, International Accounting Standards or US Accounting Standards, as well as submit the board of directors' report and an Arabic translation of the financial statements to be published on its website.
- The capital of the foreign company to be listed must be at least US$100 million (or, in the case of small and medium sized companies, US$10 million).
- The number of shareholders may not be less than 150 after the offering.
- The nominal value of the shares to be listed may not be less than EGP100 million (US$6.26 million) or its equivalent in foreign currency.

- The percentage of the free float shares may not be less than 5% of the total shares of the issuer.
- The foreign issuer must have a legal representative in Egypt.

Continued listing standards

In order to maintain its listing on the EGX, a foreign issuer must maintain the applicable minimum number of shareholders, minimum free float, and minimum number of listed shares described above. If these criteria are not met for three months (or lapse of an additional grace period to be granted by the EGX), a listed company may be the target of suspension and delisting procedures.

3. Listing documentation and process

For a foreign issuer to list its securities in Egypt for the first time, the listing process would generally involve both the EGX and FRA and coordination with Misr for Central Clearing, Depository and Registry (MCDR).

The original EGX listing application typically requires submission of a number of documents and attachments, including:

- The address of the headquarters and all branches of the issuer, whether in Egypt or abroad.
- Proposal for the public offering approved by the issuer's legal representative, setting out the targeted timeline to implement the offering, and the ownership structure (before and after the offering).
- Ownership structure specifying the shareholders owning 5% or more of the issuer, its parent, affiliates or subsidiaries.
- Statement specifying the names of the members of the board of directors of the issuer and their roles (such as, executive, non executive, independent), and names and positions of the executives who may have access to inside information of the

issuer, its holding company, affiliates or subsidiaries, and provided that the number of independent directors is not less than two.

- Statement specifying the insiders of the issuer and their unified code number.
- Statement specifying the sub committees of the board of directors, its functions and members, in particular the audit committee.
- Statement certified by the issuer's legal representative specifying all mortgages over the issuer's assets and key information of same.
- Summary of contracts with a value equal to or exceeding 5% of the issuer's revenue of the preceding fiscal year, to which the issuer or any related company is a party to, as well as a summary of any contracts or agreements between the issuer or any of its related parties or affiliates and any of its shareholders owning 5% or more, or any board member or manager with an executive role, including related party agreements.
- Declaration by the issuer that all contracts and agreements with its shareholders, board members, or executive managers are in compliance with applicable laws, as well as the procedures and requirements followed by the issuer in its dealings with third parties.
- Statement certified by the legal representative of the issuer specifying the name, address, and the investors relations' contact details.
- Statement certified by the legal representative of the issuer specifying the pending litigation that may affect the issuer's financial position, and the status of such cases.
- Report issued by the issuer's auditor on its tax status in accordance with applicable tax laws.

- Certain forms and undertakings as may be required by the EGX.
- The issuer requesting registration of its shares or certificates of deposit pledges to amend its articles of association if it includes allocating specific seats to specific entities or shareholders, in order to comply with the result of the offering and the entry of new shareholders.
- A declaration approved by the legal representative of the issuer stating that (i) no judgments have been issued against any of the members of the Board of Directors during the preceding five years for which criminal penalties have been handed down, unless the sentence in question has been carried out and three years have since passed, or (ii) no member of the Board of Directors has been repeatedly accused of committing serious violations of the Capital Market Law during the last three years, except where innocence can also be shown to have been established.
- A pledge from the issuer to disclose to the FRA and the EGX if anything stipulated in the previous bullet point occurs or has occurred and to replace those responsible within the time limit specified by the FRA with another who meets the prescribed conditions.

Certain additional documents or requirements may be requested by the EGX or FRA, as the case may be.

Process of submitting the EGX listing application

The EGX listing process would typically include the following steps:

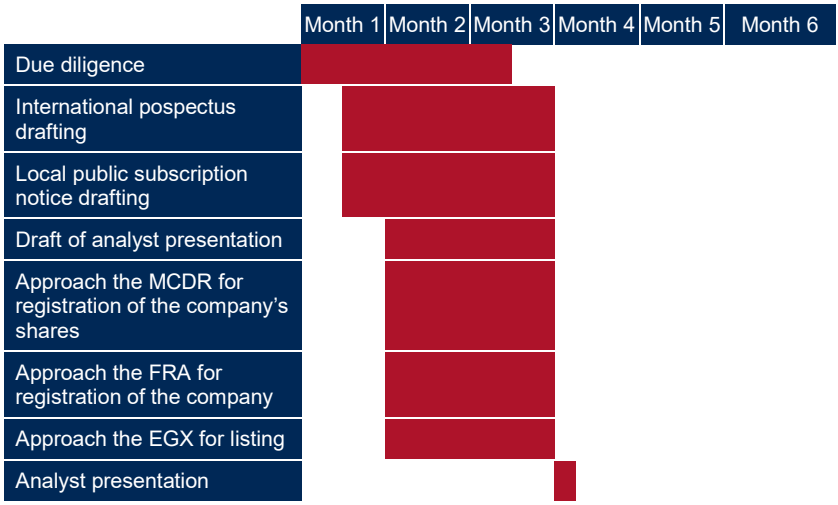
- The legal representative or listing agent of the issuer would proceed with submitting the listing application to the EGX and in turn receive a list of the documents and forms required.
- The EGX publishes the notice of the listing application on the EGX website and EGX daily newsletter for five business days.

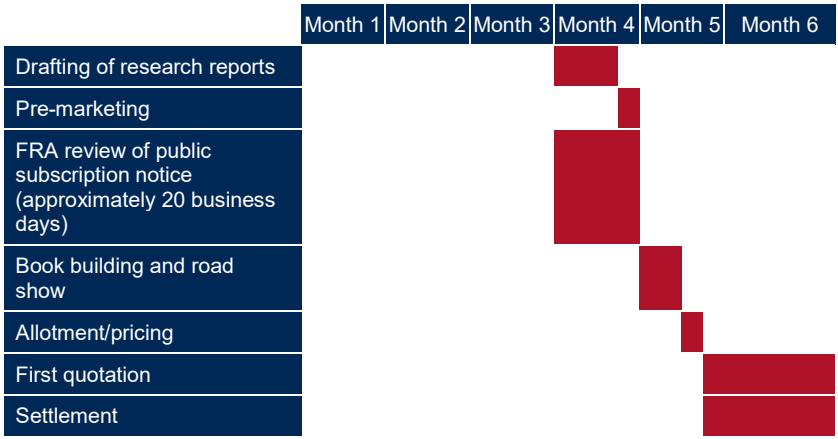
- The legal representative of the issuer signs a contract with the EGX setting out the rights and obligations of the parties.
- The legal representative of the issuer shall proceed with payment of the listing fees and applicable service fees and financial statements publication fees.
- The listing application is presented to the listing committee at the EGX after satisfaction of all required documentation.

The listing committee at the EGX notifies the issuer with its decision, and in case of an approval, it would further notify the relevant authorities and include the securities on the EGX database in accordance with the dates specified in the listing committee's decision. Once the issuer is listed on the EGX, it is afforded a period of six months to fulfil the conditions of going public, and launch its local public subscription notice.

Timetable

The following is a fairly typical process and timetable for a listing of a foreign issuer on the EGX via underwritten public offering in Egypt.





4. Continuing obligations/periodic reporting

An EGX listed company has disclosure and reporting obligations both to the EGX and FRA. Generally, a listed company must release to the public any news or information that might reasonably be expected to materially affect the value of its security or influence investment decisions. Further, the EGX aims to ensure that listed companies provide financial information and information on corporate resolutions in a timely manner.

Disclosure of material information

The Listing Rules prescribe detailed disclosures that are designed to provide the market and investors with a wide range of compelling disclosures that enable them to make proper business decisions and facilitate supervision and monitoring by the EGX and FRA. These disclosure requirements include disclosing material information, financial statements and corporate resolutions.

Events or information that could have a material effect on the price of the traded security or its tradability, or affect the decisions of investors or the market, are considered material information. Material information must be disclosed to the EGX immediately, and would

generally include the following material events set out in the Listing Rules:

- New proposed issuance of bonds, guarantees or relevant pledges.
- Resolution which results in recalling or cancelling registered securities previously issued.
- Proposed change in the financing structure or capital structure exceeding 5% of the shareholders' rights based on the last periodic financial statement or financial position of the issuer, in addition to any restrictions imposed on the borrowing limit available to the issuer.
- Contracts with a value exceeding 5% of the revenues of the last fiscal year.
- Cash distributions or bonus share distributions, or both.
- Resolutions related to the amendment of the nominal value of the issuer's shares.
- Proposed agreements which shall result in the inclusion of strategic investors for purchase of a stake in the issuer's shares.
- Filing lawsuits against the issuer related to its activity or one of its board members or managers or any judgments issued in relation to the issuer's activity.
- Filing lawsuits or arbitration against the issuer related to its activity, one of its contributions, or other assets that are owned by it, whose value exceeds 2% of the ownership rights of the issuer according to the last approved financial statements of the issuer (annual or quarterly).
- Filing lawsuits against a member of the issuer's board of directors or one of its key managers in a matter related to the issuer in which violations of duty are attributed to any of them.

- Issuance of any decrees from administrative authorities that would affect the activities of the issuer or amendment or revocation or cancellation of these decrees.
- Commercial dealings with related parties.

The issuer must exert best efforts to ensure the accuracy of any information or events and that it is not disregarding or concealing any matter that may affect the content of the information or incidents.

Periodic filings and disclosures

Companies with shares or EDRs listed on the EGX, must provide the EGX and FRA with quarterly disclosure reports clarifying the shareholders' structure, their number, board of directors' structure, status of treasury shares and any changes thereto, on the specified form approved by the FRA. The disclosure report must be provided on a quarterly basis within ten days from the end of each quarter.

Companies with shares listed on the EGX are also obligated to disclose on a semi-annual basis the extent to which their decisions to increase the issued capital have been implemented, and what measures have been taken in this regard. Such disclosure report must be provided within ten days from the end of each semi-annual period.

Financial statements

A listed company must notify the FRA of its annual financial statements and auditor's report a month before the date specified for the company's general assembly and the FRA may examine the documents referred to and inform the company of its observations (if any) and request a review of the aforementioned documents in accordance with the results of the examination. If the company does not comply with such request for review by the FRA, when publishing its financial statements and auditor's report, such documents must be accompanied with the FRA's observations and the amendments requested by it, and the company will bear the expenses of the aforementioned publication.

Every listed company is obliged to publish an adequate summary of the report of its Board of Directors, annual financial statements and notes thereon, the auditor's report and the FRA's observations thereon (if any) - in legible form - in two widespread Egyptian daily morning newspapers, at least one of which must be in Arabic. Such publication must occur at least 21 days before the date of the general assembly and it is not permissible to call the general assembly to ratify any of the aforementioned documents before they are submitted in full to the EGX. The publication should include the independent and consolidated financial statements (if the company is obliged to submit consolidated financial statements). If the company's general assembly makes any amendments to any of the aforementioned documents, the company is further obliged to publish a statement setting out those amendments and the amended financial statements within a week of the date of the general assembly's approval of the financial statements, in the same two newspapers.

Publication of the quarterly financial statements and related reports referred to above must be published on the EGX website for a period of at least three days, provided that the EGX is notified within a week of the date of its completion. Companies that make periodic distributions must publish the periodic financial statements that were the basis for the distribution in two widely distributed Egyptian morning newspapers, at least one of which is in Arabic, taking into account the above.

Corporate resolutions

A listed company is required to provide the EGX and FRA with a summary of all board resolutions that include material information. The issuer must also notify the EGX and FRA with a certified statement from the board of directors of the issuer reflecting the most material results of its work in comparison to the same period in the previous year, in accordance with the form prepared by the EGX. This should be notified to the board of directors upon approving the annual or periodic financial statements in contemplation of referring them to the auditor to include it as part of its report.

A listed company is required to disclose to the EGX and FRA a summary of the resolutions of the shareholders meetings (ordinary and extra-ordinary general meetings) upon their adjournment. The listed company is also under an obligation to disclose to the EGX of any cash distributions or distributions of bonus shares or both.

Related party transactions; acquisition of assets

Insiders, founders, principal shareholders (those owning 10% or more) and related parties shall not be parties to any agreements except after obtaining the general assembly approval, provided that such disposal and all relevant details and information including the price and quantity shall be presented to the general assembly prior to undertaking such disposal and the concerned party shall not have the right to vote on such matter in the general assembly. The exception to this rule is any disposal undertaken by virtue of a public tender if the relevant party has presented the best offer.

An issuer is required to file disclosures with the EGX along with an auditor's report and an independent financial advisor report determining the fair price for the acquisition of assets if the price thereof is equivalent to 10% of the equity rights of the issuer as per the most recent financial statements. This also applies in the case of a sale of the issuer's real property or immovable assets or its shares in unlisted companies if its value is equivalent to 10% or more of the equity rights of the issuer. A disclosure is in all events required, however where the acquisition price is less than the above referenced 10%, no independent financial advisor report is required nor is the transaction subjected to intensive regulatory scrutiny.

Inside information

The Listing Rules and the Capital Market Law aim at ensuring that information regarding material events that might affect the trading prices of listed securities is not exploited by those who have access to such information to make personal gains. The Listing Rules further

seek to achieve that investors have adequate information made available to them on a timely basis.

The Listing Rules and Capital Market Law require listed companies to notify the EGX of their internal regulations which include the following:

- Prohibiting insiders from trading in any securities issued by the issuer within five business days prior to, and one business day after, publishing of any material information.
- Prohibiting dealing with any shareholders who own 20% or more of the company's shares (individually or through related persons) without first notifying the EGX of such dealing on the relevant EGX notification form.
- The execution of insiders' dealings shall not exceed one month, at most, from the date of submitting the notification form to the EGX.

In all cases, board members and officers of the issuer, or individuals who have access to information that is inaccessible to third parties and affects the price of the security, are prohibited from the purchase or sale of securities related to such information, without prejudice to any other limitations specified in other laws or regulations in this regard.

5. Corporate governance

A foreign issuer must comply with certain corporate governance standards set out in the Listing Rules, Capital Market Law and other applicable laws and decrees, which include public disclosure of certain matters and corporate resolutions, restrictions on insider trading, and complying with certain corporate governance rules addressed in the Listing Rules, such as having an audit committee and a legal representative in Egypt, as well as an investor relations officer (with respect to Egyptian companies) and at least two independent advisers.

Audit committee

Under the Listing Rules, any company with shares or EDRs listed on the EGX must have an audit committee that satisfies the requirements of Article 37. This rule generally requires that its members and chairman are elected by virtue of a board decision, and must comprise of at least three non-executive directors, having expertise in the company's line of business/industry. At least two of such members must be independent directors. The definition of "independent" is quite broad, and extends to include any relation whatsoever with the company, any of its affiliates, parents, or subsidiaries, and any party related to any of the foregoing. It also includes any employment or contractual relationships, or directorship positions, over a span covering three years back. Marital relations and second degree relatives are also among the reasons for disqualification. If the issuer is unable to secure sufficient candidates to fill such positions, it may retain external experts. The audit committee shall present quarterly reports directly to the board of directors of the issuer. Small-medium sized issuers with an issued and paid capital not exceeding EGP100 million (approximately US$6.26 million) may be exempt from forming an audit committee.

The primary functions delegated to the audit committee are to assist the board of directors in fulfilling its supervisory responsibilities in connection with:

- Inspection and review of the internal audit procedures of the issuer.
- Inspection and review of the accounting standards applied in the issuer and any changes resulting from the application of new accounting standards.
- Inspection and review of internal audit procedures, plans and results.

- Inspection of the procedures carried out in preparing and reviewing (i) the annual and periodic financial statements (ii) offerings relating to securities and (iii) estimated budgets, cash flow and income statements.
- Advising on the appointment of auditors, and matters relating to their remuneration and dismissal.
- Advising on permitting the auditors to perform services for the company other than the preparation of the financial statements, and the remuneration in the regard, without prejudice to their independence.
- Inspection and review of the auditors report regarding the financial statements and discussing the comments included, in addition to working on resolving any misunderstandings between the board of directors and the auditors.
- Ensuring the preparation by an independent financial advisor of a report regarding any related party transactions.
- Ensuring that the issuer adheres to the recommendations of the auditor and the FRA.
- Ensuring the application of the necessary supervisory methods to maintain the issuer's assets, conduct periodic evaluation of administrative procedures and prepare reports to the board of directors.

6. Specific situations

The Listing Rules provide alternative standards that apply to small-medium sized companies, which are to a certain extent less stringent than those applicable to the larger companies. The small-medium sized foreign issuers are companies with a capital of less than EGP100 million (approximately US$6.26 million). However, the Listing Rules do not contain detailed requirements on this.

There is no explicit procedure for fast track or expedited listings.

7. Presence in the jurisdiction

The Listing Rules do not impose an explicit requirement for a listed foreign issuer to maintain physical presence or an office in Egypt. However the Listing Rules do require a listed foreign issuer to appoint a legal representative to be present in Egypt. The legal representative must be a permanent resident in Egypt, well informed about the issuer and capable of responding to inquiries of the EGX, FRA, shareholders and related parties. The foreign issuer must notify the EGX of its representative at the time of the listing application, and further notify the EGX immediately after any changes to its representative. The legal representative is appointed by virtue of a resolution of the issuer's board of directors.

8. Fees

In general, a company seeking to list must pay initial inspection and review fees, and annual listing fees, administrative services fees and financial statements publishing fees.

Initial fees

Initial inspection and review fees are paid once at the time of listing, and are divided as follows: (1) EGX fees, which generally include an inspection fee of 0.05% of the capital or issuance depending on the threshold, capped at a maximum EGP250,000 (approx. US$15,650); and (2) FRA fees comprising an inspection fee of 0.0002% of the total offering size.

Annual fees

Annual listing fees are similarly divided into: (1) EGX fees, ranging from 0.0002% of the company's market capitalization, up to a maximum of EGP500,000 (approx. US$31,300), and (2) FRA fees, which are 0.0002% of the company's total annual revenue.

Additional fees

The company may also have to pay an annual fee of EGP10,000 (US$626) for publishing its financial statements on the EGX website, depending on the company's capital.

9. Additional Information

With very limited exceptions, all information for registration with the EGX and the FRA must be submitted in the Arabic language, or accompanied by an official Arabic translation.

The EGX website (www.egx.com.eg) and the FRA website (www.fra.gov.eg) are available in English versions, and include various information, forms and material regarding the Egyptian securities market, as well as trading and listing securities on the EGX.

10. Contacts within Baker McKenzie

Mohamed Ghannam, Mostafa El Sakaa and Mohamed Baraket of Helmy, Hamza and Partners, a member firm of Baker McKenzie International, are the most appropriate contacts for inquiries about prospective listings on the EGX.

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Euronext Amsterdam

Initial financial listing requirements

The main eligibility criteria for listing equity securities on one of the European Euronext markets, including Euronext Amsterdam, are:

- A minimum distribution of 25% of share capital or 5%, if this represents at least €5 million (approximately US$5.61 million).
- Three years of audited financial statements.
- Compliance with international financial reporting standards (IFRS) or equivalent accounting standards (including US, India, Korea, Canada, China and Japan).
- A regulator-approved prospectus (which can be in the English language).

Financial statements. In order to list its securities, a company must have three years of audited accounts or pro forma accounts. However, exemptions may be available in certain circumstances, as set out in the Prospective Regulation and its implementing texts.

Currency. In principle, listings on Euronext Amsterdam are possible in all existing currencies (quotation currency of the instrument).

Ownership. There are no ownership requirements applicable to the listing of a foreign company's securities, and there are no ongoing financial requirements after the initial listing.

Other initial listing requirements

Transferability; escrow. A company must ensure that its listed securities are freely transferable and negotiable, but exceptions can be granted. There are no requirements to place shares into escrow (or otherwise restrain them from being traded, such as through "lock-in" or "lock-up" arrangements) in connection with the listing. However, lock-up agreements are common in the Netherlands in connection with public offerings.

Listing agent/sponsor. In order to list its securities, a company must obtain a listing agent except in cases of technical listings of companies already listed on other designated markets (such as the New York Stock Exchange).

Compliance advisor. A foreign company does not have to obtain a compliance advisor that is established with the exchange.

Interviews. There is no requirement for a company to conduct one or more interviews with the exchange.

Minimum holders/trading price. There are no requirements for a listed company to have and/or maintain a minimum number of security holders or a minimum trading price for its securities.

Management continuity. Euronext Amsterdam does not require any specific period of continuity of management.

Regulatory approvals for listing and trading

Amongst other things, the following documents must be submitted to Euronext Amsterdam:

- The application form.
- A prospectus (approved by the AFM or the relevant competent authority) (including – to the extent applicable – proof of passporting), or other substitute document (for example, an information document), duly signed by the issuer.
- Unless they are included in the prospectus, copies of the published or filed audited financial statements or pro forma financial statements.
- A letter from the listing agent confirming that it shall fulfil this role for the admission of the equity securities, or a copy of the contract entered into by the Issuer and listing agent for this purpose.

Further, in order for securities to be admitted to listing and trading on Euronext Amsterdam, one of the following must have occurred:

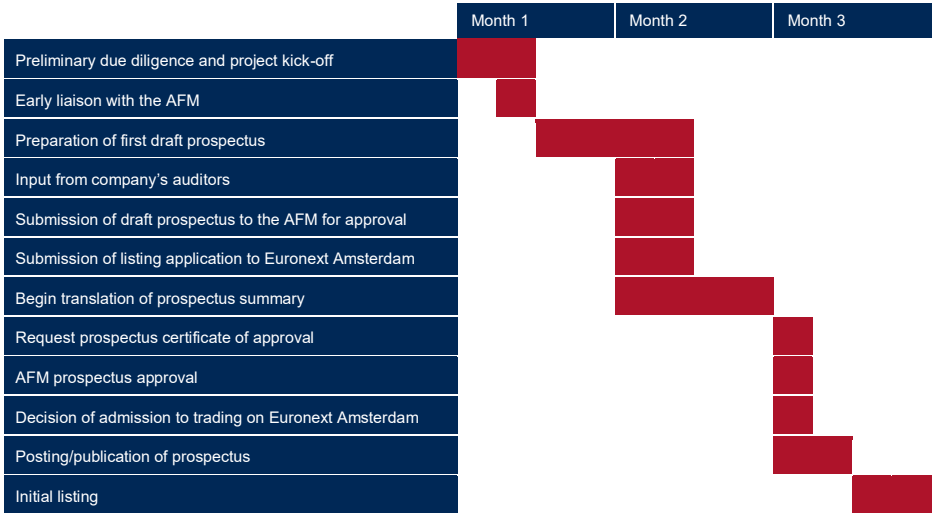
- The AFM has approved the company's prospectus.
- The base prospectus, including its supplements, has been approved by the relevant competent authority and a passport has been sent to the AFM.
- The transaction is exempt from the prospectus obligation.

Accounting standards. Audited financial statements must be prepared in compliance with IFRS. However, the accounts of a third country issuer may be prepared under US, Indian, South Korean, Japanese, Canadian or Chinese GAAP.

Financial statements. The prospectus should also include audited historical financial information, including balance sheets for the latest three financial years. Pro forma statements may be required in the case of a recent material merger or acquisition.

Listing process

To admit shares to Euronext Amsterdam, a final and approved prospectus by the competent authority (in most cases the AFM) must be submitted to Euronext Amsterdam. The following is a fairly typical process and timetable for a listing of an issuer on Euronext Amsterdam:



Corporate governance and reporting

The Dutch Corporate Governance Code applies to Dutch N.V. companies with an official listing in the Netherlands or abroad.

In principle, listed companies are obliged to comply with each principle and provision of the Code or, alternatively, these listed companies must explain in a separate chapter of their annual report, the extent to which they did not comply with the principles and best practice provisions during the relevant financial year (the so-called "comply or explain principle"). Any deviation from the principles and best practice provisions should be specifically disclosed and explained to the general meeting of shareholders.

Dutch listed companies, which have a supervisory board consisting of more than four members (or in case of a one tier board four non-executive members), must—among other things—install an audit committee, which must include at least one member who is deemed to be a financial expert.

There are no Dutch residency requirements for directors or officers.

There are no requirements for a listed foreign company to maintain a presence in the Netherlands (for example through an agent for service of process, resident directors or corporate offices).

There is no requirement for any corporate records (e.g., a register of holders) to be kept in the Netherlands. A listed company has disclosure and reporting obligations both to the AFM and to Euronext Amsterdam. All post-listing reporting obligations can be in the English language.

Fees

A company seeking to list must pay both initial listing fees and annual fees. The initial listing fee for common stock depends on the market capitalization of the issuer. For example, for issuers with a market capitalization between €100 million and €200 million (approx. US$112.12 million to US$224.24 million), the maximum fee can go up to €107,500 (approx. US$120,500). Additional shares listed subsequently will require additional payments. The annual fee is also based upon the number of shares issued and market capitalization, and fees range from €3,000 (approx. US$3,360) up to approximately €56,000 (approx. US$62,800) for large issuers. Additional costs may include printing costs and fees in connection with the approval of the prospectus as required by the AFM. Furthermore, various fixed annual fees and variable fees may be charged to listed companies by the AFM in connection with ongoing supervision.

1. Overview of exchange

Euronext Amsterdam is part of Euronext N.V. (Euronext), with other outlets in Brussels, Dublin, Lisbon, London, Oslo and Paris. Euronext Amsterdam is a "regulated market" within the meaning of the Markets in Financial Instruments Directive (Directive 2014/65/EU) (MiFID II) and the Markets in Financial Instruments Regulation (Regulation (EU) 600/2014) (MiFIR), which came into effect on 3 January 2018.

Together, the Euronext markets currently list 1,220 companies from approximately 35 countries, worth €4.17 trillion (approximately US$4.68 trillion) in market capitalization. Euronext is the largest European stock exchange in terms of both trading volume and value of shares traded. Shares listed on one of Euronext's markets can be traded on the other markets through a single order book. The shared trading platform offers the same market structure for all listed companies, and clearing is fully guaranteed for all securities. This allows issuers to tap efficiently into international institutional markets, as well as the local Dutch market.

While the rules regarding listing and admission to listing have been harmonized significantly among the different Euronext markets, some differences remain due to legal and some technical reasons. Also, an admission on one of the Euronext markets does not yet entail an automatic listing on another Euronext market, but such a listing can be used as basis for a simultaneous or additional listing on another Euronext market.

Euronext Amsterdam operates two regulated markets: one stock market (Euronext Amsterdam, of which the leading market is known as the AEX Index) and one derivatives market (Euronext Amsterdam Derivatives Market, for example the Amsterdam market of NYSE Liffe).

The main Amsterdam (regulated) market includes large (Dutch) multinationals. The regulated market of European Euronext markets for equities is segmented according to market capitalization:

- *Compartment A*: companies with a market capitalization of more than €1 billion (approximately US$1.12 billion).
- *Compartment B*: companies with a market capitalization between €150 million (approximately US$168.18 million) and €1 billion (approximately US$1.12 billion).
- *Compartment C*: companies with a market capitalization of less than €150 million (approximately US$168.18 million).

The main indices of Euronext Amsterdam are AEX® (for large capitalizations), AMX® (for medium capitalizations) and AScX® (for small capitalizations).

The rules and procedures described below relate to the regulated market only.

As of 31 December 2019, 1,220 companies (1,067 domestic companies and 153 foreign companies) were listed on the Euronext European regulated equity markets. As of 31 December 2019, the aggregate market capitalization of these markets (Amsterdam as well as Brussels, Dublin, Lisbon, London, Oslo and Paris) was approximately €4.17 trillion (approximately US$4.68 trillion), an increase of 25.2% from 31 December 2018.

The exchange has made a special effort to welcome US and foreign companies whose shares are listed in the United States via the "Fast Path" procedure. This procedure enables US-listed (NYSE or Nasdaq), non-EEA (European Economic Area) issuers to cross-list, using existing US SEC filings, with or without a simultaneous capital raising.

Euronext Amsterdam is governed by the Act on the Financial Supervision (*Wet op het financieel toezicht*, or FSA), as amended

from time to time. The operation of a regulated market in the Netherlands is subject to prior license by the Dutch Minister of Finance, who may, at any time, amend or revoke this license if necessary to ensure the proper functioning of the markets or the protection of investors. The license may also be revoked for non-compliance with applicable rules. The Dutch Central Bank (*De Nederlandsche Bank*, or DNB) and the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, or AFM) are jointly responsible for supervising the Dutch financial markets. DNB has the primary responsibility to supervise the financial institutions and the financial sector while on the other hand the AFM supervises the conduct on the financial markets and the conduct of Euronext Amsterdam itself.

2. Principal listing and maintenance requirements and procedures

There are no jurisdictions of incorporation or industries that would not be acceptable for a company to list its securities on Euronext Amsterdam. Furthermore, there are no ownership requirements applicable to the listing of securities, and there are no ongoing financial requirements after the initial listing.

The main eligibility criteria for listing equity securities by either Dutch or foreign issuers on Euronext Amsterdam are:

- A minimum distribution of 25% of the subscribed share capital or such lower percentage as determined, in its absolute discretion, by Euronext Amsterdam in view of the large number of shares concerned and the extent of their distribution to the public. This percentage may not not be lower than 5% of the subscribed share capital and must represent a value of at least €5 million (approximately US$5.61 million) calculated on the basis of the subscription price (the so-called “free float”).

- Three years of audited financial statements (subject to the applicability of certain exemptions).

- Compliance with either of the following accounting standards (see sections 3 and 4 for more information about accounting standards) of the country where the issuer has its registered office:
    - International Financial Reporting Standards (IFRS).
    - Any other accounting standards allowed under Dutch laws and regulations for the period covered by the financial information.
- A regulator-approved prospectus.

Companies that would like to list their securities on Euronext Amsterdam are required to engage a listing agent. A company must ensure that its listed securities are freely transferable and negotiable, but exceptions can be granted (such as in the case of a shareholders' agreement). There are no requirements to place shares into escrow (or otherwise restrain them from being traded, such as through "lock-in" or "lock-up" arrangements) in connection with a listing. Lock-up agreements with underwriters are common in the Netherlands in connection with public offerings.

The currency denomination of securities traded on Euronext Amsterdam is generally Euros (€) or US dollars (US$). Other currency denominations are in principle possible, provided that they are eligible for settlement by Euroclear Netherlands, being the relevant central securities depository. In order to be listed and traded on Euronext Amsterdam, the securities are generally settled by a paying agent who is a member of Euroclear Netherlands. The paying agent centralizes the payment of dividends and other corporate actions.

3. Listing documentation and process

Below is an overview of the documentation and information to be supplied to Euronext Amsterdam by a company seeking to list its equity securities on Euronext Amsterdam. Other types of financial instruments may require slightly different documentation and

information to be supplied. All documents and information listed below must be supplied by no later than 10:00 a.m. on the day prior to the contemplated listing.

Item	Required by:	
	AFM	Euronext Amsterdam
Draft or final prospectuses (including all annexes thereto approved by the relevant competent authority) (including—to the extent applicable—proof of passporting), or other substitute document (for example, the information document), duly signed by the issuer.*	✓	✓
Certified copy of the issuer's deed of incorporation and articles of association, if amended (the by-laws).		✓
A copy of minutes from the relevant corporate body or bodies containing resolutions approving or authorizing (i) the admission to listing, and/or (ii) the issue of new securities covered by the listing, as the case may be.		✓
An extract from the official trade register / chamber of commerce in respect of the issuer (*Uittreksel*).		✓
Listing agent agreement or letter confirming that it shall fulfill this role for the admission of the securities.		✓
All press releases published and to be published in the context of the admission to listing / trading.		✓
If the admission is accompanied by the issuance of new securities, a copy of the notarial deed or similar official deed certifying the creation of the new securities.		✓
For securities already listed elsewhere, certificate by the relevant market authority certifying the listing.		✓
If the issuer wishes securities to admitted to trading on an "if and when issued/delivered" basis (as relevant, if not included in the prospectus) a letter from the issuer in which the		✓

Item	Required by:	
	AFM	Euronext Amsterdam
aforementioned commitments are given and the aforementioned information is provided.		
Copies of the financial statements or pro forma financial statements (if not included in the prospectus) for the preceding three years. If the fiscal year ended more than nine months before the date of the admission to listing, the issuer must have published or filed semi-annual accounts.		✓
A letter from the issuer confirming that adequate procedures are available for the clearing and settlement of transactions in respect of the relevant securities.		✓
(Depositary receipts only) Certified copy of the articles of association (the by-laws) of the underlying company (*Stichting administratiekantoor*).		✓
Euronext Application Form (including the undertakings set out therein).**		✓

** A draft prospectus, to be provided as soon as possible (but no later than when it is officially sent to the relevant supervisory authority for approval). This will be done by the listing agent. A copy of the final version of the prospectus relating to the issuance, signed by the issuer, will also need to be sent to Euronext Amsterdam by the day before the first day of listing.*

*** The application for admission to trading contains (among other things) undertakings by the issuer to confirm that:*

- It has taken all required steps to comply with European Union law and Dutch law, and in particular any obligations relating to prospectuses, and that the issuer undertakes to adhere to all initial, periodic and continuing obligations ensuing from such regulations.
- It has complied and will comply with any applicable obligation, including any disclosure obligation ensuing from European Union law and/or Dutch law on transparency and market abuse.

- The issuer and its beneficial owners are compliant and will continue to be compliant with the EU Directive 2015/849/EC of the European Parliament and of the Council on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing (4th Money Laundering Directive) as well as any related regulations or national legislation.
- The issuer and its beneficial owners are not on the EU Sanction List or on the one drawn up by the Office of Foreign Assets Control (OFAC).
- It is compliant with and will continue to comply with any listing measure (Listing measures for a fair and orderly market) taken by Euronext Amsterdam.Euronext rules and any modifications of them.
- It will comply with the continuing obligations set forth in the Euronext rules.
- It will pay the handling charges, initial listing fees and recurring listing fees prescribed by Euronext when those charges and fees become due and payable.

A listing timetable should be jointly agreed upon between Euronext Amsterdam and the issuer. In addition, the following is required regarding the listing of securities on Euronext Amsterdam. Upon admission to listing and for as long as the securities are listed:

- The legal form and structure of the issuer must be in accordance with applicable laws and regulations.
- The issuer must comply with the requirements of any relevant competent authority.
- Adequate procedures must be available for the clearing and settlement of transactions in respect of such securities.

- The issuer must take all necessary measures to have its ISIN code as well as an active LEI.

Further, in order for securities to be admitted to listing and trading on Euronext Amsterdam, one of the following must have occurred:

- The AFM has approved the company's prospectus.
- The base prospectus, including its supplements, has been approved by the relevant competent authority and a passport has been sent to the AFM.
- The transaction is exempt from the prospectus obligation.

In the event of (i) a public offering in the Netherlands, or (ii) an admission of securities to trading on Euronext Amsterdam, a prospectus must be approved by the AFM first (as per the first bullet point in the preceding list). To that end, the prospectus must satisfy the rules set out in the Prospectus Regulation (EU) 2017/1129, as supplemented by the following delegated regulations: (i) (EU) 2019/979, and (ii) (EU) 2019/980. Furthermore, the European Securities and Market Authority (ESMA) has published several guidelines that are helpful during the preparation of a prospectus. Alternately, a prospectus approved by the competent authority of the issuer's home European Economic Area (EEA) Member State may be passported into the Netherlands pursuant to the Prospectus Regulation (EU) 2017/1129.

In particular, such prospectus must include the following topics:

- Summary.
- Identity of the persons responsible for drawing up the prospectus and those responsible for auditing the financial statements (directors, senior management and auditors).
- Offer statistics and expected timetable.

- Essential information about the issuer's financial condition, capitalization and risk factors.
- General information on the issuer (for example, history and development of issuer, business overview, organization structure and property, plant and equipment).
- Operating and financial review and prospects.
- Directors, senior management and employees.
- Major shareholders and related-party transactions.
- Financial information.
- Details of the offer and admission to trading details.
- Additional information, most of which is of a statutory nature, that is not covered elsewhere in the prospectus.
- Risk factors relating to the company and its industry.

In addition, with respect to financial information, the prospectus should also include audited historical financial information, including balance sheets for the latest three financial years. Pro forma statements may be required in the case of a recent material merger or acquisition. The pro forma financial information must be prepared in a manner consistent with the accounting policies adopted by the issuer in its last or next financial statements.

For an issuer incorporated in an EEA Member State, the accounts should generally be prepared under the relevant EEA Member State's national accounting standards or IFRS. For a third country issuer, the accounts should be prepared either:

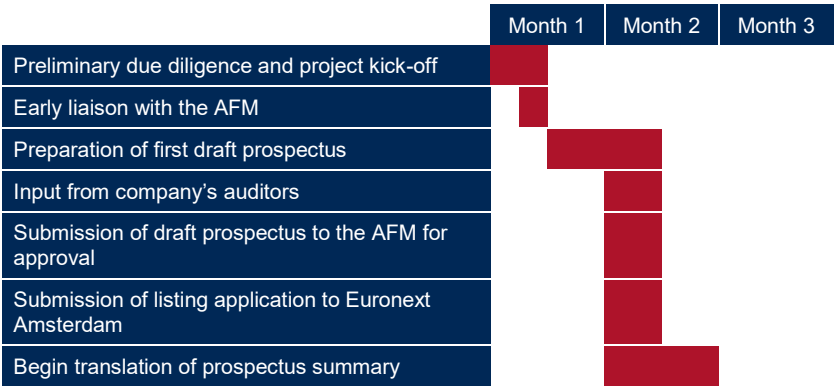
- Under IFRS.
- Under Canadian, Chinese, Japanese, Indian, Korean or US generally accepted accounting principles (GAAP) or under other

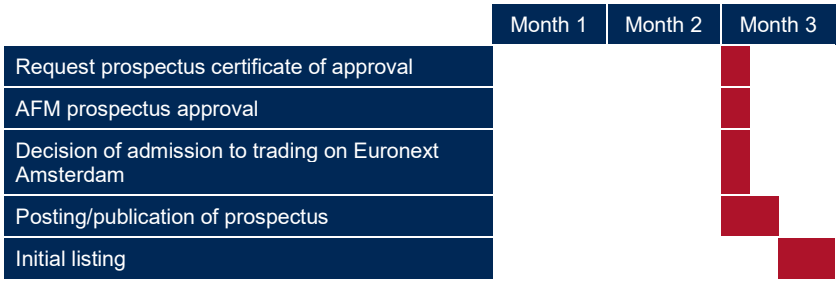
any other third country's national accounting standards, which have been deemed equivalent to IFRS by the European Commission.

If the AFM is the competent authority to approve the prospectus, the prospectus may be drafted either in Dutch or in English. If another supervisory authority within the EEA was competent to approve the prospectus, an English-language prospectus approved by that authority may be passported into the Netherlands without having to be translated into Dutch. While the AFM may require a Dutch translation of the prospectus summary (which may not exceed seven sides of A4-sized paper when printed), in our experience, the AFM does not usually require such a translation. In order to passport a prospectus drafted in a language other than English or Dutch into the Netherlands, the AFM will require a Dutch or English translation.

The Public Issues and Offerings Division of the AFM will review the draft prospectus filed with it. Draft prospectus filings are not publicly available. As a general rule, the AFM will provide its initial comments within one or two weeks of receiving the prospectus. Several rounds of further comments can be expected. Prospectus approval can usually be obtained within six to eight weeks from the date of the initial filing.

Typical process and timetable for a listing of a foreign company on Euronext Amsterdam





As referred to above, in the case of a technical listing (that is, a listing without an offering), the process can be shorter. Also, the process for cross-listing a foreign company is not appreciably different from listing a domestic company. However, an initial public offering of a domestic company will generally occur via a base document (containing information about the company required under Annex 1 of the Delegated Regulation (EU) 2019/980), followed by a securities note containing information on the securities for which listing is sought (containing information about the company required under Annex 11 of the Delegated Regulation (EU) 2019/980). In contrast, the listing of a foreign company is often done via a single listing prospectus, containing the information required by Annexes 1 and 11 of the Delegated Regulation (EU) 2019/980.

4. Continuing obligations/periodic reporting

Key Transparency Directive requirements

Companies whose shares (or certain other securities) are admitted to trading on a regulated market in the EEA and of which the Netherlands is the "home state" for the purpose of the EU Transparency Directive, which is applicable in the EEA (the Transparency Directive) by way of implementation into national legislation of the EEA member states, must comply with all of such requirements. Pursuant to these requirements (which are in the Netherlands implemented in the FSA), listed issuers must publish certain "regulated information" on a regular basis. Certain other

"regulated information" must be disclosed to the public on an incidental basis.

Whenever an issuer publishes "regulated information," it must also file simultaneously a copy of the relevant communication with the supervisory authority. Assuming that the Netherlands is the "home state" of the issuer for the purpose of the Transparency Directive and that the company's securities have been admitted to trading on Euronext Amsterdam, the AFM will be the relevant authority to receive these filings. Following the implementation of the Transparency Directive, all issuers of securities admitted to trading on a regulated market within the European Union are obligated to disclose their home Member State.

Periodic reporting requirements for "regulated information"

The FSA requirements concerning the publication of "regulated information" are as follows.

- *Annual reports*. The annual reports must be published within four months of the end of the fiscal year. At a minimum, it will need to include summarized audited financial statements, management's report and an auditors' report on the financial statements for the period covered. In the event that after adoption of the annual reports but before making it available to the public, a substantial deviation in the financial information in such reports becomes apparent, the company has to issue a statement to inform its shareholders and the public in this respect without delay. These reports must be available to the public for at least 10 years.

- *Half-yearly reports*. The half-yearly report must be published as soon as possible, but no later than three months after the end of the semester. At a minimum, it should include summarized financial statements, an interim report and the auditor's review report or a statement by the issuer that the financial statements have not been reviewed. In addition, the FSA requires the half-yearly report to include material related party transactions that

have occurred during the first six months of the fiscal year. These reports must be available to the public for at least 10 years.

- *Annual declarations.* Companies active in the extraction and logging of primary forests sectors are obliged to publish annual declarations on the payments made to the government. These declarations must be published within six months of the end of the fiscal year and available to the public for at least 10 years.

- *Accounting standards to be followed in annual and half-yearly reports*. The annual and half-yearly reports must contain consolidated financial statements, prepared in accordance with IFRS. Pursuant to decisions by the European Commission, Chinese, Canadian, Indian, Japanese, South Korean and US GAAP are considered to be equivalent to IFRS for the purposes of the Transparency Directive. According to this decision, for a limited period a non-EEA issuer is also permitted to prepare its annual and half-yearly consolidated financial statements in accordance with the generally accepted accounting principles of China or Canada.

The regulator of a home Member State (for example, the AFM) may recognize as equivalent the home country reports of a non-EU issuer, so long as the reports are filed and published in accordance with the Transparency Directive, the implemented national legislation and meet EU-adopted minimum standards as to content. The details as to content are provided in the FSA's Transparency of Issuing Institutions Decree. These include:

- *Annual reports*. The report will be deemed to meet the Transparency Directive's requirements if it contains:

    - A fair review of the development and performance of the company's business and of its position, together with a description of the principal risks and uncertainties that the company faces.

  - An indication of any important events that have occurred since the end of the financial year.
  - Indications of the company's likely future development.

- *Half-yearly reports*. The report will be deemed to meet the Transparency Directive's requirements if it contains at least:
  - A review of the covered period.
  - Indications of the company's likely future development for the remaining six months of the financial year.
  - For issuers of shares and if already not disclosed on an ongoing basis, major related party transactions.

Responsibility statement requirements. Pursuant to the FSA rules, certain responsibility statements must be included in the periodic reports described above. Consequently, the persons responsible within the company (for example, the Chief Executive Officer) will be required to state publicly that, to the best of their knowledge:

- The annual financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the company's consolidated assets, liabilities, financial position and profit or loss.
- The annual report includes a fair review of the development and performance of the business and the company's position, with a description of the principal risks and uncertainties that it faces.
- The half-year financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the company's consolidated assets, liabilities, financial position and profit or loss.
- The half-year report includes a fair review of the important events that have occurred in the first six months of the financial year and

their impact on the financial statements, with a description of the principal risks and uncertainties for the remaining six months and related party transactions.

Incidental publication requirements for "regulated information"

The FSA also prescribes incidental publication of certain "regulated information", this includes changes in the rights attached to certain classes of shares or other securities of the company must be published forthwith.

Publication of "regulated information"

As discussed above, the yearly and half-yearly statements and information concerning changes in the rights attached to the company's securities would be considered to be "regulated information," whose distribution and retention has to follow rules set forth in the Transparency Directive.

Under the Transparency Directive, "regulated information" must be disseminated, filed and then stored for a 10-year period. The Transparency Directive requires "regulated information" to be centrally stored in an "officially appointed mechanism" and requires that there be at least one such mechanism in each Member State. The Dutch Minister of Finance has appointed the AFM as the "officially appointed mechanism" for the Netherlands.

Assuming that:

- The Netherlands is a company's "home state" for the purpose of the Transparency Directive, as discussed above.
- The company's securities have been admitted to trading on a regulated market,

then the implemented FSA rules concerning the means of publication and dissemination of "regulated information" will apply. In accordance with these rules, "regulated information" must be

published in Dutch or in English through a press release, which must be made available simultaneously in each of the EEA states in which the relevant issuer's securities are admitted to trading on a regulated market. This must occur through the use of such media as will reasonably ensure prompt and efficient dissemination of the information in the Netherlands and in all EEA states, without discrimination. Publication on the company's website fulfills such requirement.

The European Market Abuse Regulation (EU) 596/2014 (MAR) explicitly requires that "inside information" must be posted and maintained on the company's website for a period of at least five years.

Further, as mentioned above, whenever an issuer publishes "regulated information", it must send a copy to the AFM. Any "regulated information" filed with the AFM is subsequently included in its register, which is accessible online.

Publication requirements for "inside information"

The MAR is applicable in the Netherlands. Issuers listed on Euronext Amsterdam are required to comply with the rules set out in the MAR. The issuer of a financial instrument is required to inform the public without delay of "inside information" that directly concerns the issuer. Furthermore, persons with knowledge of "inside information" due to their participation in the company's management are prohibited from using, for their own or another's account, that information on the market, and from communicating such information for ends or activities other than those for which it is intended. A similar prohibition applies to any person that is in possession of "inside information."

Pursuant to the MAR, "inside information" is any information:

- Of a precise nature.
- That has not been made public.

- Relating directly or indirectly to one or more issuers of financial instruments, or to one of more financial instruments.
- Which, if it were made public, would be likely to have a significant effect on the prices of the relevant financial instruments or on the prices of related financial instruments.

Information is deemed to be precise if it indicates a set of circumstances or event that has occurred or is likely to occur, and a conclusion may be drawn as to the possible effect of the set of circumstances or event on the prices of financial instruments or related financial instruments. Information that, if it were made public, would be likely to have a significant effect on the prices of financial instruments or related derivative financial instruments, is information that a reasonable investor would be likely to use as part of the basis of the investor's investment decisions.

According to guidance published by the AFM, concrete information and important facts regarding the following matters (among others), which have not made public, is likely to constitute "inside information":

- The company's assets and liabilities.
- The performance, or the expectation of the performance, of the company's business.
- The company's financial condition.
- The course of the company's business.
- Major new developments in the company's business.
- Information that has previously been disclosed to the market.

Publication or filing of non-"regulated information"

Pursuant to the FSA, additional filing and/or publication requirements apply to certain companies:

- *Number of outstanding shares and voting rights*. Dutch public companies (*naamloze vennootschappen*) whose securities are admitted to trading on a regulated market and non-EEA issuers, whose shares (or depositary receipts for shares) are admitted to trading on Euronext Amsterdam, must notify the AFM of certain changes in the total number of voting rights and the number of shares making up their issued share capital on an ongoing basis. Changes resulting in a 1% aggregate change must be published without delay. Other changes must be published on a quarterly basis.

- *Dismissal of (supervisory) director*. Dutch public companies (*naamloze vennootschappen*), whose shares (or depositary receipts for shares) are admitted to trading on an EEA regulated market or non EEA-issuers, whose shares are admitted to trading on Euronext Amsterdam, must notify the AFM forthwith of the fact that a (supervisory) board member has been removed from their position.

- *Initial holdings of newly appointed (supervisory) directors*. (Supervisory) board members of Dutch public companies (*naamloze vennootschappen*), whose shares (or depositary receipts for shares) are admitted to trading on an EEA regulated market, must notify the AFM of the number of shares or depositary receipts and the number of voting rights they hold in those companies within two weeks following their appointment. The same requirement applies to the shares, depositary receipts and voting rights they hold in other Dutch public companies:

    - Of which the relevant Dutch public company is a group entity.

    - In which the relevant Dutch public company has a 10% participating interest and of which the most recent turnover amounts to 10% or more of that of the consolidated turnover of such Dutch public company.

  - Which directly or indirectly provide 25% of the capital of the relevant Dutch public company.

- *Subsequent holdings of (supervisory) directors*. (Supervisory) board members of Dutch public companies (*naamloze vennootschappen*), whose shares (or depositary receipts for shares) are admitted to trading on an EEA regulated market, must notify the AFM forthwith of any changes in the number of shares, depositary receipts and voting rights they hold in such public companies and the other Dutch public companies described in the preceding bullet point.

Filing of information other than "regulated information" in accordance with the foregoing must be made electronically, using specific forms that are available on the AFM's website for each type of notification (other than notifications of envisaged amendments to articles of association and dismissal of (supervisory) directors, for which no specific form exists). Whenever an electronic filing is made, an original and signed copy of the notification must be sent to the AFM by registered mail. The information so filed will be subsequently incorporated in the AFM register, which is accessible online.

Other requirements for issuers with a Euronext Amsterdam listing

Insider lists. In order to prevent unlawful use and/or dissemination of "inside information," a Dutch or non-EEA company whose securities are admitted to trading on Euronext Amsterdam (among other markets) must prepare, keep and regularly update a list of the persons whom it employs and who have access, either regularly or incidentally, to "inside information" relating directly or indirectly to the company. Examples of persons who could have access to inside information are:

- Managing and supervisory directors.

- External advisers.
- Certain employees.

Companies may keep two separate lists: one list for permanent insiders and one 'project-specific' or 'deal-specific' list. The lists of insiders must be kept up-to-date at all times. The company must also inform the listed persons about the relevant prohibitions and the sanctions applicable in the event of insider trading or other market abuse practices.

The lists of insiders must state at least:

- The identity of any person having access to inside information.
- The reason why that person is on the list and his function.
- The date when the list of insiders was created and updated.

In addition, the lists of insiders must be promptly updated:

- Whenever there is a change in the reason why any person is already on the list.
- Whenever any new person has to be added to the list.
- By mentioning whether and when any person already on the list has no longer access to inside information.

For the benefit of uniformity, all issuers are obliged to use the mandatory templates that are attached to the Commission Implementing Regulation (Annexes I and II). The lists and any outdated versions must be kept (in electronic form, accessible and secure) for at least five years.

Insider dealng rules. A Dutch or non-EEA issuer whose securities are admitted to trading on Euronext Amsterdam (among other markets) should implement an internal code of conduct containing internal rules (sometimes called "insider dealing code") governing the ownership of

and transactions in its securities. The aim of such insider dealing code is to promote compliance with the relevant obligations and restrictions under applicable securities laws, including the MAR.

The insider dealing code includes rules relating to, among other matters:

- The tasks and powers of the person appointed by the company to make notifications on behalf of persons associated with the company who are required to notify the AFM of their transactions in the company's securities pursuant to insider trading rules.
- The obligations of directors, managers and supervisory board members (and other persons obligated to provide notice under the FSA, such as spouses and children) and employees with respect to the ownership of, and transactions in, the company's shares.
- If relevant, the period during which those persons may not conduct or effect transactions in the company's shares (so-called "closed periods").

The supervision on compliance with the insider trading rules, is a responsibility of the company itself.

Euronext Amsterdam requirements

Pursuant to the Euronext rules, a company whose shares are listed on Euronext Amsterdam must, in addition to any of the regulatory requirements applicable as a result of the listing of its shares:

- Pay any fees charged by Euronext Amsterdam.
- Apply for admission to listing if it issues any additional shares of the same class as those listed. This application should be made as soon as the securities are issued (in the case of publicly issued securities) or no later than 90 days after their issuance (in other cases).

- Ensure equal treatment of all shareholders in the same position with regard to the rights attached to its securities.
- Provide all necessary information and facilities to enable holders of its securities to exercise their rights.
- Notify Euronext Amsterdam if it increases its issued capital by means of a private placement or if it privately places securities that are convertible into shares, no later than on the second working day thereafter.
- Provide Euronext Amsterdam with any information that it may deem appropriate, with a view to the protection of investors or an orderly operation of the market.
- Publish and provide to Euronext Amsterdam certain information that it is required to release to the public under the Euronext rules and the listing agreement, as stipulated by law, and provide to Euronext Amsterdam all information that has to be published by law in a digital format for purposes of publication and dissemination.

5. Corporate governance

The Euronext rule book and the local rule book for Euronext Amsterdam do not contain specific corporate governance provisions. Although corporate governance rules are set out in the Dutch Corporate Governance Code, these rules apply only to Dutch N.V. companies with an official listing in the Netherlands or abroad. Furthermore, these rules apply to Dutch N.V. companies with a balance sheet value greater than €500 million (approximately US$560.60 million), whose shares (or depositary receipts for shares) are admitted to trading on a multilateral trading facility in the European Union or comparable system outside the European Union.

The Dutch Corporate Governance Code is designed as a self-regulating code of conduct, although the Dutch legislator has designated the Code as the code of conduct to which Dutch listed

companies should refer in their annual report. In principle, listed companies are obliged to comply with each principle and provision of the Code or, alternatively, these listed companies must explain in a separate chapter of their annual report, the extent to which they did not comply with the principles and best practice provisions during the relevant financial year (the so-called "comply or explain principle").

The management board and the supervisory board are responsible for the company's corporate governance and compliance with the Code. Any deviation from the principles and best practice provisions should be specifically disclosed and explained to the general meeting of shareholders. Any deviation in complying with the Code in the years thereafter should again be disclosed and explained to the general meeting of shareholders following the year in which they are implemented. It is up to the general meeting of shareholders whether the company has sufficiently complied with or explained any deviation from the Code. The AFM will verify whether the company has included this corporate governance code chapter in the annual report, attached this chapter to the annual report, or published this chapter on the company's website.

The full text and further information on the Dutch Corporate Governance Code (although limited in English) may be found at: www.commissiecorporategovernance.nl.

6. Specific situations

Large companies. There are no additional requirements, or any changes in the normal requirements, that apply to very large multinational companies.

Industries. Additional disclosures are required for specialist issuers (such as property, mineral, scientific research-based companies). Issuers that are involved only in exploration of mineral resources and are not undertaking or propose to undertake their extraction as a business activity would not be classed as mineral companies.

- Furthermore, once listed on Euronext Amsterdam, shareholders of the listed company have the following ongoing disclosure obligations:
    - As soon as the substantial holding or short position equals or exceeds 3% of the issued capital, the holder should report this to the AFM. Subsequently, the holder should notify the AFM again when his substantial holding or short position consequently reaches, exceeds or falls below the following threshold: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%. Such disclosure will be published in the AFM's online register.
    - Shareholders must disclose any position attaining 0.2% of the issued share capital, and of every subsequent 0.1% above this threshold (significant net short positions in shares as required under the regulation on short selling (Regulation (EU) No 236/2012) and certain aspects of credit default swaps). Notifications starting at 0.5% and every subsequent 0.1% above this threshold will be made public via the short selling register. Disclosures must also be made of net short positions in sovereign debts that exceed or fall below specific threshold values, but these notifications will not be made public.

7. Presence in the jurisdiction

There are no requirements for a listed foreign company to maintain a presence in the Netherlands (either via an agent for service of process, resident directors or corporate offices).

There is no requirement for any corporate records (such as a register of holders) to be kept in the Netherlands. However, as noted above, a foreign company listed on Euronext Amsterdam must appoint a listing agent and paying agent.

8. Fees

Initial admission fees

The initial Euronext admission fees for equities for 2020 are as follows:

Market capitalization				
Euros	Approximate US$ equivalent	Admission Fee	Maximum fee	Approximate US$ equivalent
Fixed fee		€10,000	€10,000	US$11,200
From €0 million to €50 million	From US$0 million US$56.06 million	0.06%	€30,000	US$33,640
From €50 million to €100 million	From US$56.06 million to US$112.12 million	0.055%	€57,500	US$64,470
From €100 million to €200 million	From US$112.12 million to US$224.24 million	0.05%	€107,500	US$120,500
From €200 million to €500 million	From US$224.24 million to US$560.60 million	0.04%	€227,500	US$255,100
From €500 million to €1 billion	From US$560.60 million to US$1.12 billion	0.03%	€377,500	US$423,250
From €1 billion to €2.5 billion	From US$1.12 billion to US$2.80 billion	0.02%	€677,500	US$759,600
Over €2.5 billion	Over US$2.80 billion	0.01%	-	-
Maximum fee (fixed + variable)			€2.25 million	US$2.52 million

The fee for a technical listing on Euronext, consisting of a listing without a public offering or private placement by a company already listed for a period of at least 12 months in another country, is €120,000 (approximately US$134,500).

Each issuer that applies for listing shall pay to Euronext handling fee of €10,000 (approximately US$11,200) for standard actions to be taken in connection with the listing (such as the review of documents (prospectus, application form, corporate documents)). The handling fee is due upon filing of the (draft) application form or a kick-off meeting with Euronext having taken place. It will be credited against the admission fee payable by the issuer provided that the listing is completed within 12 months after the initial date the handling fee is due.

An additional admission fee of €15,000 (approximately US$16,800) is due for a secondary listing taking place on Euronext Brussels, Lisbon, London or Paris at the same time as the primary admission to Euronext Amsterdam.

Subsequent equity issues by an existing public company will be charged according to the same fee structure as new admissions, but with a discount. The admission fee is capped at €1.25 million (approximately US$1.40 million). New shares that are not fungible with existing listed shares (such as new shares that are not entitled to the same dividend or that are of a separate category, such as preferred shares) will be listed on a separate line and charged of an identical fee.

The subsequent admission fee from the exercise of employee stock option plans under a programme is €500 (approximately US$560) per event.

Annual fees

The annual Euronext listing fee is the sum of:

- A commission based on the number of outstanding shares as at 31 December of the most recent year, calculated as follows:

Number of shares	Annual fee	
	Euros	Approximate US$ equivalent
Up to 2.5 million	€3,000	US$3,360
Over 2.5 million and up to 5 million	€4,000	US$4,480
Over 5 million and up to 10 million	€9,500	US$10,650
Over 10 million and up to 50 million	€15,000	US$16,800
Over 50 million and up to 100 million	€20,000	US$22,400
Over 100 million	€25,000	US$28,000

- For issuers with a market capitalization (based on the number of shares outstanding as of 31 December multiplied by the last closing price of the year) above €150 million (approximately US$168.18 million), an additional fee of €10 (approximately US$11.20) per million above €150 million.

The total annual fee of a category of shares cannot exceed €56,000 (approximately US$62,800).

In the case of dual or multi-listing on several Euronext markets in Europe, the annual fee is applicable only in the market of reference, with the secondary listing(s) getting a 50% rebate.

Issuers must pay a fee of €10,000 (approximately US$11,200) for material corporate events handled by any Euronext market, such as the change of a reference or a combination of subsequent corporate events such as share consolidations.

AFM fees

The AFM will charge a fee upon approval of the listing prospectus. This fee is €65,000 (approximately US$72,900). It should be noted that the AFM is required to charge the relevant fee as soon as the AFM has started the review of an application for approval of the prospectus, even if the company later decides to withdraw an application for approval or if the AFM decides to seize handling or decides negatively on an application for approval.

The AFM also charges various fixed annual fees and variable fees to listed companies. An overview of these fees is available on the AFM's website at: *www.afm.nl*.

9. Additional information

As noted above, the prospectus and all post-listing reporting obligations can be in the English language. A translation of the prospectus summary is only required if there is a public offering at the time of the listing.

10. Contacts within Baker McKenzie

Rebecca Kuijpers-Zimmerman and Kim Tan in the Amsterdam office are the most appropriate contacts within Baker McKenzie for inquiries about prospective listings on Euronext Amsterdam.

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Euronext Brussels

Initial financial listing requirements

Main criteria. The main eligibility criteria for listing equity securities on one of the Euronext markets, including Euronext Brussels, are:

- A minimum distribution of 25% of the share capital or - at the absolute discretion of Euronext Brussels - a minimum distribution not lower than 5%, if this represents at least €5 million (approximately US$5.61 million).
- Three years of certified financial statements (subject to the applicability of certain exemptions).
- Compliance with international financial reporting standards (IFRS) or US, Japanese, Chinese, Canadian, South Korean or Indian generally accepted accounting principles (GAAP) for accounting (see adjacent box).
- A regulator-approved prospectus (which can be in English if there is no retail public offering).

Financial Statements. In order to list its securities, a company must have three years of audited accounts or pro forma accounts. However, exemptions may be available in certain circumstances, as set out in the European Prospectus Regulation and its implementing texts.

Ownership. There are no ownership requirements applicable to the listing of a foreign company's securities, and there are no ongoing financial requirements after the initial listing.

Interview. There is no requirement for a company to conduct one or more interviews with the exchange, nor is there any requirement for a listed company to have and/or maintain a minimum number of security holders or a minimum trading price for its securities.

Currency. The currency denomination of securities may be either US Dollars (US$) or Euros (€).

Compliance Officer. There is no requirement for a foreign company to obtain a compliance adviser that is established with the exchange.

Other initial listing requirements

Transferability. A company must ensure that its listed securities are freely transferable and negotiable, but exceptions can be granted (such as in the case of a shareholders' agreement).

There are no requirements to place shares into escrow (or otherwise restrain them from being traded, such as through "lock-in" or "lock-up" arrangements) in connection with the listing. However, lock-up agreements with underwriters are common in Belgium in connection with public offerings, and (subject to certain conditions) Belgian law provides for mandatory lock-ups for shares acquired during 12 months prior to the listing at a discount; however, this requirement does not apply to shares that were already listed on another market or exchange.

Accounting standards. Audited financial statements must be prepared in compliance with IFRS. However, the accounts of an issuer incorporated outside the EEA may be prepared under US, Japanese, Canadian, Chinese or South Korean GAAP or, for financial periods starting before 31 March 2016, Indian GAAP.

Financial statements. The prospectus should also include audited historical financial information, including balance sheets for the latest three financial years. Pro forma statements may be required if there has been a significant gross change in the company's position, such as a significant acquisition or merger.

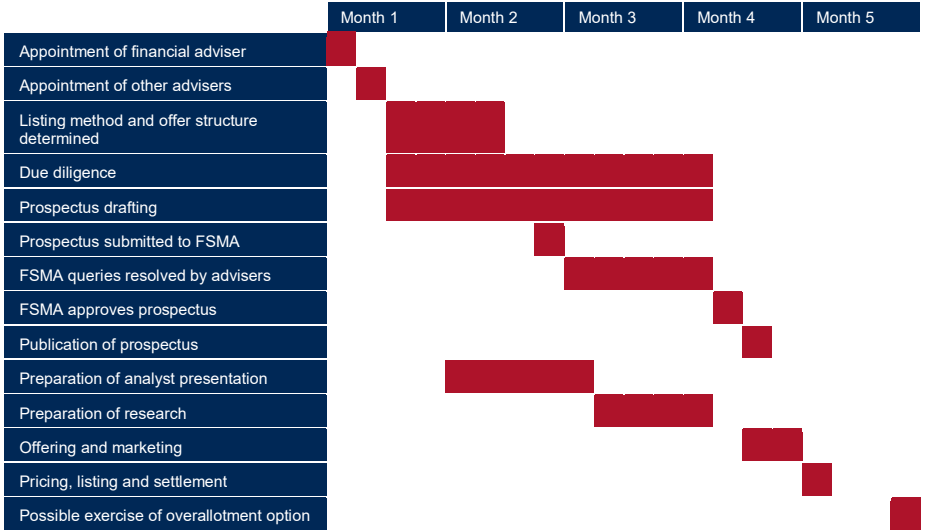
Operating history. An operating history of three years is generally required.

Minimum holders/trading price. There are no requirements for a listed company to have and/or maintain a number of security holders or a minimum trading price for its securities.

Management continuity. Euronext Brussels does not require any specific period of continuity of management.

Listing process

To admit shares to Euronext Brussels, a final prospectus approved by the competent authority (in most cases the Belgian Financial Services and Markets Authority, or FSMA) must be submitted to Euronext Brussels. The following is a fairly typical process and timetable for an IPO of an issuer on Euronext Brussels:



Listings via the "Fast Path" procedure by issuers whose shares are already listed on the New York Stock Exchange or Nasdaq will generally take approximately six weeks following the availability of the filings with the US Securities and Exchange Commission on which the prospectus is based.

Corporate governance and reporting

The Euronext rule book and the local rules for Euronext Brussels do not contain specific corporate governance provisions. Separate corporate governance rules are set out in the Belgian Company and Associations Code and the Belgian Code on Corporate Governance for listed corporations. These rules apply only to Belgian companies and include rules and guidelines regarding:

- The composition of the board of directors, including in terms of gender diversity and independent directors.
- The appointment of an audit committee, nomination committee and remuneration committee within the board of directors.
- The remuneration of directors and officers.
- Related party transactions.

There are no residency requirements for directors or officers.

A company listed on Euronext Brussels must comply with the Belgian requirements implementing the European Transparency Directive. These include recurrent and occasional disclosure and reporting obligations to the FSMA. Additional disclosure and reporting obligations apply vis-à-vis Euronext.

Fees

A company seeking to list must pay both initial listing fees (comprising a fixed fee of €10,000 (approx. US$11,200)) and a variable fee) and annual fees. The initial listing fee for shares depends on the market capitalization of the issuer. For example, for issuers with a market capitalization between €100 million and €200 million (approx. US$112.12 million to US$224.24 million), the maximum fee can go up to €117,500 (approx. US$131,740). Additional shares listed subsequently will require additional payments. The fee for a technical listing on Euronext, consisting of a listing without a public offering or private placement by a company already listed in another country, is €120,000 (approx. US$134,540). The annual fee is based upon the number of shares issued and market capitalization; fees range from €3,000 (approx. US$3,360) up to maximum €56,000 (approx. US$62,790) for large issuers. The FSMA will charge a fee upon approval of the prospectus and certain other actions or filings. The fees depend on the type of filing or approval requested.

1. Overview of exchange

Euronext Brussels is part of Euronext N.V. (Euronext), with other outlets in Amsterdam, Lisbon, London, Dublin and Paris. Euronext Brussels is a "regulated market" within the meaning of the Markets in Financial Instruments Directive (Directive 2014/64/EU) (MiFID II) and the Markets in Financial Instruments Regulation (Regulation (EU) 600/2014) (MiFIR), which came into effect on 3 January 2018.

Together, the Euronext markets list more than 1,400 companies from approximately 35 countries, worth €4.5 trillion (approximately US$5.05 trillion) in market capitalization as of end December 2019. Euronext is the largest European stock exchange in terms of both trading volume and value of shares traded. Shares listed on one of Euronext's markets can be traded on the other markets through a single order book. The shared trading platform offers the same market structure for all listed companies, and clearing is fully guaranteed for all securities. This allows issuers to tap efficiently into international institutional markets, as well as the local Belgian market.

The process to obtain a listing on Euronext Brussels is straightforward and well developed. The Belgian securities regulator, the Financial Services and Markets Authority (FSMA), has a long and solid track record of dealing with public offerings and listings, both domestic and foreign, and is generally very collaborative in the offering and listing process.

While the rules regarding listing and admission to listing have been harmonized significantly among the different Euronext markets, some differences due to legal and technical reasons remain. Also, an admission on one of the Euronext markets does not yet entail an automatic listing on another Euronext market, but such a listing can be used as basis for a simultaneous or additional listing on another Euronext market.

The main Brussels market includes listings of shares issued by Belgian and foreign companies and funds, as well as listings of bonds

and other debt instruments. The regulated market of Euronext for equities is segmented according to market capitalization:

- *Compartment A*: companies with a market capitalization of more than €1 billion (approximately US$1.12 billion).
- *Compartment B*: companies with a market capitalization of between €150 million (approximately US$168.18 million) and €1 billion (approximately US$1.12 billion).
- *Compartment C*: companies with a market capitalization of less than €150 million (approximately US$168.18 million).

There are three liquidity profiles for trading in equities. Highly liquid companies are continuously traded throughout the day. Less liquid companies can be traded via auction.

Euronext Brussels also has a regulated market for Belgian derivatives and public debt instruments, as well as multilateral trading facilities such as Euronext Growth, Euronext Access and the Expert Market. Euronext Growth has been designed as a platform for smaller companies and imposes a lighter disclosure and compliance regime than the regime that applies to the main regulated markets of Euronext. Euronext Growth's platform offers one market structure and is operated in the same way for all Euronext Growth companies in the four Euronext Growth countries (France, Belgium, Ireland and Portugal). The rules and procedures described below relate to the regulated market only.

Belgian companies of all industrial and commercial sectors are listed on Euronext Brussels. Euronext has made a special effort to welcome US and other foreign companies whose shares are listed in the United States via the "Fast Path" procedure. This procedure enables US-listed (NYSE or Nasdaq), non-EEA (European Economic Area) issuers to cross-list, using existing filings with the US Securities and Exchange Commission (SEC). The Fast Path procedure is discussed in section 6 below.

Euronext Brussels is governed by the Belgian Act of 21 November 2017 regarding infrastructures for markets in financial instruments and transposing Directive 2014/65/EU, and is recognized as a market operator under this Act. As a market undertaking, Euronext Brussels is responsible for the organization of the markets that it operates and for the admission, suspension and exclusion of the members of these markets. Euronext Brussels is also responsible for the admission, suspension and delisting of financial instruments on its markets. Euronext Brussels operates under the supervision of the FSMA. The Belgian Minister of Finance, upon advice of the FSMA, may grant and revoke the recognition of Euronext Brussels as a market operator, as well as the recognition of the markets that Euronext Brussels operates as regulated markets. The FSMA is the Belgian securities and financial markets regulator and supervises the conduct of the financial markets. The FSMA is also charged with the supervision and enforcement of aspects of the Market Abuse Regulation, Short Selling Regulation, Prospectus Regulation and related regulations, and the supervision and enforcement of the Belgian legislation transposing the, Transparency Directive, Takeover Bid Directive, UCITS Directive, and Markets in Financial Instruments Directive. The Belgian National Bank (BNB) is charged with the prudential supervision of financial institutions.

2. Principal listing and maintenance requirements and procedures

There are no jurisdictions of incorporation or industries that would not be acceptable for a company to list on Euronext Brussels.

The main eligibility criteria for listing equity securities on one of the Euronext markets, including Euronext Brussels, are:

- A minimum distribution of 25% of share capital, or a lower percentage determined by Euronext, which cannot be lower than 5% and must represent at least €5 million (approximately US$5.61 million).

- Three years of audited financial statements (subject to the applicability of certain exemptions).
- Compliance with the following accounting standards (see sections 3 and 4 for more information about accounting standards):
    - International Financial Reporting Standards (IFRS) if the issuer is incorporated in an EEA member state.
    - FRS or accounting standards deemed equivalent (US, Canadian, Chinese, Japanese or South Korean GAAP, or, for financial years before 31 March 2016, Indian GAAP), if the issuer is incorporated outside of the EEA.
- A regulator-approved prospectus.

In order to list its securities, a company must have three years of audited accounts or pro forma accounts. However, exemptions may be available in certain circumstances, as set out in the EU Prospectus Regulation, which is applicable in the EEA (the Prospectus Regulation), and its implementing texts. For example, Euronext may grant dispensation from this requirement if this is in the interest of the company and if the company concerned has made available sufficient information enabling investors to make an informed assessment of the assets and liabilities, financial positions, profit and losses and prospects of the company.

There are no ownership requirements applicable to the listing of a company's securities, and there are no ongoing financial requirements after the initial listing.

The Euronext Rule Book does not contain specific corporate governance provisions (see also section 5 below).

An issuer of equity securities such as shares or equivalent equity securities must appoint a listing agent for the first admission to listing of its securities and for any subsequent admission to listing of securities requiring the approval of a prospectus. The listing agent

must assist and guide the company in connection with the admission to listing of its securities on Euronext Brussels. The tasks and responsibilities of the listing agent include assisting the company with the application for admission to listing of the relevant securities and the listing process, ensuring that the documentation to be provided to Euronext Brussels in connection with the admission to listing is complete and accurate, acting as primary contact and liaison for Euronext Brussels in relation to the admission to listing, and ensuring that adequate procedures are in place for the clearing and settlement of the securities concerned. The listing agent must be a Euronext member, but at the request of the company and depending on the type of transaction involved (for example, in the event there is no capital raising or subsequent admission) Euronext Brussels can determine that also non-Euronext members can act as listing agent.

There is no requirement for a company to conduct one or more interviews with the exchange, nor is there any requirement for listed companies to have and/or maintain a minimum number of security holders or a minimum trading price for their securities.

A company must ensure that its listed securities are freely transferable and negotiable, but exceptions can be granted (such as in the case of a shareholders' agreement). There are no requirements to place shares into escrow (or otherwise restrain them from being traded, such as through "lock-in" or "lock-up" arrangements) in connection with a listing. Lock-up agreements with underwriters are common in Belgium in connection with public offerings. Under certain conditions, Belgian law provides for a mandatory lock-up in relation to shares that have been acquired in the 12 months prior to an IPO at a price reflecting a discount vis-à-vis the IPO price. This mandatory lock-up, however, does not apply to shares that were already listed on a regulated market or other securities market or exchange outside of Belgium.

At the time of admission to listing, there must be a minimum public float of 25%, or, at the absolute discretion of Euronext Brussels, a

lower percentage of securities distributed to the public can be deemed sufficient to ensure liquidity (with a minimum of 5% if this represents at least €5 million, which is approximately US$5.33 million).

The currency denomination of securities traded on Euronext Brussels is generally US dollars (US$) or Euros (€). Other currency denominations are in principle possible.

Issuers generally have a paying agent who is a member of Euroclear, a settlement institution, active on the Euronext markets. The paying agent centralizes the payment of dividends and other corporate actions.

There is no requirement for a company to obtain a compliance adviser that is established with the exchange. Please note that the requirements are different for Euronext Growth.

The above listing requirements apply to Belgian as well as foreign issuers.

	Main Eligibility Criteria		
	Euronext Regulated Markets	Euronext Growth	Euronext Access*
Free float	Minimum of 25% of share capital or 5% if this represents at least €5 million	€2.5 million (public offer) €2.5 million (private placement within one year with a minimum of three investors) €2.5 million (direct listing, to be available from another market)	N/A
Track record	Three years financial statements	At least two years financial statements	Two years of financial statements (not required to be audited)
Accounting standards	IFRS or equivalent accounting standards (including US,	EEA Company: IFRS or national GAAP Non-EEA Company: IFRS, equivalent	IFRS or other EU member state GAAP or equivalent GAAP

Main Eligibility Criteria			
	Euronext Regulated Markets	Euronext Growth	Euronext Access*
	Canada, China, South Korea and Japan)	accounting standards (including US, Canada, China, South Korea and Japan) or national accounting standards with reconciliation table	
Prospectus /Information Document	Prospectus approved by Competent Authority	• Prospectus approved by Competent Authority in case of a public offering for an amount of €8 million or more, or • Information Note (not requiring approval from the Competent Authority) in case of a public offering for an amount less than €8 million, a private placement or direct listing	• Prospectus approved by the Competent Authority in case of a public offering for an amount of €8 million or more, or • Information Note (not requiring approval from the Competent Authority) in case of a public offering for an amount less than €8 million, a private placement or direct listing
Intermediary	Listing Agent (Listing Sponsor for Dublin)	Listing Sponsor	Listing Sponsor

* The Free Markets provide small companies with easy access to an IPO without specific disclosure requirements.

3. Listing documentation and process

Below is a table of the main documents generally required for the listing of a company on Euronext Brussels.

Item	Required by:	
	FSMA	Euronext Brussels
Draft and final prospectuses	✓	✓
Copies of the official and, as the case may be, pro forma financial statements (if not included in the prospectus)	✓	✓
Certified copy of the up-to-date articles of association	✓	✓
Corporate resolutions authorizing the listing and offering (as relevant)	✓	✓
Extract from the official trade register	✓	✓
Listing agent agreement or letter		✓
For securities listed already elsewhere, certificate by the relevant market authority certifying the listing		✓
Undertakings regarding listing or trading on an "if and when issued/delivered" basis (as relevant, if not included in the prospectus)		✓
All press releases published in the context of the admission to listing / trading	✓	✓
Euronext Application Form (including the undertakings set out therein)	✓	✓

The most important document to be prepared in connection with a listing on Euronext Brussels is the prospectus. If the listing is combined with an offering of the securities to the public in Belgium or other countries, a prospectus must also be made available. The prospectus for the listing can be drafted in such a manner that it can also be used for the offering of the securities to the public.

The listing and offering prospectus must be approved by the FSMA. Alternatively, a prospectus approved by the competent authority of the issuer's home Member State located elsewhere in the EEA may be passported into Belgium pursuant to the Prospectus Directive.

The prospectus must satisfy the rules set out in the European Prospectus Regulation. The European Prospectus Regulation is supplemented by several European delegated regulations, and the Belgian Act of 11 July 2018 relating to public offerings of investment instruments and the admission of investment instruments to trading on regulated markets. Furthermore, the European Securities and Markets Authority (ESMA) has issued further guidance in relation to (among other things) the prospectus requirements. Pursuant to these rules, the prospectus must contain the necessary information which is material to an investor for making an informed assessment of the assets and liabilities, profits and losses, financial position, and prospects of the issuer and of any guarantor, the rights attaching to the securities, and the reasons for the issuance and its impact on the issuer.

In particular, the prospectus must include disclosure relating to:

- The persons responsible for the prospectus.
- The auditors.
- Risk factors relating to the company, its industry and the offered securities.
- General information about the company.
- A description of the company's business, operations, principal activities, the main products and services, and principal markets.
- The company's strategy and objectives.
- Investments by the company.
- Organizational structure.

- A description of the company's financial condition and operating results, changes in financial condition and results of the operations for the periods covered by the financial statements and any significant factors affecting its operating results.
- Capital resources.
- Regulatory environment.
- Trend information.
- Profit forecasts or estimates (albeit that such information is optional and not mandatory).
- The company's management and corporate governance, including information on the remuneration and benefits paid to members of the management and board.
- Number of employees and their share options.
- Major shareholders.
- Recent related party transactions.
- Dividend policy.
- Legal and arbitration proceedings.
- Significant changes in the company's financial position since the end of the last financial period for which financial information has been published or included in the prospectus.
- Details of the company's share capital, objects, articles of association or charter, rights attaching to shares, procedure for conducting general meetings of shareholders and other related information.
- A summary of material contracts.

In addition, with respect to financial information, the prospectus should also include audited historical financial information for the latest three financial years together with the audit report for each year. For an issuer incorporated in an EEA Member State, the accounts should generally be prepared under IFRS. For an issuer incorporated outside the EEA, the accounts should be prepared:

- Under IFRS.
- Under US, Japanese, Canadian, Chinese or South Korean generally accepted accounting principles (GAAP).
- Under Indian GAAP, for financial years starting before 31 March 2016.

Any quarterly or half-yearly financial information that the company has published since the date of the last audited financial statements must also be included, together with any audit or review report with respect thereto. If there has been a significant gross change, such as a significant acquisition or merger, it is necessary to include pro forma financial information to reflect how the transaction would have affected its assets, liabilities and earnings if it had occurred at the beginning of the period covered by the report. The prospectus must also replicate the audit reports for each relevant period, including any refusals, qualifications, disclaimers or emphasizes of matter and the reasons for the same. If any financial data included in the prospectus is not extracted from the company's audited financial information, its source must be disclosed. Any significant post-balance sheet change in the financial position of the group must also be described.

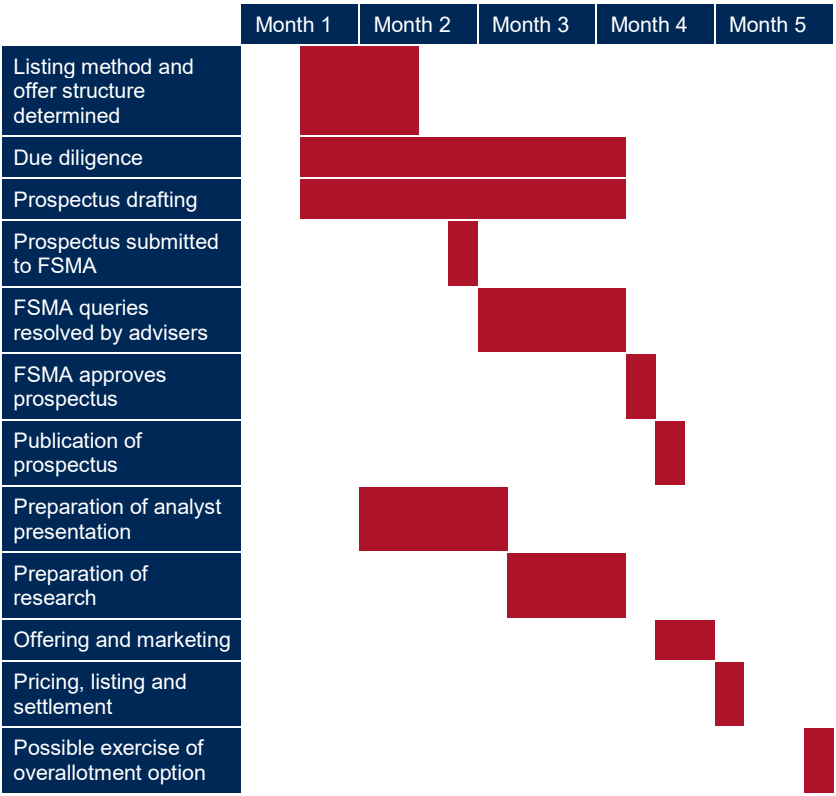
It is important to involve the issuer's auditors early in the process. The auditors will not have to deliver to the FSMA or Euronext Brussels, prior to the approval of the prospectus, a certification that they have reviewed the information relating to the financial condition and the financial statements presented in the prospectus and in the prospectus as a whole.

If the securities to be listed are also offered and listed outside of the EEA, local rules regarding the listing and offering will also need to be followed, as appropriate. Where the offer includes a US tranche, the prospectus needs to conform to US disclosure standards.

The FSMA will review the draft prospectus filed with it. Draft prospectus filings are not publicly available. The European Prospectus Regulation contains specific rules regarding the time window within which the FSMA must approve the prospectus. In practice, a company or its listing agent generally will make an informal arrangement with the FSMA as to timing for the delivery by the FSMA of comments on the draft prospectus and further filings by the company. Several rounds of comments can be expected, but usually a prospectus approval can be obtained within three to five weeks after the initial filing. A longer review period may occur if the listing is in connection with a capital raising. Upon approval of the prospectus, the FSMA will issue its approval (for companies familiar with the US registration process, this is equivalent to the US SEC's effectiveness order), and the final prospectus will be posted by the FSMA and ESMA on their websites.

The prospectus does not need to be translated into Dutch or French. An English language prospectus can be used. However, Belgian issuers also must take into account the relevant legal regime that applies to corporate and other documentation that they issue and which could require them to prepare a full version of the prospectus in Dutch or French, as relevant.

Typical process and timetable for a listing of a company on Euronext Brussels, combined with a capital raising



As referred to above, in the case of a technical listing (such as a listing without an offering), the process can be shorter. Also, the process for cross-listing a foreign company is not appreciably different from listing a domestic company.

Initial public offerings of domestic and foreign companies generally occur via a single prospectus, containing the information required by the European Prospectus Regulation.

The European Prospectus Regulation, contains a number of exceptions and exemptions that in certain cases permit initial and follow-on offerings and listings of securities without an approved prospectus.

For example, securities that have been listed on another regulated market in the EEA, for at least 18 months are exempt under the following main conditions:

- The Prospectus was approved and published in connection with the earlier listing.
- The ongoing obligations for trading on the other EEA-regulated market have been fulfilled.
- A summary document is made available to the public, which also states where the most recent prospectus can be obtained and where the financial information published by the company pursuant to ongoing disclosure obligations is available.

Also, the listing of additional shares, representing over a period of 12 months less than 10% of the shares of the same class already listed on the same regulated market, does not require a listing prospectus.

The European Prospectus Regulation also allows companies to prepare a simplified prospectus in certain circumstances including notably for companies whose securities have been admitted to trading on a regulated market continuously for at least 18 months.

The FSMA will need to approve in advance all advertising relating to the offering of securities to the public in Belgium or the listing of securities on Euronext Brussels.

4. Continuing obligations/periodic reporting

Key Transparency Directive requirements

A company listed on Euronext Brussels must comply with the Belgian requirements implementing the EU Transparency Directive, which is applicable in the EEA (the Transparency Directive) and several implementing and delegated regulations.

- The bulk of the Transparency Directive relates to the ongoing and recurrent publication by listed companies of financial and other

information. These rules have been transposed into Belgian law mainly via the Belgian Royal Decree of 14 November 2007, as amended, regarding the obligations of issuers of financial instruments admitted to trading on a regulated market (commonly known as the Belgian Transparency Decree).

- The Transparency Directive also contains rules regarding the disclosure of important shareholdings in listed companies. These rules have been transposed into Belgian law via the Belgian Act of 2 May 2007, regarding the disclosure of important participations in issuers with shares admitted to trading on a regulated market and regarding miscellaneous provisions and the Royal Decree of 14 February 2008, regarding the disclosure of important participations.

The filings and disclosures referred to below can be made in English. Belgian listed companies are subject to regional language requirements, and therefore also make their information available in Dutch and/or French, as applicable.

General obligations. As a general rule, a company listed on Euronext Brussels must provide the public with all necessary information in order to ensure the transparency, integrity and good functioning of the market. The information that is disclosed must be fair, precise and sincere, and must enable the holders of the financial instruments concerned and the public to assess the influence of the information on the position, business and profit or loss of the company.

Recurring financial reporting requirements. Pursuant to the Belgian Transparency Decree, a listed company must publish financial reports on a recurring basis, consisting of:

- *Annual financial report*. This report must be published within four months after the end of the fiscal year. It must include:
    - The audited annual financial statements.
    - A management report.

- A statement by the persons responsible within the company (for example, the Chief Executive Officer and/or Chief Financial Officer) that to the best of their knowledge:
  - The annual financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the company's consolidated assets, liabilities, financial position and profit or loss.
  - The annual management report includes a fair review of the development and performance of the business and the position of the company, with a description of the principal risks and uncertainties that it faces.
- The non-consolidated financial statements.

If the company is not required to prepare consolidated financial statements, only the non-consolidated financial statements must be included. The annual financial report must be disclosed together with the auditor's audit report.

- *Half-yearly financial report*. This report must be published within three months after the end of the semester. It must include:
  - A condensed set of financial statements.
  - An interim management report.
  - A statement by the persons responsible within the company that, to the best of their knowledge:
    - The condensed set of financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the company's consolidated assets, liabilities, financial position and profit or loss.
    - The interim management report includes a fair review of the important events that have occurred in the first six

months of the financial year and their impact on the condensed financial statements, with a description of the principal risks and uncertainties for the remaining six months, as well as the major related party transactions during the relevant period and their impact on the condensed financial statements.

  - The auditor's audit or review report or a statement by the company that the financial statements have not been audited or reviewed.

- *Interim management statements or quarterly financial reports*. Companies are not obliged to issue a quarterly report or interim management statement in relation to the first and third quarter of their financial year. Practice, however, remains that companies provide quarterly financial information or trading updates via interim management statements.

- *Annual communiqué*. Companies are not obliged to publish so-called "communiqués" (press releases) relating to their annual financial result. However, if a company issues a press release relating to its business and financial results after the annual financial statements have been established by the board of directors, but before the publication of the annual financial report, it should at least contain certain minimum information as set forth in the Belgian Transparency Decree.

Non-EEA issuers. A non-EEA company that is listed in the EEA will have to select, among the EEA Member States where it has securities admitted to trading on a regulated market, a home Member State for the purposes of the Transparency Directive. This election remains valid unless securities are no longer admitted to trading on any regulated market in the home Member State (if the company's securities are admitted to trading in one or more other Member States, the company will have to elect a new home Member State from among such Member States where securities are listed on a regulated market). The regulator of this home Member State (which is the

FSMA in Belgium) may recognize as equivalent the home country reports of non-EEA issuers, so long as the reports are filed and published in accordance with the European Transparency Directive and meet EEA-adopted minimum standards as to content. The details as to content for financial reporting are provided in Commission Directive 2007/14/EC of 8 March 2007. These include:

- *Annual management reports*. The report will be deemed to meet the Transparency Directive's requirements if it contains:
    - A fair review of the development and performance of the company's business and of its position, together with a description of the principal risks and uncertainties that the company faces.
    - An indication of any important events that have occurred since the end of the financial year.
    - Indications of the company's likely future development.
- *Half-yearly reports*. The report will be deemed to meet the Transparency Directive's requirements if it contains at least:
    - A review of the covered period.
    - Indications of the company's likely future development for the remaining six months of the financial year.
    - For issuers of shares and if already not disclosed on an ongoing basis, major related party transactions.
- *Quarterly reports or interim financial statements*. The report will be deemed to meet the Transparency Directive's requirements if the company is required to publish quarterly financial reports.

Applicable accounting standards. The Transparency Directive requires annual and half-yearly reports to include consolidated financial statements, prepared in accordance with IFRS. Pursuant to a decision by the European Commission in December 2008, US and

Japanese GAAP are considered to be equivalent to IFRS. According to this decision, as amended in April 2012, a non-EEA issuer is also permitted to prepare its annual and half-yearly consolidated financial statements in accordance with the generally accepted accounting principles of Canada, China or South Korea or, for financial years starting before 31 March 2016, India. A mechanism is in place allowing the European Commission to further monitor and decide on the equivalence of accounting standards of countries outside of the EEA converging to IFRS.

Notification of outstanding shares and important shareholdings. Pursuant to the Belgian Act of 2 May 2007, a listed company must disclose the outstanding capital, the number of outstanding securities with voting rights and the number of outstanding voting rights at the end of each calendar month during which there has been an increase or decrease. Belgian listed companies must also disclose the notifications that they receive from holders of securities who, alone or together with other persons, are required to disclose the number of outstanding voting rights (and securities with voting rights) that they hold in the company.

Other ongoing transparency obligations. In addition to the recurring obligation to publish financial reports, the Belgian Transparency Decree imposes a number of other transparency obligations:

- A listed company must ensure an equal treatment of all holders that are placed in the same circumstances. It must also ensure that in Belgium all the facilities and information necessary to enable holders of financial instruments to exercise their rights are available and that the integrity of data is preserved.

- A listed company must provide, as soon as possible:

    - Information on the place, time and agenda of general shareholders' meetings, the total number of shares and voting rights and the rights of holders of financial instruments to participate in these meetings.

- Information on the place, time and agenda of general meetings of holders of debt instruments, and the rights of holders of debt instruments to participate in these meetings.
- Information relating to its designation of a financial institution as its agent, through which holders of financial instruments may exercise their financial rights in Belgium.
- All information relating to the rights attached to the holding of financial instruments, and:
  - For equity securities, (among other matters) information concerning the allocation and payment of dividends and concerning the issue of new shares, including information on any arrangements for allotment, subscription, cancellation or conversion.
  - for debt securities, information on the payment of interest, the exercise of possible rights of conversion, exchange, subscription or cancellation, and on repayment.

- A listed company must make available a proxy form, on paper (or, where applicable, by electronic means), to each person entitled to vote at a general shareholders' meeting or a general meeting of holders of debt instruments. This must be provided together with the notice concerning the meeting or, on request, after the announcement of the meeting.
- A listed company must disclose proposed amendments to its deed of incorporation or articles of association.

The FSMA can grant an exemption to a non-EEA listed company, allowing the company to comply with the above transparency obligations, if the applicable law of the company's country of origin imposes equivalent obligations or if the company complies with equivalent obligations. On the other hand, non-EEA listed companies must also make available to the public all information that they

disclose outside of the EEA, to the extent that the information is relevant for the public within the EEA.

The above transparency obligations are in addition to more general disclosure obligations that are imposed by Belgian law and Belgian financial legislation, which include:

- The publication of notices to convene general shareholders' meetings.
- The publication of information regarding the repurchase by a company of its own shares.
- Filings and publications for certain corporate events, such as amendments to the articles of association or election, resignation or dismissal of directors and auditors.

These requirements do not necessarily apply to foreign companies, but foreign companies may be subject to a similar regime pursuant to the applicable company law to which they are subject.

Wide dissemination and storage of regulated information. The yearly and half-yearly reports, together with the monthly reports on the number of outstanding shares and voting rights, press releases to disclose inside information (see below) and certain other information to be disclosed are considered to be "regulated information" whose distribution and retention must follow rules set forth in the Transparency Directive.

Under the Transparency Directive, regulated information must be disseminated, filed and then stored for a five-year period. As to the dissemination of regulated information, most of it must be:

- Distributed in the form of a press release.
- Made available on the company's website.
- Provided to the media.

For financial reports, it is sufficient that a press release is distributed indicating where the full report is stored and can be retrieved. At the same time, the information so distributed must be filed with the FSMA.

The Transparency Directive requires "regulated information" to be centrally stored in an "officially appointed mechanism" and requires that there be at least one such mechanism in each EEA Member State. In Belgium, the FSMA has been appointed as the "officially appointed mechanism," and, since January 2011, the FSMA has put in place STORI, a central electronic database for filings by issuers that are subject to supervision by the FSMA, which is accessible to the public via the FSMA's website (*www.fsma.be*). In addition to a filing with STORI, Belgian law also requires that listed companies store the relevant information on their website, and that the FSMA's website contain a hyperlink to the relevant site of each listed company that is subject to its supervision. The website of a listed company must also include a yearly calendar of contemplated publications and disclosures.

A non-EEA company does not need to publish annual or half-year reports in Belgium. Rather, it can issue a press release, advising of the filing of the report and where it can be obtained. In addition, the full reports will need to be filed with the FSMA. The same method can be used for other voluminous information.

Key Market Abuse Regulation requirements

Disclosure of inside information. Article 17 of the EU's Market Abuse Regulation requires that issuers of financial instruments inform the public as soon as possible of inside information that directly concerns such issuers.

Inside information means information of a precise nature which has not been made public, relating, directly or indirectly, to one or more issuers of financial instruments or to one or more financial instruments and which, if it were made public, would be likely to have

a significant effect on the price of those financial instruments or on the price of related derivative financial instruments. Information will be deemed to be of a precise nature if it indicates a set of circumstances that exists (or may reasonably be expected to come into existence) or an event that has occurred (or may reasonably be expected to do so), and if it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the prices of financial instruments or related derivative financial instruments. Information that, if it were made public, would be likely to have a significant effect on the prices of financial instruments or related derivative financial instruments is information that a reasonable investor would be likely to use as part of the basis of the investor's investment decisions.

Inside information is considered as "regulated information" (see above). A listed company must immediately disclose all inside information in the form of a press release, immediately distributed to the media. The company must take reasonable measures to ensure that the disclosure of inside information occurs as simultaneously as possible in all EEA Member States where it has financial instruments admitted to trading on a regulated market. This can be done by providing the information to primary providers of regulated information, who in turn disseminate the information to press agencies and websites located in Belgium and elsewhere.

A listed company may, under its own responsibility, decide to delay the disclosure of inside information if:

- It is of the opinion that the immediate disclosure of the information is likely to prejudice the legitimate interests of the company.
- The delay of disclosure is not likely to mislead the public.
- The company is able to ensure the confidentiality of the relevant information.

If the company has postponed the disclosure of inside information, it must, immediately following the disclosure of such inside information to the public, notify the FSMA that disclosure of information was delayed and provide a written explanation as to how the conditions set out above were met.

Issuers who wish to make use of the possibility of delaying the disclosure of inside information must keep appropriate internal records containing (among others) (i) information on the dates and times when the inside information first came into existence, when the decision to delay disclosure was made and when the issuer is likely to disclose the information, (ii) the identity of the persons within the issuers responsible for making the decision to delay disclosure, the decision to disclose, the ongoing monitoring of the conditions for the delay and the provision of the required information to the FSMA, and (iii) evidence of the initial fulfilment of the conditions for delaying disclosure as set out above (including details on applicable internal and external information barriers and arrangements put in place to disclose the inside information as soon as possible where confidentiality is no longer ensured).

Prohibitions on insider dealing and market abuse. The Market Abuse Regulation imposes a number of specific prohibitions on insider dealing. These apply to all financial instruments trading on the regulated markets of Euronext Brussels. They also apply to financial instruments admitted to trading on a regulated market and certain other trading platforms elsewhere in the EEA, insofar as the acts concerned are performed in Belgium. In summary, persons who possess inside information and who know or reasonably should know that the information concerned constitutes inside information, may not do any of the following:

- *Insider dealing*. They may not use such inside information to acquire or dispose of, or attempt to acquire or dispose of, for their own account or for the account of a third party, either directly or

indirectly, the financial instruments to which the inside information relates.

- *Unlawful disclosure of inside information*. They may not disclose the inside information to any other person, except where the disclosure is made in the normal exercise of their employment, profession or duties.
- *Recommendation*. They may not, on the basis of inside information, recommend or induce another person to acquire or dispose of financial instruments to which the inside information relates.

Non-compliance with these prohibitions could lead to administrative fines imposed by the FSMA and/or criminal liability (subject to criminal fines and jail sentences).

Apart from the above prohibition on insider dealing, the Market Abuse Regulation also contains a number of prohibitions on market abuse and market manipulation.

Further to the EU market abuse legislation, there are also a number of safe harbors for stabilization in connection with a public offering of securities and for stock repurchase programs.

Disclosure of certain management transactions. The European Market Abuse Regulation and its implementing and delegated regulations put in place rules requiring directors and senior management to disclose dealings in their own company's shares to the market. Firms are also obliged to report suspicious transactions to the competent authority.

Under these rules, persons discharging managerial responsibilities within a listed company (such as officers and directors), as well as persons closely associated with them (such as family members), are required to report to the company and the FSMA all transactions related to shares or debt instruments of the company, or to derivatives or other financial instruments linked to them. The report must be filed promptly and no later than three business days of the transaction date.

The report can be postponed if the total amount of the transactions carried out during a current calendar year is less than €5,000 (approximately US$5,300). A model form on which these transactions must be reported to the FSMA has been provided by the European legislator. The reports can be accessed by the public on the FSMA's website.

Subject to certain exceptions, persons discharging managerial responsibilities within a listed company shall not conduct any transactions on their own account or for the account of a third party, directly or indirectly relating to the shares or debt instruments of the issuer or to derivatives or other financial instruments linked to them during a closed period of 30 calendar days before the announcement of an interim financial report or a year-end report which the issuer is obliged to make public.

Insider lists. Pursuant to the European Market Abuse Regulation, a company with financial instruments admitted to trading on a Belgian regulated market is obliged to draw up a list of all persons who have access to inside information and who are working for the company under an employment contract or otherwise performing tasks through which they have access to inside information, such as advisers, accountants or credit rating agencies.

The list must contain:

- The identity of each person having access to inside information.
- The reason why that person is on the list and his function.
- The date and time when the person gained access to inside information.
- The date when the list was created and updated.

Templates have been made available by the European legislator and have been further populated by the FSMA for use specifically in Belgium.

The insider list must be divided in separate sections relating to different inside information.

The list must be regularly updated, and the FSMA can request a copy thereof. The list must be immediately updated whenever:

- There is a change in the reason why any person is mentioned on the list.
- Any new person has to be added to the list.
- Any person mentioned on the list no longer has access to inside information (providing the date since when this is the case).

These lists must be kept until five years after their establishment or update. Furthermore, the persons establishing the list must see to it that the persons mentioned on the list acknowledge their legal and managerial duties and that they are aware of the fines and measures in case of abuse or unauthorized disclosure of the information.

Euronext Brussels requirements

The Euronext Rule Book contains a number of additional ongoing reporting and other obligations. Most of these are similar to the obligations imposed by Belgian law. The main rules can be summarized as follows:

- The listed company must promptly pay the fees charged by Euronext, in accordance with the conditions established by Euronext and communicated to issuers.
- When a listed company issues additional securities of the same class as securities already admitted to listing, it must apply for admission to listing of the additional securities as soon as the new securities are issued (in the case of a public offering of securities) and no later than 90 days after their issue (in other cases).

- The listed company must treat holders of securities of the same class issued by it equally in accordance with the rules and regulations applicable in Belgium.
- The listed company must provide the market all necessary information to enable holders of its listed securities to exercise their rights.
- The listed company must provide Euronext Brussels with all information which may impact the fair, orderly and efficient functioning of the markets operated by Euronext Brussels, or may modify the price of its securities (ultimately) at the same time at which such information is made public.
- The listed company must inform Euronext Brussels of corporate or securities events in respect of its securities admitted to listing in order to facilitate the fair, orderly and efficient functioning of the market.
- The relevant information must be provided at least two trading days in advance of the earlier of (i) the public announcement of the timetable for any such corporate or securities event and (ii) the corporate or securities event having effect on the market or the position of the holders of the relevant securities. The information includes:
    - Amendments that affect the respective rights of different categories of securities.
    - Any issues or subscription of financial instruments.
    - Any mandatory reorganization (such as a stock split, reverse stock split, redemption in part or in whole of securities).
    - Any voluntary reorganization with or without option element (such as a tender offer, rights offer, repurchase offer).

- Any securities distribution (for example a stock dividend, bonus issue), any cash distribution (such as a cash dividend), and any announcement of coupons or cash dividend non payment.
- Any prospectus (or equivalent disclosure document) relating to public offerings.
- Any reports on the status of liquidation and more generally any decision regarding any situation of (temporary) suspension of payments, bankruptcy or insolvency situation (or analogous procedure has been granted or declared applicable in any jurisdiction.
- Any name change of the issuer.
- The admission to listing or trading on any regulated market or other organized market.

5. Corporate governance

The Euronext rule book and the local rule book for Euronext Brussels do not contain specific corporate governance provisions.

Separate corporate governance rules are set out in the Belgian Companies and Associations Code and the Belgian Code on Corporate Governance for listed corporations. These rules apply only to Belgian companies and include rules and guidelines regarding:

- The composition of the board of directors, including in terms of gender diversity (at least one third of the directors should be of the opposite sex than the remaining directors).
- The appointment of independent directors.
- The appointment of an audit committee, nomination committee and remuneration committee within the board of directors.
- The remuneration of directors and officers.

- Dealing in securities by directors, officers and other insiders.
- Related party transactions.

6. Specific situations

Large companies. There are no additional requirements, or any changes in the normal requirements, that apply to very large multinational companies.

Industries. Pursuant to the applicable prospectus legislation, additional disclosures are required for specialist issuers (such as property, mineral, scientific research-based companies).

Fast Path listing. A new Fast Path option enables US-listed (NYSE or Nasdaq), non-EEA issuers to cross-list on Euronext's markets using existing US Securities and Exchange Commission (SEC) filings, with or without a simultaneous capital raising.

- The process is open to non-EEA issuers and "redomesticated" EEA issuers that are not foreign private issuers under the US SEC rules. Ideally, listing companies should be "well-known seasoned issuers" under US SEC rules.
- The Fast Path process relates to technical listings (without an offering of shares).
- Issuers subject to periodic reporting obligations under US law can base their prospectus on existing filings with the US SEC. These include Forms S-1, 10-K, 10-Q, 8-K and 10 and proxy statements for domestic issuers and Forms F-1, 20-F and 6-K for foreign private issuers.
- The prospectus must include audited financial statements, including balance sheets for the past three years. As noted above, US GAAP accounting is recognized as meeting the EU Prospectus Regulation and Transparency Directives (except for "re-domesticated" EEA issuers, who must report in IFRS).

- Disclosure requirements are largely the same as in the United States, so post-filing reporting requirements can be satisfied through US SEC filings, including:
    - Semi-annual and annual reports (fulfilled by US SEC Forms 10-K and 10-Q for US issuers and Forms 20-F and 6-K for foreign private issuers).
    - Notices to shareholders of the availability of the proxy statement and annual and semi-annual reports.
    - Form 3 and Form 4 filings.
    - Announcing material events as soon as possible, for example, through news releases that accompany the relevant SEC filings.

7. Presence in the jurisdiction

There are no requirements for a listed foreign company to maintain a presence in Belgium (for example via an agent for service of process, resident directors or corporate offices).

There is no requirement for any corporate records (such as a register of holders) to be kept in Belgium, except that a foreign company that offered securities to the public in Belgium or has securities admitted to trading on Euronext Brussels must file its deed of incorporation with the Belgian Register of Legal Persons.

8. Fees

Initial admission fees

The initial Euronext admission fees for equities are as follows:

- A fixed fee of €10,000 (approximately US$11,200).
- A variable fee, to be determined in function of the market capitalization as follows:

Market capitalization				
Euros	Approximate US$ equivalent	Admission Fee	Maximum fee	Approximate US$ equivalent
From €0 to €50 million	From US$0 to US$56.06 million	0,06%	€30,000	US$33,640
From €50 million to €100 million	From US$56.06 million to US$112.12 million	0.055%	€57,500	US$64,470
From €100 million to €200 million	From US$112.12 million to US$224.24 million	0.05%	€107,500	US$120,530
From €200 million to €500 million	From US$224.24 million to US$560.60 million	0.04%	€227,500	US$255,070
From €500 million to €1 billion	From US$560.60 million to US$1.12 billion	0.03%	€377,500	US$423,250
From €1 billion to €2.5 billion	From US$1.12 billion to US$2.80 billion	0.02%	€677,500	US$759,610
Over €2.5 billion	Over US$2.80 billion	0.01%	-	-

- The total fee (fixed and variable) cannot exceed €2.25 million (approximately US$2.52 million).

The fee for a technical listing on Euronext, consisting of a listing without a public offering or private placement by a company already listed in another country is €120,000 (approximately US$134,540).

An additional admission fee of €15,000 approximately (US$16,820) for any additional listing taking place on Euronext Amsterdam, Lisbon, London or Paris, at the same time as, or later than the primary admission to Euronext Brussels.

An issuer transferring its equity securities from one Euronext exchange market (whether regulated or not) to another Euronext exchange market 6 months after the initial submission, will receive a 50% discount on the standard admission fee, with a minimum of €10,000 (approximately US$112,120). A transfer within 6 months after the initial admission is free.

Further equity issues by an existing public company will be charged according to the same fee structure as new admissions, but with a discount. The admission fee is capped at €1.25 million (approximately US$1.40 million). The admission fee for a subsequent admission of shares solely related to the payment of a bonus issue is capped at €350,000 (approximately US$392,420) per annum.

Annual fees

The annual Euronext listing fee is the sum of:

- A commission based on the number of outstanding shares as at 31 December of the most recent year, calculated as follows:

Number of shares	Annual fee	
	Euros	Approximate US$ equivalent
Up to 2.5 million	€3,000	US$3,360
Over 2.5 million and up to 5 million	€4,000	US$4,480
Over 5 million and up to 10 million	€9,500	US$10,650
Over 10 million and up to 50 million	€15,000	US$16,820
Over 50 million and up to 100 million	€20,000	US$22,420
Over 100 million	€25,000	US$28,030

- For issuers with a market capitalization (based on the number of shares outstanding as of 31 December multiplied by the last closing price of the year) above €150 million (approximately US$159.83 million), an additional fee of €10 (approximately US$10.70) per million above €150 million is due.

The total annual fee of a category of shares cannot exceed €56,000 (approximately US$62,790).

In the case of dual or multi-listing on several Euronext markets in Europe, the full annual fee is applicable only in the market of reference. The annual fee of Euronext market of a second listing shall be the subject of a 50% rebate. Any additional listings shall not be the subject of any additional annual fees.

Issuers must pay a fee of €10,000 (approximately US$10,700) for material corporate events handled by any Euronext market, such as the change of a reference or a combination of subsequent corporate events such as share consolidations.

FSMA fees

The FSMA will charge a fee upon approval of the prospectus and certain other actions or filings. The fees depend on the type of filing or approval requested.

9. Additional information

Over the years, the FSMA has gained significant experience in working with foreign issuers and in dealing with cross-border securities law issues. For example, Belgium is the home Member State for several US-based issuers with equity offerings in the EEA. The FSMA's website can be found at *www.fsma.be* and includes information in English.

10. Contacts within Baker McKenzie

Roel Meers and Koen Vanhaerents in the Brussels office are the most appropriate contacts within Baker McKenzie for inquiries about prospective listings on Euronext Brussels.

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Euronext Dublin (Main Securities Market)

Initial financial listing requirements

For all companies seeking a listing:

- The expected aggregate market value of all securities (excluding treasury shares) to be listed must be at least €1 million (approx. US$1.07 million).
- The company must have sufficient working capital for the group's requirements for at least 12 months from the date on which the prospectus relating to the listing is published.

The MSM has two types of listing: primary and secondary. A primary listing requires the listed company to comply with the Listing Rules (including their corporate governance requirements) in full. An Irish company with a primary listing elsewhere, or an overseas company, may instead seek a secondary listing, which only requires the company to comply with certain minimum standards. Euronext Dublin does not make any specific distinction between a premium and standard listing, though the implications of opting for a primary or secondary listing are similar to the premium/standard listing distinction in practice.

Other initial listing requirements

Share price. There is no minimum closing or offering price for shares to be listed.

Distribution. To list its securities, a company must have a minimum of 25% of the class of shares to be listed distributed to the public in one or more European Economic Area (EEA) member states.

Accounting standards. For a company incorporated in a EEA member state, the accounts should generally be prepared under IFRS. For an issuer incorporated outside the EEA, the accounts should be prepared either under IFRS, or under US, Japanese, Chinese, Canadian or South Korean GAAP or, for financial periods starting before 1 April 2016, Indian GAAP.

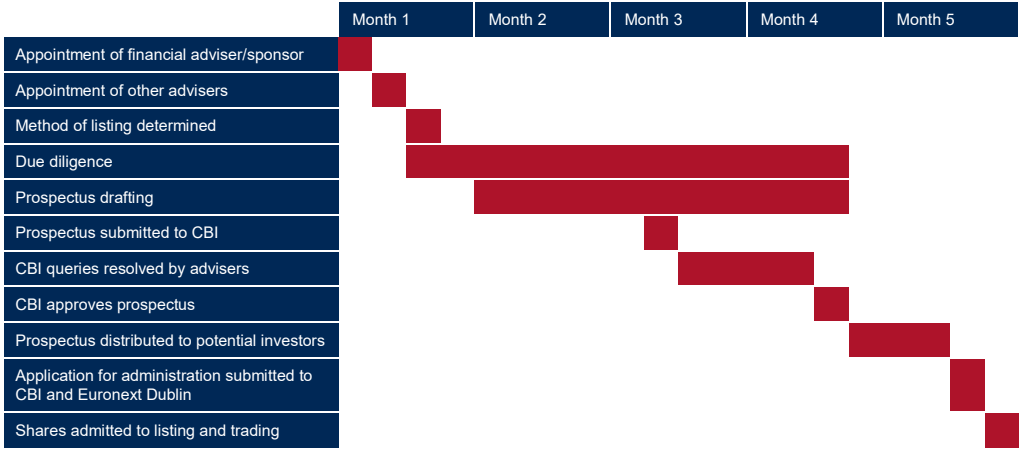
Financial statements. The prospectus must generally include audited historical financial information for the last three financial years, and any quarterly or half-yearly financial information published since the date of the last audited financial statements. In addition, the audit reports for all relevant periods must be included in full.

Operating history. An operating history of three years is generally required.

Management continuity. No specific period of continuity of management is generally required, although a company seeking a premium listing must provide historical financial information representing at least 75% of its business over a three-year period.

Listing process

Listing involves the Central Bank of Ireland (CBI) reviewing the prospectus and Euronext Dublin admitting the shares to trading. The following is a fairly typical process and timetable for a listing of a foreign issuer on the MSM of Euronext Dublin.



Corporate governance and reporting

A company with a primary listing of shares must comply with the UK Corporate Governance Code and the Irish Corporate Governance Annex or explain and justify why it has not done so. This consists of principles of good governance, dealing with the following areas:

- Board Leadership and Company Purpose.
- Division of Responsibilities.
- Composition, Succession and Evaluation.
- Audit, Risk and Internal Control.
- Remuneration.

The UK Corporate Governance Code and the Irish Corporate Governance Annex also include provisions relating to board and committee structure and the independence of directors.

A foreign company with a primary listing must state in its annual report whether or not it has complied with the corporate governance requirement of its country of incorporation and the significant ways those corporate governance practices differ from those set out in the UK Corporate Governance Code and/or the Irish Corporate Governance Annex.

Fees

A company seeking to list must pay both initial listing fees and annual fees to Euronext Dublin, calculated according to market capitalization. Initial fees for a company with a market capitalization of €100 million (approx. US$112.12 million) would be approximately €100,000 (approx. US$112,120). Additional shares listed subsequently will generally require additional payments at 90% of the scale for the initial fees subject to some exceptions for non-chargeable events. The annual fees for a company with a market capitalization of €100 million (approx. US$112.12 million) would be approximately €7,000 (approx. US$7,850). Issuers incorporated outside of Ireland are only required to pay 50% of these fees. The company will also incur printing costs for the production of the prospectus and costs for legal and accounting advice, sponsors and other service providers.

1. Overview of exchange

Euronext Dublin has four markets:

- The Main Securities Market (MSM), an EU "regulated market" for more mature companies.
- The Euronext Growth market, an exchange-regulated market for growing companies.
- The Global Exchange Market (GEM), an exchange regulated market and multilateral trading facility.
- The Atlantic Securities Market (ASM), a European market that offers a euro quotation on Euronext Dublin or companies listing or trading on US markets.

This summary relates only to the MSM, which is Euronext Dublin's flagship market for larger, more established companies. The MSM was established in 1793 and is home to Ireland's largest and best known companies. The regulatory framework associated with listing on the MSM is balanced and comprises globally-respected standards of regulation and corporate governance. As a result, a listing on the MSM demonstrates a commitment to high standards and provides companies with the means to access capital from the widest set of investors.

Advantages for a company listing on the MSM include:

- A respected and balanced regulatory environment that meets EU standards of compliance and disclosure as well as the corporate governance requirements of the UK Corporate Governance Code, which leads to greater levels of shareholder confidence.
- A euro quotation, which is attractive to Eurozone investors.
- Access to dual listing, enabling a flexible investor strategy.
- Access to a large pool of capital.

- The existence of a large and experienced community of advisers to help companies join the MSM and support them after listing.
- The associated visibility and profile raising with customers, suppliers, investors and other stakeholders.

This summary relates to listings of equity shares only. The MSM has two types of listing: primary and secondary. A primary listing requires the listed company to comply with the Euronext Dublin Listing Rules (Listing Rules) (including their corporate governance requirements) in full. An Irish company with a primary listing elsewhere or an overseas company, may instead seek a secondary listing, which only requires the company to comply with certain minimum standards. This summary will focus on the requirements for a primary listing and contain only limited information in relation to secondary listings. As such, references to listing on the MSM in this summary should be construed as references to a primary listing unless otherwise specified. Euronext Dublin does not make any specific distinction between a premium and standard listing, though the implications of opting for a primary or secondary listing are similar to the premium/standard listing distinction in practice.

In May 2018, the aggregate market capitalization of listed securities on the MSM was €127.6 billion (approximately US$143.07 billion). The MSM is Euronext Dublin's principal market for listed companies from Ireland and abroad. Companies from all industry sectors and in a variety of sizes have listed on it.

As of September 2019, there were 25 companies listed on the MSM.

Euronext Dublin is the relevant regulatory authority for a listing on Euronext Dublin, with the Central Bank of Ireland (CBI) acting as the competent authority for the approval of prospectuses.

2. Principal listing and maintenance requirements and procedures

There are no jurisdictions of incorporation or industries that would not be acceptable for a listed company. There is no difference in financial requirements between a foreign company and a domestic company with a primary listing.

The expected aggregate market value of all securities (excluding treasury shares) to be listed must be at least €1 million (approximately US$1.12 million) for shares to be eligible for listing.

Any company applying for a listing should have published or filed independently audited historical financial information covering at least three years. The audited historical financial information must not be subject to a modified audit report, except in limited circumstances. The historical financial information must represent at least 75% of the applicant company's business for the full three-year period and put prospective investors in a position to make an informed assessment of the business for which admission is sought. The applicant company must also demonstrate that it carries on an independent business as its main activity. Some of these rules are modified for mineral companies and scientific research based companies. The company and its subsidiaries must also have sufficient working capital for the group's requirements for at least 12 months from the date on which the prospectus relating to the listing is published. In addition, a company applying for a listing must satisfy Euronext Dublin that it is not managed by a person outside that company's group.

Where a company applying for a listing has a controlling shareholder, that shareholder will be required to enter into an agreement (typically known as a relationship agreement) with the company containing mandatory independence provisions and requiring the appointment of independent directors to be approved by separate resolutions of: (i) the shareholders as a whole; and (ii) the independent shareholders. For these purposes, a controlling shareholder would include someone

who, together with their associates and concert parties, controls 30% or more of the voting rights in the company.

There are no specified ongoing financial maintenance requirements that a foreign company must meet after the initial listing.

All companies must have a minimum of 25% (or such lower percentage agreed by Euronext Dublin) of the class of shares to be listed distributed to the public in one or more EEA states. This is known as the minimum "free float" requirement. Shares are not considered to be in public hands if they are held directly or indirectly by directors, persons connected with directors, trustees of any employees' share scheme or pension fund established to benefit the directors or employees or certain other categories of related persons or are subject to a lock-up period of more than 180 days. In considering whether to allow a free float of less than 25% in a particular case, Euronext Dublin may take into account a number of factors, such as shares of the same class that are held (even though they are not listed) in states that are not EEA States; the number and nature of the public shareholders; and in relation to primary listings of commercial companies, whether the expected market value of the shares in public hands at admission will exceed €100 million (approximately US$112.12 million). Euronext Dublin may revoke a modification at any time.

Companies must comply with the UK Corporate Governance Code and the Irish Corporate Governance Annex or, if they choose not to comply with one or more provisions of the Code or the Annex, explain and justify why they do not comply in their annual report. Listed companies must also offer pre-emption rights to existing shareholders (however these can be, and commonly are, disapplied with shareholder approval), as described below.

All companies applying for a listing must appoint a sponsor that has been approved by Euronext Dublin. Euronext Dublin maintains a list of these sponsors at http://www.ise.ie/Products-Services/Sponsors-and-Advisors/Equity-Listing-Sponsor-Directory.pdf. The sponsor

provides financial advice and is responsible for liaising with Euronext Dublin on the applicant company's behalf.

There is no requirement for an applicant company to conduct interviews with Euronext Dublin as part of the listing process. There is no requirement for listed foreign companies to have or maintain a minimum number of security holders, although Euronext Dublin may cancel a company's listing should less than 25% (or any lower percentage agreed by Euronext Dublin) of the class of listed securities be in public hands according to the criteria described above. There is no requirement for listed foreign companies to have or maintain a minimum trading price for their securities, or for any shares to be placed into escrow (or otherwise be restrained from being traded, such as through lock-in or lock-up arrangements) in connection with the listing. However, on initial listing underwriters will typically require that the directors and major shareholders agree to a lock-in arrangement. Securities must be traded in a currency recognized by Euronext Dublin. There are no restrictions for securities to be settled within a particular clearing system or registered with a particular share transfer agent. However, adequate procedures must be available for the clearing and settlement of transactions in shares listed on Euronext Dublin, and Dublin listed shares are currently, normally settled through CREST, the electronic settlement system for UK and Irish securities. Please see section 9 below for more details.

Further listing requirements are as follows:

- An applicant company must be duly incorporated or otherwise validly established according to the relevant laws of its place of incorporation or establishment.
- An applicant company must be operating in conformity with its constitution.
- The securities must be validly issued in accordance with applicable laws and regulations governing those securities, the issuer's articles of association and other constitutional documents.

- The securities to be listed must be freely transferable.
- Any shares to be listed must be fully paid.
- An application for listing of securities must, if no securities of that class are already listed, relate to all securities of that class. If securities of that class are already listed, the application must relate to all further securities of that class, issued or proposed to be issued.
- A prospectus will be required.

The requirements described in this section 2 do not vary from what would be expected of a domestic company, except that if the law of incorporation of a foreign applicant company seeking a listing does not confer pre-emption rights on shareholders, the company's constitution must do so, and the applicant company must be satisfied that this is not incompatible with the laws in its country of incorporation.

The pre-emption rights concerned are as follows: a listed company proposing to issue equity shares for cash or to sell treasury shares that are equity shares for cash must first offer those equity shares in proportion to their existing holdings to:

- Existing holders of that class of equity shares (other than the listed company itself by virtue of it holding treasury shares).
- Holders of other equity shares of the listed company who are entitled to be offered them.

These pre-emption rights, however, can be and usually are disapplied. Irish incorporated companies can disapply these rights by passing a special resolution or by including a provision to this effect in the constitution of the company.

3. Listing documentation and process

The applicant company will need to prepare a prospectus to send to investors. The CBI will review a number of versions of the draft prospectus and provide detailed comments and raise points for clarification by the applicant company's advisers. Euronext Dublin will also need to receive an application for the admission of the securities to be included on the MSM, the final CBI-approved prospectus, and written confirmation of the number of shares to be allotted.

The prospectus must include the information prescribed by the Irish prospectus regulations (European Union Prospectus Regulation 2019), and it must also contain all of the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the issuer of the shares and of any guarantor and of the rights attaching to the shares. This reflects Ireland's implementation of the Prospectus Regulation (Regulation (EU) 2017/1129), as amended.

In particular, the prospectus must include a summary section including certain key items of information (or, where that information is not available, indicate as not applicable). The length of the summary must not exceed 7% of the length of the prospectus, or 15 pages, whichever is longer. The prospectus must also include disclosure relating to the following topics: details of the persons responsible for the prospectus; details of the auditors; selected financial information; risk factors relating to the company and its industry; general information about the company; a description of the company's operations, principal activities, significant new products and services and principal markets; organizational structure; property, plant and equipment; a description in narrative form of the company's financial condition, changes in financial condition and results of the operations for the periods covered by the financial statements and any significant factors affecting its operating results; the company's long-term and short-term capital resources; the company's research and

development policies; the most significant trends in the company's production, sales and inventory, and costs and selling prices; details of the company's management; corporate governance; number of employees and their share options; major shareholders; recent related party transactions; dividend policy; legal and arbitration proceedings; if profit forecasts are included in the prospectus, the principal assumptions upon which the profit forecasts are based; details of the company's share capital, objects, articles of association or charter, rights attaching to shares, procedure for conducting general meetings of shareholders and other related information; and a summary of material contracts.

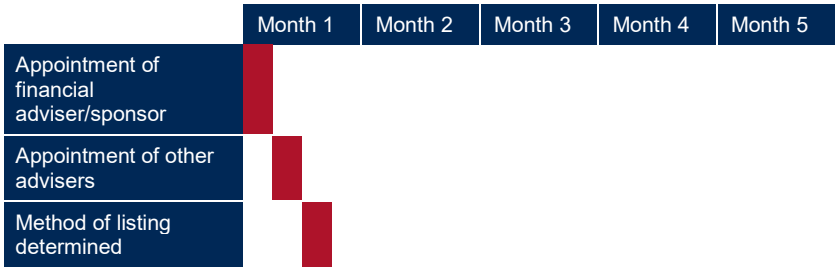
In addition, with respect to financial information, the prospectus should also include audited historical financial information for the latest three financial years together with the audit report for each year. For an issuer incorporated in an EEA member state, the accounts should generally be prepared under IFRS. For an issuer incorporated outside the EEA, the accounts should be prepared either under IFRS or under US, Japanese, Chinese, Canadian or South Korean GAAP (which have been deemed equivalent to IFRS by the European Commission) or, for financial periods starting before 1 April 2016, Indian GAAP (Indian GAAP is currently being converged with IFRS). Any quarterly or half-yearly financial information that the company has published since the date of the last audited financial statements must also be included together with any audit or review report with respect thereto. If there has been a significant change in the company's position during the period covered by the historical financial information, such as a significant acquisition or merger, it is necessary to include pro-forma financial information to reflect how the transaction would have affected its assets and liabilities and earnings if it had occurred at the beginning of the period covered by the report. The prospectus must also replicate the audit reports for each relevant period including any refusals, qualifications or disclaimers and the reasons for the same. If any financial data included in the prospectus is not extracted from the company's audited financial information, its source must be disclosed. Any

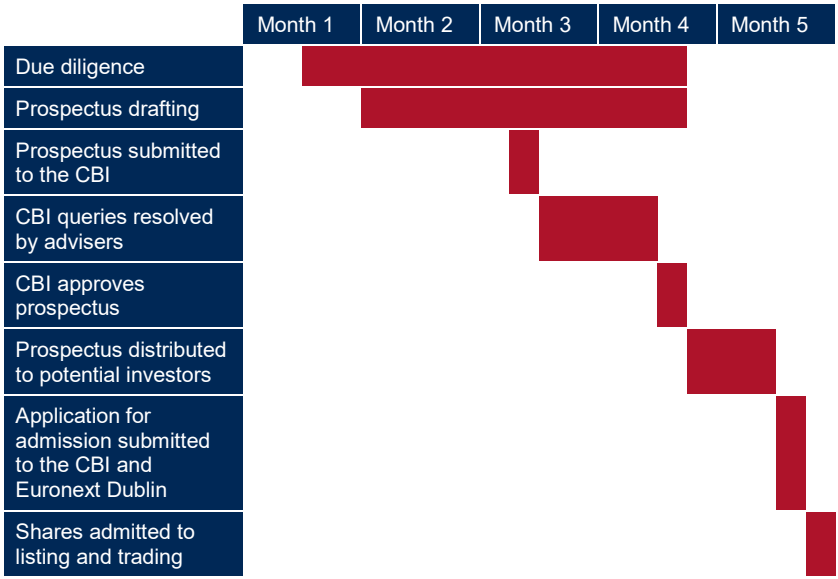
significant post-balance sheet change in the financial or trading position of the group must also be described.

Where the offer includes a US tranche, the prospectus needs to conform to the US disclosure standards applicable (these will differ depending on how the offer is made in the US). US disclosure standards are beyond the scope of this note, but these standards may require the inclusion of a detailed explanation and analysis of the company's financial results including key factors impacting its financial performance and comparison of its results on a year by year basis. The operating and financial review section (described above) will generally satisfy this requirement. In addition, it will usually be necessary to include a discussion of relevant US tax issues, restrictions on transferring the shares and certain legends required by US federal and state securities laws.

The CBI must approve the prospectus. The advisers will submit a draft prospectus to the CBI, who will then comment on it. The advisers and the applicant company address these comments and submit subsequent drafts until all of the CBI's comments have been addressed, at which point the CBI will informally agree to approve the prospectus. The advisers will then arrange to finalize the prospectus for the CBI's formal approval. The CBI approval process generally takes approximately two to four months from commencement of drafting to approval.

Typical process and timetable for a listing of a foreign company on the MSM of Euronext Dublin





The documentation and process requirements described in this section do not vary from what would be expected of a domestic company, although note the requirements for financial information described above in relation to relevant accounting principles.

4. Continuing obligations/periodic reporting

Under the Listing Rules, an issuer of equity securities, preference shares or certificates representing equity securities must have a sponsor when it makes an application for listing and for the duration of such listing.

Unlike the UK Listing Rules, the Listing Rules do not impose any particular obligations on a sponsor on a continuous basis and do not require the sponsor to actively supervise an issuer, but a sponsor will generally only act where it can be sure the issuer will comply with the Listing Rules because of reputational risk. The following list sets out some of the specific circumstances in which the sponsor is required to take particular action under the Listing Rules:

- In the case of any application for listing which requires the production of a prospectus, the sponsor must satisfy itself, to the best of its knowledge and belief, having made due and careful enquiry of the Company and its advisers, that it has satisfied all applicable conditions for listing and other relevant requirements of Euronext Dublin Listing Rules.
- For each transaction in respect of which it acts as sponsor in accordance with the Listing Rules, submit to Euronext Dublin at an early stage (and, in any event, no later than the date on which any documents in connection with the transaction are first submitted to Euronext Dublin for approval) a confirmation of independence in the prescribed form.
- The sponsor must provide to Euronext Dublin any information or explanation known to it in such form and within such time limit as Euronext Dublin may reasonably require for the purpose of verifying whether Listing Rules are being and have been complied with by it or by the issuer.
- Advise Euronext Dublin in writing without delay of its resignation or dismissal, giving details of any relevant facts or circumstances.
- If Euronext Dublin so requests, on the appointment of a new director, the sponsor must confirm to Euronext Dublin in writing that it is satisfied that the director has had explained to him by the sponsor or other appropriate professional adviser the nature of his responsibilities and obligations as director of a listed company under the Listing Rules.
- For a new applicant for listing, the sponsor must submit a letter setting out how the applicant satisfies the conditions for listing and the sponsor must lodge with Euronext Dublin all supporting documents.

Inside Information

Once listed, an issuer will be subject to a continuous disclosure requirement designed to prevent the creation of a false market in the company's securities under the Market Abuse Regulation (EU) No. 596/2014 (MAR) and the Market Abuse Directive 2014/57/EU. The company will be required to publicly disclose any inside information that concerns the company.

Broadly, inside information is information which:

- Is of a precise nature (that is, it deals with circumstances which exist or may reasonably be expected to come into existence and is specific enough to make conclusions as to the possible effect on price).
- Is not publicly available.
- Is likely to have a significant effect on price.

In determining the likely price significance of information, a company should assess whether the information in question would be likely to be used by a reasonable investor as part of the basis of his or her investment decisions.

Inside information should be disclosed through a Regulatory Information Service and the company must make the information available on its internet site and keep it there for a period of five years.

A company whose financial instruments are also listed or admitted to trading on any foreign stock exchange or regulated market must take reasonable care to ensure that the disclosure of inside information is synchronized as closely as possible in each jurisdiction.

A company may delay the disclosure of inside information where: (i) the issuer considers that public disclosure of inside information might prejudice the issuer's legitimate interests; (ii) to do so would not be

likely to mislead the public; and (iii) the issuer is able to ensure the confidentiality of the information.

Other Disclosures

In addition to the continuous disclosure regime there are a number of specific requirements that listed companies and certain other persons must comply with. These include:

- A shareholder must notify the issuer when its percentage of voting rights in the issuer held reaches, exceeds or falls below 3% (and each 1% thereafter) as soon as possible (and not later than four trading days in the case of a non-Irish issuer and two trading days in the case of an Irish issuer) after learning of the relevant acquisition or disposal. The company must then publicly disclose this information as soon as possible and in any event by not later than the end of the third trading day following receipt of notification (in the case of a non-Irish issuer) and the trading day following receipt of the notification (in the case of an Irish issuer).

- The company must disclose the total number of voting rights attaching to shares for each class admitted to trading at the end of every month in which there has been a change.

- Any proposed change in its capital structure (including that of its listed debt securities), redemption of listed shares, extension of time granted for the currency of temporary documents of title and the results of any new issue of listed equity securities or of a public offering of existing shares must all be publicly disclosed as soon as possible.

- Persons discharging managerial responsibilities and persons closely associated with them must notify the company and the CBI promptly and no later than three business days after the date of the transaction of the occurrence of all transactions conducted on their own account in the shares of the company. An Irish incorporated company must then disclose this information as soon

as possible and in any event by no later than three business days after the transaction.

- The company must send to Euronext Dublin copies of (a) all circulars, notices, reports or other documents to be sent to shareholders, at the same time as they are issued and (b) all resolutions passed by the company, other than those concerning ordinary business at an AGM, as soon as possible after the relevant meeting. The company can satisfy the requirement to send copies of documents to Euronext Dublin by disclosing the unedited full text of the document through an announcement via a Regulatory Information Service permitted by Euronext Dublin.

- If the company becomes aware that the proportion of any class of its listed shares in the hands of the public generally has fallen below 25% (or any lower percentage agreed by Euronext Dublin) it must inform Euronext Dublin as soon as possible.

- A company must publish notices or distribute circulars concerning the allocation and payment of dividends.

- A company has an overriding obligation to comply with the Listing Principles, which are general fairness-type principles designed to assist a listed company in identifying its obligations and responsibilities under the rules that apply to it as a result of the listing.

- The following additional ongoing obligations also apply:

    - A company must carry on an independent business as its main activity at all times.

    - A company that has a controlling shareholder must (1) have in place at all times a relationship agreement with the controlling shareholder and a constitution that allows the appointment of independent directors to be approved by separate resolutions of: (i) the shareholders as a whole; and (ii) the independent shareholders; and (2) include an annual confirmation in its

annual report that it has entered into a relationship agreement and the independence provisions in the agreement have been complied with (or, if this is not the case, an explanation of the background and reasons for the non-compliance).

- A company must notify Euronext Dublin without delay if it is not complying with the independent business or controlling shareholder requirements described above or if it or any controlling shareholder is not complying with the independence provisions contained in a relationship agreement.
- Transactions with a related party (including substantial shareholders, previous directors and associates of these parties) must be notified to Euronext Dublin and, in some instances, notified to a regulatory information service and approved by shareholders.
- Substantial transactions must be notified to a regulatory information service and, in some instances, approved by shareholders.
- Decisions of the board on dividends or interest payments on listed securities must be publicly disclosed.
- Any decision by the board to submit to shareholders a proposal that the company be authorized to purchase its own equity shares, other than the renewal of an existing authority, must be publicly disclosed as soon as possible, giving details of the nature of the authorization being sought. The outcome of the shareholders' meeting must also be disclosed as soon as possible. In addition, any purchases of a listed company's own equity shares must be publicly disclosed as soon as possible, and in any event no later than 7.30 a.m. on the business day following the calendar day on which the purchase occurred.

- A company must publicly disclose as soon as possible (and in any event by the end of the business day following the decision or receipt of notice about the change) any change to the board including:
  - The appointment of a new director.
  - The resignation, removal or retirement of a director.
  - Important changes to the role, functions or responsibilities of a director.

  The disclosure must state the effective date of the change if it is not with immediate effect. If the effective date of the change is not yet known this should be stated and a further disclosure made as soon as the effective date has been decided. In the case of an appointment, the notification must also state whether the position is executive, non-executive or chairman and the nature of any specific function or responsibility.
- A company must publicly disclose certain information in respect of any new director appointed to the board including:
  - Details of all directorships held by such director in any other publicly quoted company at any time in the previous five years, indicating whether or not the individual is still a director.
  - The details relating to such matters as any unspent criminal convictions and bankruptcies of such director,

  or an appropriate negative statement. Disclosure must be made as soon as possible following the decision to appoint the director and in any event within five business days of the decision.

- In respect of a current director, a company must publicly disclose as soon as possible any change in the details previously disclosed, including any new directorships held by the director in any other publicly quoted company.

Public disclosure for Irish-listed companies is typically made through Regulatory Information Services permitted by Euronext Dublin. These organizations receive announcements from issuers and then disseminate the full text of these to secondary information providers such as Bloomberg and Reuters. Disclosure to a Regulatory Information Service will fulfill a company's requirement for public disclosure. In some circumstances, a listed company is also obliged to make information available on its website (such as its annual report and results of shareholder meetings).

Secondary Listings

Foreign companies and Irish companies with primary listings elsewhere are generally the only types of companies that can avail of a secondary listing on the MSM. A company with a secondary listing is subject to fewer initial and ongoing obligations, which include:

- Initial applications:
  - The company is subject to the same application process as companies that are applying for a primary listing (this includes documents and timelines for submission in connection with the application, payment of fees and the provision of information to Euronext Dublin).
  - A minimum of 25% (or such lower percentage agreed by Euronext Dublin) of the class of shares to be listed distributed to the public in one or more EEA states (this is the "free float" requirement as described above in respect of companies with a primary listing).

- Foreign incorporated companies must generally be listed in its country of incorporation or where a majority of its shares are held.
- The company must also have a sponsor when making the application and for the duration of the listing.

- Ongoing obligations:
  - The "free float" requirement must be complied with at all times.
  - Further issues of securities of the same class must be admitted to listing as soon as possible and in any event within one year of the issue.
  - Copies of circulars, notices, reports or other documents to which the listing rules apply and all special resolutions passed by the company must be forwarded to Euronext Dublin and a regulatory information service notified with the contents of the document or of the company having forwarded the document.
  - A company with a secondary listing must also consider its obligations under EU market abuse and transparency legislation.
  - Where Ireland is a host member state for that company under transparency legislation and where 200 or more shareholders are resident in Ireland or 10% or more of the shares are held by shareholders resident in Ireland, the company must appoint a registrar in Ireland.
  - A Regulatory Information Service must be notified for any changes relating to the company's capital.

Financial statements

A company must publish an annual financial report not later than four months after the end of its financial year. The report must remain publicly available for at least 10 years. The report must include the audited financial statements, a management report and responsibility statements.

For a company which is required to prepare consolidated accounts, the audited financial statements must comprise consolidated accounts prepared in accordance with IFRS and accounts of the parent company prepared in accordance with the laws of the State in which the parent is incorporated.

These financial statements must be audited in accordance with the auditing standards applicable in an EEA State and the audit report must be reproduced in full as part of the annual financial report.

Where a foreign company is incorporated in a country or territory that is not an EEA State, it must ensure that the person who provides the audit report is either:

- Entered on the register of third country auditors kept for the purposes of the Companies Act 2014.
- Eligible for appointment as a statutory auditor under the Irish Companies Act 2014.
- Approved by the competent authority of another EEA State to carry out audits of annual or consolidated accounts.

The management report must contain a fair review of the company's business and a description of the principal risks and uncertainties facing the company and must otherwise comply with more detailed requirements set out by the CBI in its role as competent authority under the Transparency Directive (Directive 2004/109/EC).

Responsibility statements must be made by the persons responsible within the company (whose names and functions must be clearly indicated) and set out that, to the best of the knowledge of each person making the statement, the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and its consolidated undertakings, taken as a whole; and the management report includes a fair review of the development and performance of the business and the position of the company and its consolidated undertakings, taken as a whole, together with a description of the principal risks and uncertainties that they face.

All listed companies must also include in its annual report a report to the shareholders by the board containing details of the unexpired term of the director's service contract of any director proposed for election or re-election at the next annual general meeting, or a statement that such director has no service contract.

The auditors' report on the company's financial statements must cover some of these disclosures. If the company has not made the requisite disclosures, the report must include, to the extent possible, a statement giving details of the non-compliance.

Interim financial statements

As well as the annual financial report described above, the company must also publish a half-yearly financial report covering the first six months of the financial year. The report must be published not later than three months after the end of the period to which it relates, and must remain publicly available for at least 10 years.

The half-yearly financial report must contain: a condensed set of financial statements, an interim management report and responsibility statements.

The half-yearly financial report must contain (a) an indication of important events that have occurred during the first six months of the financial year (and their impact on the condensed set of financial

statements); and (b) a description of the principal risks and uncertainties facing the company for the remaining six months of the financial year, and must otherwise comply with the detailed requirements set out by the CBI.

If the half-yearly financial report is not audited, a company must make a statement to this effect in the report.

The accounting policies and presentation applied to the half-yearly figures must be consistent with those applied in the latest published annual accounts, unless Euronext Dublin otherwise agrees or the accounting policies and presentation are to be changed in subsequent annual accounts.

Certain companies active in the extractive and primary logging of forestry industries are expected to be required to prepare a report annually on the payments that they make to governments each financial year for financial years beginning on or after 1 January 2015.

Insider dealing

The Irish market abuse regulations (European Union (Market Abuse) Regulations 2016, as amended) reflects Ireland's implementation of the Market Abuse Regulation (EU) No. 596/2014 (MAR) and the Market Abuse Directive 2014/57/EU. The Irish market abuse regulations provide that it is a criminal offence for an individual who has inside information, to deal in securities on Euronext Dublin or another regulated market, or through a professional intermediary, or to encourage another person to deal in such securities. It is also a criminal offence for an insider to disclose the information to another person, other than in the proper performance of their employment, office or profession. For an offence to be committed, the individual must know that the information is inside information and he must have knowingly acquired it from an inside source. There are also offences of encouraging dealing and disclosure by persons who have inside information.

For these purposes, inside information is, broadly speaking, specific or precise unpublished information relating to a particular issuer or particular securities which, if made public, would have a significant effect on the price of any securities. It should be noted that a director who knowingly has inside information about his company, or any other company with which his company has dealings, would be an insider for the purposes of the insider dealing legislation.

The penalty for an offence under the Irish market abuse regulations is a maximum fine of €10 million (approximately US$11.21 million) or imprisonment for a maximum of 10 years, or both. There are a number of defenses, but it should be noted that these are normally restrictively interpreted and the burden of proof lies with the defendant.

Market abuse

The civil prohibition on market abuse in the Irish market abuse regulations works in tandem with the criminal sanctions against insider dealing and market manipulation and extends the reach of the regulator to all market participants (whether or not authorized).

Under the Irish market abuse regulations, the CBI, as regulator of the financial markets, is empowered to decide that certain conduct constitutes market abuse. It can then impose fines of up to €15 million (approximately US$16.82 million), or 15% of the total annual turnover of a legal person, or up to €5 million (approximately US$5.61 million) in the case of an individual, and/or other penalties.

Broadly speaking, market abuse may be described as insider dealing, the unlawful disclosure of inside information and market manipulation in relation to any qualifying investments admitted to trading on a prescribed market or in respect of which a request has been made for admission.

MAR provides that there are certain safe harbors from market abuse for certain behavior including buy-backs of securities and stabilisation, provided the specified conditions are satisfied.

The CBI may institute proceedings not only for direct engagement in market abuse but also for acts or omissions which require or encourage another to engage in behavior which would constitute market abuse if engaged in by the person who encouraged the other.

It should be noted that proof of intent to engage in market abuse is not required: it is sufficient that the behavior satisfies the criteria for market abuse.

The requirements in this section do not vary from what would be expected of a domestic company.

5. Corporate governance

Market expectations

Investors will normally expect a foreign company to maintain a minimum standard of corporate governance after listing. The investment bank(s) advising on the listing will therefore often recommend that the company appoints one or more independent non-executive directors to the board of directors of the company. The process of ensuring that the company's standards of corporate governance are acceptable to investors may also require that the company adopt new constitutive documents and/or establish audit and/or remuneration committees, to the extent not already in place.

Annual corporate governance statement

An Irish company with a primary listing must state in its annual report whether or not it has complied with the UK Corporate Governance Code and the Irish Corporate Governance Annex and if it has not complied, it must provide details of the provisions which were not complied with and its reasons for non-compliance.

A foreign company with a primary listing must state in its annual report whether or not it has complied with the corporate governance requirement of its country of incorporation and the significant ways those corporate governance practices differ from those set out in the UK Corporate Governance Code and/or the Irish Corporate Governance Annex.

Irish Corporate Governance Annex (the Annex)

The Annex forms part of the Listing Rules. Its contents supplement the existing provisions which require Irish listed companies to comply or explain against the requirements of the UK Corporate Governance Code. The Annex implements the nine recommendations arising from the report commissioned by Euronext Dublin and the Irish Association of Investment Managers (IAIM) in early 2010 on compliance with the Combined Code by Irish listed companies. The additional requirements are principally concerned with board composition, board evaluation, remuneration and the work undertaken by the audit committee.

The Annex applies to companies with a primary equity listing on the main securities market of Euronext Dublin. The Annex includes the following specific provisions which reflect the recommendations from Euronext Dublin/IAIM report:

Board Composition

In the annual report companies should outline the rationale for the current board size and structure and explain why a company believes it to be appropriate and provide details of any planned or anticipated changes to the board size or structure. Where less than half of the board of a company is comprised of non-executive directors, the Company must give a reasonable explanation for this departure from the requirements of provision 11 of the UK Corporate Governance Code. There are detailed provisions requiring additional information to be included in the annual report in respect of the directors and in particular their biographies. A detailed description of the skills,

expertise and experience that each of the directors bring to the board must be included in the annual report. Where a company's directors have been nominated by shareholders or government, a reasoned explanation for such appointments including a description of the skills and expertise these directors bring to the board as provided by the shareholders or government or a statement that no such description has been provided to the company must also be included in the annual report.

Board Appointments

Companies should include an explanation for each new appointee to the board of the process followed by the nomination committee in identifying a pool of candidates and selecting and recommending the candidate. Where an external search agency and advertising has been used, this should be made clear in the annual report and if none were used, an appropriate negative statement should be included.

Board Evaluation

A company should state in the annual report the objective and scope of the evaluation review and methodology applied and the rationale of the methodology. A distinction should be made between the evaluation of the board process, of individual directors and of the collective board strength. The statement should specify when the most recent externally facilitated performance evaluation was undertaken or when the board expects to engage an external facilitator. If the evaluation is conducted by the board itself, the board should include an explanation of the steps that were included in the methodology to achieve as robust and objective an approach as possible.

Board Re-election

The annual report should state the board's general policy for board renewal. Provision 10 of the UK Corporate Governance Code sets out various circumstances where the independence of a director may be compromised and where a director falls within those circumstances and the board nonetheless deemed him to be independent, the board

should set out in the annual report, the factors it took into account when determining whether that director should be regarded as independent.

Audit Committee

The annual report should include a meaningful description of the work carried out by the Audit Committee and not merely recycle the committee's terms of reference. The description should explain the work done by the audit committee relating to oversight of risk management on behalf of the board. If there is a specific risk committee, a meaningful description of the work carried out by that committee should also be included.

Remuneration

Companies should provide a clear and meaningful description of their remuneration policy and not simply recycle the remuneration committee's terms of reference. Where the remuneration policy includes variable components of remuneration, companies should describe the components of bonus or other variable elements of remuneration and disclose what components of variable compensation are deferred and for how long. Companies should also describe any arrangements that are designed to achieve the recovery of variable compensation awarded on the basis of assessments or data which are subsequently found to be materially inaccurate. If there are no such arrangements, companies should provide an appropriate negative statement. The company should describe the vesting periods for shares forming part of a director's remuneration and such terms should not allow for vesting for at least three years after the award. Share options or any other right to acquire shares or to be remunerated on the basis of share price movements, should not be exercisable for at least three years after the award.

6. Specific situations

There are no additional requirements, or any changes in the normal requirements, that apply to very large multinational companies or smaller companies.

Mineral companies and scientific research based companies (see definitions below) applying for a listing do not need to have published or filed audited financial information that covers at least three years and represents at least 75% of their business (subject to the condition applicable to scientific research based companies described below). However, both types of company must have published or filed historical financial information since the inception of the relevant business and must demonstrate that they will be carrying on an independent business as their main activity.

In addition, a mineral company that does not hold controlling interests in a majority (by value) of the properties, fields, mines or other assets in which it has invested must demonstrate that it has a reasonable spread of direct interests in mineral resources and has rights to participate actively in their extraction, whether by voting or through other rights which give it influence in decisions over the timing and method of extraction of those resources. A scientific research based company that does not have audited financial information that covers at least three years and represents at least 75% of its business must:

- Demonstrate its ability to attract funds from sophisticated investors prior to the marketing at the time of listing.
- Intend to raise at least €12.5 million (approximately US$14.02 million) pursuant to a marketing at the time of listing.
- Have a capitalization before the marketing at the time of listing of at least €25 million (approximately US$28.03 million), based on the issue price and excluding the value of any shares issued in the six months before listing.

- Have as its primary reason for listing the raising of finance to bring identified products to a stage where they can generate significant revenues.
- Demonstrate that it has a three year record of operations in laboratory research and development, including patents granted/applied for and successful testing of the effectiveness of its products.

Scientific research based companies are defined as companies primarily involved in the laboratory research and development of chemical or biological products or processes or any other similar innovative science based companies.

Mineral companies are defined as those companies whose principal activity is, or is planned to be, the extraction (mining, quarrying or similar activities and the reworking of mine tailings or waste dumps) of mineral resources (which may or may not include exploration for mineral resources). Mineral resources include metallic and non-metallic ores, mineral concentrates, industrial minerals, construction aggregates, mineral oils, natural gases, hydrocarbons and solid fuels including coal.

There are no situations in which a fast track or expedited listing can be procured.

7. Presence in the jurisdiction

Foreign companies with a listing of shares in Ireland (where Ireland is the host Member State for the purposes of the Prospectus Regulation) which has either 200 or more shareholders resident in Ireland or 10% or more shares held by persons resident in Ireland are required to appoint a registrar in Ireland. The registrar would be responsible for maintaining the register of shareholders. There are no other requirements on listed foreign companies to maintain a presence in Ireland, except for a listed foreign company to appoint a sponsor as described above.

8. Fees

Initial listing

Euronext Dublin charges fees on admission through a formula based on the market capitalization of the company. The fee must be paid at least three days before the expected date of admission. For example, a company with a market capitalization of €100 million (approximately US$112.12 million) would pay fees on admission of €100,000 (approximately US$112,120). A company with a market capitalization of €1 billion (approximately US$1.12 billion) would pay fees on admission of €200,000 (approximately US$224,240). For issuers incorporated outside of Ireland, all equity securities fees are one half of the amounts set out below.

Initial admission fees

On admission of securities to the MSM an initial admission fee is chargeable as follows:

Market Capitalization of the securities being admitted	MSM Admission Fee	US$ equivalent
Up to €250 million	€100,000	US$112,120
Between €250 million and €500 million	€150,000	US$168,180
Between €500 million and €1 billion	€200,000	US$224,240
Greater than €1 billion	€250,000	US$280,300

Further admission fees

Further admissions of securities to the MSM will generally be charged at 90% of the scale for initial admission fees as per the table above with the exception of the following non-chargeable events:

- Market capitalization of securities for admission is less than €10 million (approximately US$11.21 million).
- Sub division, consolidation and redenomination of capital.

- Capital reorganization.
- Capitalization of reserves.

Ongoing fees

Euronext Dublin charges annual fees through a formula based on the market capitalization of the company at close of trading as at 30 November and will be billed in December for the 12 months commencing 1 January. For example, a company with a market capitalization of €100 million (approximately US$112.12 million) would pay fees each year of €7,000 (approximately US$7,850). A company with a market capitalization of €1 billion (approximately US$1.12 billion) would pay fees each year of €15,000 (approximately US$16,800).

A pro-rata annual fee is payable by new applicants.

9. Additional information

All information and materials submitted to the CBI and Euronext Dublin or disclosed to the market in Dublin must be in the English language.

Key differences in requirements for domestic companies

The key differences in requirements between domestic and foreign companies listing on the MSM relate to settlement and continuing obligations.

Companies incorporated in Ireland are subject to the following continuing obligations:

- Significant shareholder notification thresholds are more stringent, and the time periods for these notifications are shorter, for an Irish company as compared to a non-Irish company.
- PDMRs must notify an Irish incorporated company (and certain companies not incorporated in the EEA) listed on the MSM of the

occurrence of all transactions conducted on their own account in the shares of the company. An Irish incorporated company (and certain companies not incorporated in the EEA) must then disclose this information as soon as possible, and in any event by no later three business days after the transaction.

- An Irish incorporated company with a listing on the MSM must comply with all of the detailed annual report disclosure requirements set out in the Irish Companies Act 2014 and associated regulations, including, among others, reporting on corporate social responsibility, environmental issues and directors' remuneration.

- An Irish incorporated company listed on the MSM should generally prepare its financial information in accordance with IFRS.

- All Irish incorporated companies listed on the MSM are required to have an audit committee, which is responsible for monitoring the audit function. In practice, most non-Irish incorporated companies with a listing on the MSM also have an audit committee as this is recommended by the Code, which is further described in section 5 above.

10. Contacts within Baker McKenzie

Helen Bradley, Nick O'Donnell, Roy Pearce and James Thompson in the London office are the most appropriate contacts within Baker McKenzie for inquiries about prospective listings on Euronext Dublin.

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Euronext Paris

Initial financial listing requirements

The main eligibility criteria for listing equity securities on Euronext Paris, are:

- A minimum distribution of 25% of share capital or a lower percentage determined by Euronext which cannot be lower than 5% and must represent at least €5 million of the subscription price (approximately US$5.61 million).
- Three years of certified financial statements.
- Compliance with international financial reporting standards (IFRS) or US, Japanese, Canadian, Chinese, Indian or South Korean generally accepted accounting principles (GAAP) for accounting (see adjacent box).
- A regulator-approved prospectus (which can be in English if there is no retail public offering).

In order to list its securities, a company must have three years of audited accounts or pro forma accounts. However, exemptions may be available in certain circumstances, as set out in the EU Prospectus Regulation and its implementing texts.

There are no ownership requirements applicable to the listing of a foreign company's securities, and there are no ongoing financial requirements after the initial listing.

There is no requirement for a company to conduct one or more interviews with the exchange, nor is there any requirement for a listed company to have and/or maintain a minimum number of security holders or a minimum trading price for its securities.

A company must ensure that its listed securities are freely transferable and negotiable, but exceptions can be granted (such as in the case of a shareholders agreement). There are no requirements to place shares into escrow (or otherwise restrain them from being traded, such as through "lock-in" or "lock-up" arrangements) in connection with the listing. However, lock-up agreements with underwriters are common in France in connection with public offerings.

The currency denomination of securities may be either US Dollars (US$) or Euros (€). A paying agent that is a member of Euroclear France must appointed to centralize the payment of dividends (if any) and other corporate actions.

There is no requirement for a foreign company to obtain a compliance adviser that is established with the exchange.

Other initial listing requirements

Further, in order for securities to be admitted to listing and trading on Euronext Paris, the following must be submitted:

- A statement by the *Autorité des marchés financiers* (AMF) to the effect that it has approved the company's prospectus, or a certificate of approval of the competent authority of the issuer's home Member State, together with a French translation of the prospectus summary if there is a simultaneous retail public offering.
- In the case of an underwritten IPO including French investors, a certification by the underwriters to the AMF regarding their professional diligence and the lack of inaccuracies or material omissions.
- In the case of an IPO including French investors, a completion letter from the issuer's auditors, together with a certification by the issuer's French auditors on their review of the translation of the financial information.
- A signed declaration of the issuer's CEO with respect to the information contained in the prospectus and that the prospectus makes no material omission.
- In order to list its securities, a company must obtain a listing agent or listing sponsor, which can be a law firm in cases of technical listings of companies already listed on other designated markets (such as the NYSE or Nasdaq).

Accounting Standards. Audited financial statements must be prepared in compliance with IFRS. However, the accounts of an issuer incorporated outside the EEA may be prepared under US, Japanese, Canadian, Chinese, Indian or South Korean GAAP.

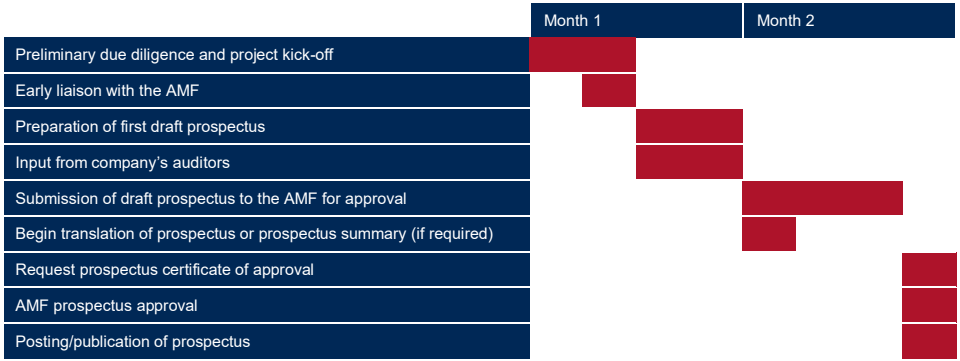
Financial statements. The prospectus should also include audited historical financial information, including balance sheets for the latest three financial years. Pro forma statements may be required in the case of a recent material merger or acquisition.

Operating history. An operating history of three years is generally required.

Management continuity. Euronext Paris does not require any specific period of continuity of management.

Listing process

To admit shares to Euronext Paris, a final prospectus approved by the competent authority (in most cases the AMF) must be submitted to Euronext Paris. The following is a fairly typical process and timetable for a listing of an issuer on Euronext Paris:



Listings via the "Fast Path" procedure by issuers whose shares are already listed on the NYSE or Nasdaq will generally take six weeks following the availability of the filings with the US Securities and Exchange Commission on which the prospectus is based.

Corporate governance and reporting

The Euronext Rule Book and the local rule book for Euronext Paris do not contain specific corporate governance provisions. To the extent corporate governance rules are set out in the French Commercial Code and the AFEP/MEDEF code on corporate governance of listed corporations, these rules apply only to French companies.

There are no French residency requirements for directors or officers. There are no requirements for a listed foreign company to maintain a presence in France (for example through resident directors or corporate offices).

There is no requirement for any corporate records (such as a register of holders) to be kept in France. However, as noted above, a foreign company listed on Euronext Paris must appoint a paying agent that is a member of Euroclear France.

A listed company has disclosure and reporting obligations both to the AMF and to Euronext Paris. All post-listing reporting obligations can be in English.

Fees

A company seeking to list must pay both initial listing fees (comprising a fixed fee of €10,000 (approx. US$11,200) and a variable fee) and annual fees. The variable initial listing fee for common stock depends on the market capitalization of the issuer. For example, for issuers with a market capitalization between €100 million and €200 million (approx. US$112.12 million to US$224.24 million), the maximum fee can go up to €107,500 (approx. US$120,500). Additional shares listed subsequently will require additional payments. The fee for a technical listing on Euronext, consisting of a listing without a public offering or private placement by a company already listed in another country, is €120,000 (approx. US$134,500).

The annual fee is also based upon the number of shares issued and market capitalization, and fees range from €3,000 (approx. US$3,360) up to approximately €56,000 (approx. US$62,800) for large issuers. Additional costs may include printing costs and fees in connection with the approval of the prospectus as required by the AMF. Furthermore, various fixed annual fees and variable fees may be charged to listed companies by the AMF in connection with ongoing supervision (however, the annual fees do not apply to non-French companies if Paris is not their main trading market).

1. Overview of exchange

Euronext Paris is a regulated exchange operated by Euronext Paris S.A., a wholly-owned subsidiary of Euronext N.V. (Euronext). Euronext Paris is a "regulated market" within the meaning of the Markets in Financial Instruments Directive (Directive 2014/65/EU) (MiFID II) and the Markets in Financial Instruments Regulation (Regulation (EU) 600/2014) (MiFIR), which came into effect on 3 January 2018.

Together, the Euronext markets list more than 1,500 companies from approximately 35 countries, worth €4.3 trillion (approximately US$4.82 trillion) in market capitalization as of end December 2019. Euronext is the largest pan-European stock exchange in terms of both trading volume and value of shares traded. Shares listed on one of Euronext's markets can be traded on the other markets through a single order book. The shared trading platform offers the same market structure for all listed companies, and clearing is fully guaranteed for all securities. This allows issuers to tap efficiently into international institutional markets, as well as the local French market.

The process to obtain a listing on Euronext Paris is straightforward and well developed. The French securities regulator, the *Autorité des marchés financiers* (AMF), has a long and solid track record of dealing with public offerings and listings, both domestic and foreign, and is generally very collaborative in the offering and listing process.

While the rules regarding listing and admission to listing have been harmonized significantly among the different Euronext markets, some differences due to legal and some technical reasons remain. Also, an admission on one of the Euronext markets does not yet entail an automatic listing on another Euronext market, but such listing can be used as basis for a simultaneous or additional listing on another Euronext market.

The main Paris market includes listings of shares issued by French and foreign companies and funds, as well as listings of bonds and

other debt instruments. The regulated market of Euronext markets for equities is segmented according to market capitalization:

- *Compartment A*: companies with a market capitalization of more than €1 billion (approximately US$1.12 billion).
- *Compartment B*: companies with a market capitalization of between €150 million (approximately US$168.18 million) and €1 billion (approximately US$1.12 billion).
- *Compartment C*: companies with a market capitalization of less than €150 million (approximately US$168.18 million).

In addition, there is the Professional Segment, on which companies are able to list provided they do not make a simultaneous offering to the retail public (a direct listing or an offering to qualified institutional investors is permitted though). The Professional Segment is an integral part of Euronext Paris and subject to the same trading rules as other shares listed on Euronext Paris. The listing procedure is slightly simplified. All investors, whether institutional or retail, are eligible to purchase shares in secondary trading on the Professional Segment. Any marketing towards retail is however prohibited.

Euronext Paris S.A. also operates Euronext Growth Paris (formerly Alternext Paris), a multilateral trading facility. Euronext Growth Paris has been designed as a platform for smaller companies and imposes a lighter disclosure and compliance regime than the regime that applies to the main regulated markets of Euronext. Euronext Growth Paris has been officially registered as "SME Growth Market" for both shares and bonds which allows companies listed thereon to benefit from simplified market processes in two key legislations: the Prospectus Regulation and the Market Abuse Regulation (MAR). Benefits include: (i) the use of lighter prospectuses at both initial and subsequent admissions (the EU Growth prospectus and the simplified prospectus under the simplified disclosure regime for secondary issuance), which reduce workloads and facilitate issuers' capacity to raise funds on capital markets; and (ii) exemptions from specific

obligations under MAR: issuers listed on an SME Growth Market indeed benefit from a lighter insider list disclosure regime.

Euronext Paris S.A. also operates Euronext Access Paris (formerly Free Market), a multilateral trading facility serving mainly early stage growth companies. Euronext Access Paris provides such companies with easy access to a listing with less stringent criteria for admission and framework adapted to their specific needs.

The rules and procedures described below relate to Euronext Paris only.

As of May 2019, 490 companies were listed on Euronext Paris.

French companies of all industrial and commercial sectors are listed on Euronext Paris. The exchange has made a special effort to welcome US and other foreign companies whose shares are listed in the United States via the "Fast Path" procedure. This procedure enables US-listed (NYSE or Nasdaq), non-EEA (European Economic Area) issuers to cross-list, using existing filings with the US Securities and Exchange Commission (SEC), with or without a simultaneous capital raising. Most Fast Path issuers are listed on the Professional Segment. The Fast Path procedure is discussed in section 6 below.

Euronext Paris is governed by the MIFID II, MIFIR and the French Monetary and Financial Code and is recognized as a regulated market undertaking under the foregoing. Euronext Paris is responsible for the organization of the markets that it operates and for the admission, suspension and exclusion of the members of these markets. Euronext Paris is also responsible for the admission, suspension and delisting of financial instruments on its markets. Euronext Paris operates under the supervision of the AMF, the French securities and financial markets regulator. The AMF is also charged with the supervision and enforcement of the French legislation implementing the EU Prospectus Regulation, Transparency Directive, Market Abuse Regulation, Takeover Bid Directive, UCITS Directive, Markets in Financial Instruments Directive, Alternative Investment Fund

Managers Directive, Short Selling Regulation and related regulations. The French Minister of Finance has the power to confer and revoke regulated market status upon the recommendation of the AMF and following an opinion from the French Prudential Control and Resolution Authority.

Euronext Paris is also approved as a specialized financial institution and is therefore governed by French banking legislation and regulations as amended and codified in the French Monetary and Financial Code, which means that it is subject to supervision by the Prudential Control and Resolution Authority.

2. Principal listing and maintenance requirements and procedures

There are no jurisdictions of incorporation or industries that would not be acceptable for a listed company.

The main eligibility criteria for listing equity securities on o Euronext Paris, are:

- A minimum distribution of 25% of share capital or a lower percentage determined by Euronext which cannot be lower than 5% and must represent at least €5 million of the subscription price (approximately US$5.61 million).
- Three years of audited financial statements.
- Compliance with one of the following accounting standards (see sections 3 and 4 for more information about accounting standards):
    - International Financial Reporting Standards (IFRS) if the issuer is incorporated in an EEA member state.
    - IFRS or accounting standards deemed equivalent (US, Japanese, Chinese, Canadian, Indian or South Korean GAAP if the issuer is incorporated outside of the EEA.

- A regulator-approved prospectus.

In order to list its securities, a company must have three years of audited accounts or pro forma accounts. However, exemptions may be available in certain circumstances, as set out in the EU Prospectus Regulation, which is applicable in the EEA (the Prospectus Regulation), and its implementing texts. For example, Euronext will grant dispensation from this requirement to mineral companies (being companies with material mineral projects) if the companies concerned have otherwise made available the necessary information allowing an informed judgment of their company, their financial situation and their business according to the EU Prospectus Regulation. There are no ownership requirements applicable to the listing of a company's securities, and there are no ongoing financial requirements after the initial listing.

The Euronext Rule Book does not contain specific corporate governance provisions (see also section 5 below).

An issuer of equity securities such as shares or equivalent equity securities must appoint a listing agent for the first admission to listing of its securities. The listing agent must assist and guide the company in connection with the admission to listing of its securities on Euronext Paris. The tasks and responsibilities of the listing agent include assisting the company with the application for admission to listing of the relevant securities and the listing process, ensuring that the documentation to be provided to Euronext Paris in connection with the admission to listing is complete and accurate, acting as primary contact and liaison agent vis-à-vis Euronext Paris in relation to the admission to listing, and ensuring that adequate procedures are in place for the clearing and settlement of the securities concerned. The listing agent must be a Euronext member, but at the request of the company and depending on the type of transaction involved (for example in the event there is no capital raising or subsequent admission) Euronext Paris can determine that also non-Euronext members can act as listing agent.

Certain additional rules also apply for foreign companies listing on Euronext Paris, except for listings on the Professional Segment:

- In the case of an underwritten initial public offering, the underwriters must certify to the AMF that they have exercised customary professional diligence and found no inaccuracies or material omissions likely to mislead investors or affect their judgment.
- The issuer's auditors must prepare a completion letter for their work on the prospectus. The issuer must email a copy of the completion letter to the AMF before the AMF issues its approval of the prospectus.
- Foreign issuers must appoint and elect domicile with a correspondent in France. The correspondent must be authorized to receive any and all correspondence from the AMF, and forward to the AMF all documents and information provided for in laws and regulations, or in response to requests for information from the AMF under the powers granted to it by laws and regulations.

Foreign issuers must also provide Euronext Paris with a certification (in French) by the consular authorities in France or by a legal opinion issued by a law firm that the documents submitted by the issuer are in conformity with the laws and practices of its country of origin.

There is no requirement for a company to conduct one or more interviews with the exchange, nor is there any requirement for listed companies to have and/or maintain a minimum number of security holders or a minimum trading price for their securities.

A company must ensure that its listed securities are freely transferable and negotiable, but exceptions can be granted (such as in the case of a shareholders agreement). There are no requirements to place shares into escrow (or otherwise restrain them from being traded, such as through "lock-in" or "lock-up" arrangements) in connection with a

listing. However, lock-up agreements with underwriters are common in France in connection with public offerings.

The currency denomination of securities may be either US Dollars (US$) or Euros (€). Issuers must appoint a paying agent that is a member of Euroclear France (the French Central Depository System) to centralize the payment of dividends (if any) and other corporate actions.

Below is a table of the main eligibility criteria for the listing of a company on Euronext Access Paris, Euronext Growth Paris and Euronext Paris (A/B/C compartments).

	Euronext Access Paris	Euronext Growth Paris	Euronext Paris (A/B/C)
Free float	N/A	€2.5 million	25% or % if >€5 million
Financial statement	2 last years (audited accounted not required)	2 last years of audited accounts	3 last years of audited accounts
Accounting standards	IFRS, other EU member state GAAP or equivalent GAAP	IFRS or equivalent GAAP	
Intermediary	Listing sponsors	Listing agent	Listing agent
Main document to be provided	Information document (or EU prospectus in case of public offers)	Information document or EU prospectus	EU prospectus

3. Listing documentation and process

Below is a table of the main documents required for the listing of a foreign company on Euronext Paris.

Item	Required by:		
	AMF	Euronext Paris	Paying agent
Draft and final prospectuses	✓	✓	

Item	Required by:		
	AMF	Euronext Paris	Paying agent
Corporate resolutions authorizing the listing or the offering, as applicable	✓	✓	✓
Commercial registration document (for example, good standing certificate for a US company)	✓	✓	✓
Bylaws and articles of incorporation (together with a secretary's certificate, stating that the documents are true copies of the originals)	✓	✓	✓
Deed certifying the issuance of new equity securities		✓	
Euronext listing application form and undertakings		✓	
Listing agent agreement or letter		✓	
If the shares are already listed on another market (other than one of the Euronext group markets), a listing certification from that market		✓	
Paying agent agreement			✓
Certified copy of passport of the directors and named executive officers and the signatory of the paying agent agreement (if different)			✓

The most important document to be prepared in connection with a listing on Euronext Paris is the prospectus. The prospectus for the listing can be drafted in such a manner that it can also be used for the offering of the securities to the public.

The listing and offering prospectus must be approved by the AMF. Alternatively, a prospectus approved by the competent authority of the company's home Member State located elsewhere in the EEA may be passported into France pursuant to the Prospectus Regulation.

The prospectus must satisfy the rules set out in the Prospectus Regulation, the Book II of the AMF General Regulation. The ESMA, the European Securities and Markets Authority, has issued further guidance in relation to (among other things) the prospectus requirements.

In particular, the prospectus must include disclosure relating to:

- The persons responsible for the prospectus.
- The auditors.
- Selected financial information.
- Risk factors relating to the company and its industry.
- General information about the company.
- A description of the company's operations, principal activities, significant new products and services and principal markets.
- Organizational structure.
- Property, plant and equipment.
- A description in narrative form of the company's financial condition, changes in financial condition and results of the operations for the periods covered by the financial statements, as well as any significant factors affecting its operating results.
- Capital resources.
- Research and development policies.
- The company's management.
- Corporate governance.
- Number of employees and their share options.

- Major shareholders.
- Recent related party transactions.
- Dividend policy.
- Legal and arbitration proceedings.
- Details of the company's share capital, objects, articles of association or charter, rights attaching to shares, procedure for conducting general meetings of shareholders and other related information.
- A summary of material contracts.

The issuer's Chief Executive Officer must provide a signed declaration, dated no more than two business days before the prospectus approval date (and preferably one day before), stating that after taking all reasonable measures for this purpose and to the best of his or her knowledge, the information contained in the prospectus is in accordance with the facts and that the prospectus makes no material omission.

For an initial listing on Euronext Paris, if the issuer is not incorporated in the EEA, the draft prospectus should be submitted to the AMF together with a document containing all of the relevant information that the issuer published or made available to the public over the preceding 12 months in the country where it is incorporated, along with a timetable of upcoming publications and the topics of the issuer's communications over the two months following the draft prospectus submission date.

In addition, with respect to financial information, the prospectus should also include audited historical financial information for the latest three financial years together with the audit report for each year. For an issuer incorporated in an EEA Member State, the accounts should generally be prepared under IFRS. For an issuer incorporated

outside the EEA, the accounts should be prepared under one of the following:

- Under IFRS.
- Under US, Japanese, Canadian, Chinese, Indian or South Korean GAAP, which have been deemed equivalent to IFRS by the European Commission.

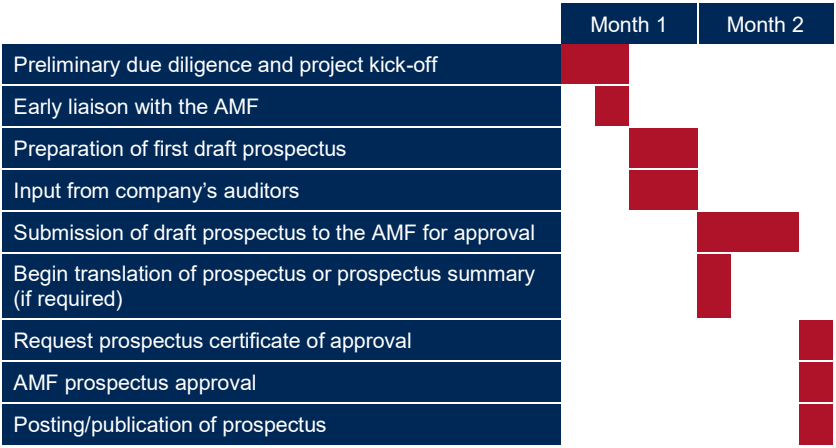
Any quarterly or half-yearly financial information that the company has published since the date of the last audited financial statements must also be included, together with any audit or review report with respect thereto. If there has been a significant change in the company's position, such as a significant acquisition or merger, it is necessary to include pro forma financial information to reflect how the transaction would have affected its assets, liabilities and earnings if it had occurred at the beginning of the period covered by the report. The prospectus must also replicate the audit reports for each relevant period, including any refusals, qualifications or disclaimers and the reasons for the same. If any financial data included in the prospectus is not extracted from the company's audited financial information, its source must be disclosed. Any significant post-balance sheet change in the financial or trading position of the group must also be described.

It is important to involve the issuer's auditors early in the process. As noted above, they will have to deliver to the AMF a completion letter just prior to its approval of the prospectus (unless the listing is on the Professional Segment). Even if no auditor letters are required, the auditors will still usually request to review and comment on the prospectus.

The listing prospectus does not need to be translated into French if the listing is on the Professional Segment. If the listing is not on the Professional Segment, only the prospectus summary (which should not exceed the equivalent of 7% of the prospectus or 15 pages) needs to be translated.

The AMF Corporate Finance Division (known in French as the *Direction des émetteurs*) will review the draft prospectus filed with it. Draft prospectus filings are not publicly available. As a general rule, the AMF will provide its initial comments within one week of receiving the prospectus. Several rounds of further comments can be expected, but usually prospectus approval can be obtained within two to three weeks after the initial filing. A longer review period may occur if the listing is in connection with a capital raising or initial public offering. Upon approval of the prospectus, the AMF will issue its visa (for companies familiar with the US registration process, this is equivalent to the US SEC effectiveness order). The AMF will post the visa, together with the final prospectus, on its website one business day after the approval, as well as complete any applicable passporting procedures.

Typical process and timetable for a listing of a foreign company on Euronext Paris



The process for cross-listing a foreign company is not appreciably different from listing a domestic company. However, an initial public offering of a domestic company generally occurs via a registration (containing information about the company required under Annex I of the EU Prospectus Regulation), followed by a securities note

containing information on the securities for which listing is sought (containing information about the company required under Annex III of the EU Prospectus Regulation). In contrast, the listing of a foreign company is often done via a single listing prospectus, containing the information required by Annexes I and III of the EU Prospectus Regulation. Listings via the "Fast Path" procedure discussed in section 6 below will generally take six weeks following the availability of the filings with the US SEC on which the prospectus is based.

The Prospectus Regulation contains a number of exceptions and exemptions that, in certain cases, permit initial and follow-on offerings and listings of securities without an approved prospectus. For example, securities that have been listed on another regulated market in the EEA for at least 18 months are exempt from a prospectus obligation, subject to the following main conditions:

- The prospectus was approved and published in connection with the earlier listing.
- The ongoing obligations for trading on the other EEA-regulated market have been fulfilled.
- A summary document is made available to the public.

Also, the listing of additional shares, representing over a period of 12 months less than 20% of the shares of the same class already listed on the same regulated market, does not require a listing prospectus.

The AMF will need to approve in advance all advertising relating to the offering of securities to the public in France or the listing of securities on Euronext Paris.

4. Continuing obligations/periodic reporting

Key Transparency Directive requirements

Periodic reporting requirements. A listed company whose EEA home Member State is France must comply with all of the French requirements implementing the EU Transparency Directive, which is applicable in the EEA (the Transparency Directive). The bulk of these requirements (which are set out in Article L. 451-1-2 of the Monetary and Financial Code and Articles 222-3 and 222-4 of the AMF General Regulation) concern the publication of periodic reports by listed issuers, including:

- *Annual financial reports*. The annual financial report must be published within four months of the end of the fiscal year. At a minimum, it must include summarized audited financial statements, management's report and an auditors' report on the financial statements for the period covered.

- *Half-yearly reports*. The half-yearly report must be published within three months of the end of the semester. At a minimum, it should include summarized financial statements, an interim management report and the auditor's review report or a statement by the issuer that the financial statements have not been reviewed. In addition, the half-yearly report must include material related party transactions that have occurred during the first six months of the fiscal year.

Pursuant to Directive 2013/50/EU amending the Transparency Directive (Directive 2004/109/EC) implemented in French law in November 2015, the quarterly reports requirement were eliminated. The regulator of a home Member State (for example, the AMF) may recognize as equivalent the home country reports of a non-EU issuer, so long as the reports are filed and published in accordance with the Transparency Directive and meet EU-adopted minimum standards as to content. The details as to content are provided in Commission Directive 2007/14/EC. These include:

- *Annual management reports*. The report will be deemed to meet the Transparency Directive's requirements if it contains:
    - A fair review of the development and performance of the company's business and of its position, together with a description of the principal risks and uncertainties that the company faces.
    - An indication of any important events that have occurred since the end of the financial year.
    - Indications of the company's likely future development.
- *Half-yearly reports*. The report will be deemed to meet the Transparency Directive's requirements if it contains at least:
    - A review of the covered period.
    - Indications of the company's likely future development for the remaining six months of the financial year.
    - For issuers of shares and if already not disclosed on an ongoing basis, major related party transactions.

Responsibility statement requirements. The persons responsible within the company (such as the Chief Executive Officer) will be required to state publicly that, to the best of their knowledge:

- The annual financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the company's consolidated assets, liabilities, financial position and profit or loss.
- The annual management report includes a fair review of the development and performance of the business and the company's position, with a description of the principal risks and uncertainties that it faces.

- The half-year financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the company's consolidated assets, liabilities, financial position and profit or loss.
- The half-year management report includes a fair review of the important events that have occurred in the first six months of the financial year and their impact on the financial statements, with a description of the principal risks and uncertainties for the remaining six months and related party transactions.

Wide dissemination and storage of information. The yearly and half-yearly reports, together with monthly reports on the number of outstanding shares and voting rights, press releases and information on share repurchases, would all be considered to be "regulated information," whose distribution and retention must follow rules set forth in the Transparency Directive.

Under the Transparency Directive, "regulated information" must be disseminated, filed and then stored for a five-year period. The Transparency Directive requires "regulated information" to be centrally stored in an "officially appointed mechanism" and requires that there be at least one such mechanism in each Member State. Info-financiere.fr, operated by the Official Journal of the French Republic, is France's "officially appointed mechanism."

Pursuant to Article 221-4 V of the AMF General Regulation, it will not be necessary for the issuer to publish its annual and half-year reports in France. Rather, the issuer can issue a press release advising its French stockholders of the filing of the report and where it can be obtained. In addition, the primary information provider will send the full reports to the AMF.

Applicable accounting standards. The Transparency Directive requires annual and half-yearly reports to include consolidated financial statements, prepared in accordance with IFRS. Pursuant to decisions by the European Commission, US, Japanese, Chinese,

Canadian, Indian and South Korean GAAP are considered to be equivalent to IFRS for the purposes of the Transparency Directive. A mechanism is in place allowing the European Commission to further monitor and decide on the equivalence of accounting standards of countries outside of the EEA converging to IFRS.

Notification of number of outstanding shares. Information on the total number of voting rights and the number of shares making up the share capital is considered to be "regulated information." Therefore, a company having its registered office outside of the EEA should publish, each month, on its website, the total number of voting rights and the number of shares making up the share capital.

Changes to the rights of shareholders. A company whose shares are listed on Euronext Paris must inform the AMF of any proposed amendments to its articles of incorporation or bylaws. In addition, it must issue a press release in the event of amendments to its articles of incorporation or bylaws, or the issuance or amendment of the terms of debt securities.

Key Market Abuse Regulation requirements

Disclosure of inside information. Article 17 of the EU Market Abuse Regulation (MAR) requires that issuers of financial instruments inform the public as soon as possible of inside information which directly concerns those issuers. France has implemented this requirement, and a company listed on Euronext Paris (regardless of whether France is its home Member State) is required to comply with the rules described below. Information provided to the public must be accurate, precise and fairly presented.

Those with knowledge of privileged information, due to their participation in the company's management, are prohibited from using, for their own or another's account, the information on the market, and from communicating the information for ends or activities other than those for which it is intended.

Under MAR, inside information is "any information of a precise nature that has not been made public, relating directly or indirectly to one or more issuers of financial instruments, or to one of more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of the relevant financial instruments or on the prices of related financial instruments".

In addition, inside information is considered to be "regulated information" under the AMF General Regulation. Every company must disclose to the public as soon as possible any inside information that directly concerns that company.

The issuer may, under its own responsibility, delay publication of inside information, subject to the respect of the following three cumulative conditions:

- The immediate publication is likely to prejudice the legitimate interests of the issuer.
- The delay in publication is not likely to mislead the public.
- The issuer is able to ensure the confidentiality of that information.

Thus, an issuer who has knowledge of inside information about it must publish such information immediately, unless it determines to defer the publication according to the above mentioned cumulative conditions.

If it has postponed the publication of inside information, the issuer must (i) record the dates and times when inside information first existed within the issuer, when the decision was taken to delay disclosure and the reasons for the delay, (ii) notify the French securities regulator (the AMF) of the delayed decision by email once the information has been made public, and (iii) answer promptly to the AMF if the AMF subsequently asks for an explanation for how the conditions for delay were satisfied.

Under the AMF General Regulation, a company must ensure that the regulated information is transmitted in electronic format on a real time basis to agencies and websites located in France. The communication will be deemed to take place when the issuer provides the information to primary providers of regulated information, who in turn disseminate the information to press agencies and websites located in France and in all EEA Member States where the company has financial instruments admitted to trading on a regulated market. As of 1 July 2019, the AMF has approved five primary information providers, including Business Wire, which is frequently used by US issuers for their domestic financial communications.

Foreign companies listed on Euronext Paris may satisfy their reporting obligations with documents solely in the English language. Companies may wish to translate certain of their press releases into French in order to increase their visibility in the French market, even though there is no legal requirement to do so. However, if it is not possible to release the English and French versions at the same time, the issuance of the release in English should not be delayed pending translation of the document into French.

Prohibitions on insider dealing and market abuse. Pursuant to the Market Abuse Regulation, the Monetary and Financial Code and the AMF General Regulation impose a number of specific prohibitions on insider dealing. These apply to all financial instruments trading on Euronext Paris and Euronext Growth Paris or for which an application for listing on these markets has been filed. They also apply to financial instruments admitted to trading on a regulated market and certain other trading platforms elsewhere in the EEA, insofar as the acts concerned are performed in France.

The Monetary and Financial Code makes it a crime to engage in (or attempt to engage in) insider dealing, which is using inside information to acquire or dispose of financial instruments to which that information relates or to cancel or amend orders or bids placed before the person possessed the inside information. It is also

prohibited to recommend or induce another person to engage in insider dealing and to unlawfully disclose inside information, which is disclosure of information to a person otherwise than in the normal exercise of an employment, a profession or duties. The insider dealing offence applies to any person who possesses inside information in circumstances such as having access to the information through employment, or in any other circumstance where that person knows or ought to know that it is inside information.

It is also a crime, for any person, to enter into a transaction by placing an order to trade or any other behavior which gives or may give misleading signals as to the offer of, demand for, or price of, a financial instrument, or secures, or is likely to secure, the price of financial instruments at an abnormal or artificial level. It is also prohibited to enter into a transaction, place an order to trade, or behave in a manner which affects or is likely to affect the price of financial instruments, by using fictitious device or any other form of deception or contrivance.

Finally, it is a crime to disseminate through any means (the media or Internet) information which gives false or misleading signals about the situation or the prospects of an issuer or as to the offer of, demand for, or price of, a financial instrument, or secures, or is likely to secure, the price of financial instruments at an abnormal or artificial level.

Non-compliance with these prohibitions could lead to criminal liability (subject to criminal fines and jail sentences) and/or administrative fines imposed by the AMF. The prohibitions apply regardless of whether the person concerned makes any gain through the prohibited operation. Legislation approved by the French Parliament in 2016 increased the criminal penalties imposed for violations, extended the covered securities to include derivatives linked to securities listed on Euronext Paris and granted the AMF the power to enter into settlements, similar to the US SEC consent decree procedure.

Further to the EU market abuse legislation, there are also a number of safe harbors for stabilization in connection with a public offering of securities and for stock repurchase programs.

Disclosure of certain management transactions. Persons discharging managerial responsibilities (PDMRs) as well as persons closely associated with them must notify to the issuer and the AMF transactions in the issuer's listed financial instruments. Notification is not required as long as transactions do not exceed €20,000 (vs. €5,000 under the pre-MAR regime) in aggregate on a calendar year. The AMF makes public on its website the transaction reporting received from the PDMRs. Notification to the AMF shall be made through the dedicated website ONDE.

MAR has however introduced significant new constraints. The most critical change is the legal closed periods for PDMR transactions. No trading is allowed for PDMRs and persons closely associated during a 30-day "closed period" before announcement of mandatory interim and year-end financial reports by the issuer. Interim financial reports refer both to the half-yearly and quarterly financial reports. Both the ESMA and the AMF made it clear that the starting date of the closed periods was not the publication of the periodic report but the publication of the relevant earnings release.

Issuers are obliged to compile a list of the PDMRs affected by this measure and of their close associates. Issuers also have to inform PDMRs in writing about their obligations under the MAR. PDMRs of the issuer are also required to inform relevant family members in writing about their obligations under the new regulation.

Insider lists. Issuers must draw up a list of "all persons who have access to inside information and who are working for [it] under a contract of employment, or otherwise performing tasks through which they have access to inside information, such as advisers, accountants or credit rating agencies" known as an "insider list", and promptly update the insider list when a change occurs.

A separate insider list must be kept for each matter or project that could involve inside information (a temporary insider list). In addition, a company may keep a list of individuals who may have regular access to inside information because of their role or seniority (a permanent insider list).

Insider lists must be kept on a standardized template, which requires the collection of certain personal information regarding each insider.

Issuers must take all reasonable steps to ensure that each person who is added to an insider list acknowledges in writing the legal and regulatory duties entailed and that they are aware of the sanctions that can be imposed on them if they disclose inside information unlawfully or otherwise misuse it.

As at present, insider lists must be kept for at least five years, and must be provided to the AMF on request as soon as possible.

Euronext Paris requirements

The Euronext Rule Book I as of 22 November 2019 contains a number of additional ongoing reporting and other obligations. Most of these are similar to the obligations imposed by French law. The main rules can be summarized as follows:

- The listed company must promptly pay the fees charged by Euronext, in accordance with the conditions established by Euronext and communicated to issuers.
- When a listed company issues additional securities of the same class as securities already admitted to listing, it must apply for admission to listing of the additional securities as soon as they are issued (in the case of a public offering of securities) and no later than 90 days after their issue (in other cases).
- The listed company must treat holders of securities of the same class issued by it equally in accordance with the rules and regulations applicable in France.

- The listed company must provide the market all necessary information to enable holders of its listed securities to exercise their rights.
- The listed company must provide Euronext Paris with all information which may impact the fair, orderly and efficient functioning of the markets operated by Euronext Paris, or may modify the price of its securities (ultimately) at the same time at which such information is made public.
- The listed company must inform Euronext Paris of corporate or securities events in respect of its securities admitted to listing in order to facilitate the fair, orderly and efficient functioning of the market.
- The relevant information must be provided at least two trading days in advance of the earlier of (i) the public announcement of the timetable for any such corporate or securities event and (ii) the corporate or securities event having effect on the market or the position of the holders of the relevant securities. The information includes:
    - Amendments that affect the respective rights of different categories of securities.
    - Any issuing or subscription of financial instruments.
    - Any mandatory reorganization (such as a stock split, reverse stock split, redemption in part or in whole of securities).
    - Any voluntary reorganization with or without option element (such as a tender offer, rights offer, repurchase offer).
    - Any securities distribution (such as a stock dividend, bonus issue), any cash distribution (such as a cash dividend), and any announcement of coupons or cash dividend non payment.

- Any prospectus (or equivalent disclosure document) relating to public offerings.
- Any reports on the status of liquidation and more generally any decision regarding any situation of (temporary) suspension of payments, bankruptcy or insolvency situation (or analogous procedure has been granted or declared applicable in any jurisdiction.
- Any name change of the issuer.
- The admission to listing or trading on any regulated market or other organized market.

In addition, Euronext Paris Instruction N3-06 contains special provisions for informing Euronext Paris of the declaration and payment of quarterly dividends.

5. Corporate governance

The Euronext rule book and the local rule book for Euronext Paris do not contain specific corporate governance provisions. Although corporate governance rules are set out in the French Commercial Code and the AFEP/MEDEF code on corporate governance of listed corporations, these rules apply only to French companies.

6. Specific situations

Industries. Pursuant to relevant AMF texts and ESMA guidance, additional disclosures are required for specialist issuers (such as property, mineral, scientific research-based companies).

Fast Path listing. A Fast Path option enables US-listed (NYSE or Nasdaq), non-EEA issuers to cross-list on Euronext's markets using existing US SEC filings, with or without a simultaneous capital raising.

- The process is open to non-EEA issuers and "redomesticated" EEA issuers that are not foreign private issuers under the US SEC

rules. Ideally, listing companies should be "well-known seasoned issuers" under US SEC rules.

- Listings may be made with respect to IPOs (including a simultaneous US IPO), an offering of shares or a technical listing without an offering of shares.
- On approval by the competent regulator and Euronext, the shares (or depository receipts) can be listed having a US dollars, Euro or any eligible currencies quotation.
- Issuers subject to periodic reporting obligations under US law can base their prospectus on existing filings with the US SEC subject to a summary wrapper. These include Forms S-1, 10-K, 10-Q, 8-K and 10 and proxy statements for domestic issuers and Forms F-1, 20-F and 6-K for foreign private issuers.
- The prospectus must include audited financial statements, including balance sheets for the past three years. As noted above, US GAAP accounting is recognized as meeting the EU Prospectus Regulation and Transparency Directives (except for "redomesticated" EEA issuers, who must report in IFRS).
- Disclosure requirements are largely the same as in the United States, so post-filing reporting requirements can be satisfied through US SEC filings, including:
    - Quarterly, semi-annual and annual reports (fulfilled by US SEC Forms 10-K and 10-Q for US issuers and Forms 20-F and 6-K for foreign private issuers).
    - Notices to shareholders of the availability of the proxy statement and annual and quarterly reports.
    - Form 3, Form 4 and Form 5 filings.

  - Announcing material events as soon as possible, for example, through news releases that accompany the relevant SEC filings.

- Certain MAR requirements in respect of insider lists and notification of delayed disclosure to the competent regulator differ from usual SEC requirements and may necessitate the implementation of specific procedure by US issuers.

7. Presence in the jurisdiction

There are no requirements for a listed foreign company to maintain a presence in France (for example, through an agent for service of process, resident directors or corporate offices). However, as noted above, a company not incorporated in the EEA must appoint an AMF correspondent, unless its listing is on the Professional Segment.

There is no requirement for any corporate records (such as a register of holders) to be kept in France. However, as noted above, a foreign company listed on Euronext Paris must appoint a member of Euroclear France as paying agent.

8. Fees

Initial admission fees

The initial Euronext admission fees for equities are as follows:

Market capitalization		Fixed Fee	Variable Fee	Maximum Cumulative Fee	Approximate US$ equivalent
Euros	Approximate US$ equivalent				
Up to €50 million	Up to US$56.06 million	€10,000	0.06%	€30,000	US$33,640
From €50 million to €100 million	From US$56.06 million to US$112.12 million	€10,000	0.06%	€57,500	US$64,470

Market capitalization		Fixed Fee	Variable Fee	Maximum Cumulative Fee	Approximate US$ equivalent
Euros	Approximate US$ equivalent				
From €100 million to €200 million	From US$112.12 million to US$224.20 million	€10,000	0.05%	€107,500	US$120,500
From €200 million to €500 million	From US$224.24 million to US$560.60 million	€10,000	0.04%	€227,500	US$255,100
From €500 million to €1 billion	From US$560.60 million to US$1.12 billion	€10,000	0.03%	€377,500	US$423,250
From €1 billion to €2.5 billion	From US$1.12 billion to US$2.80 billion	€10,000	0.02%	€677,500	US$759,600
Over €2.5 billion	Over US$2.80 billion	€10,000	0.01%	-	-
Maximum fee				€2.25 million	US$2.52 million

The fee for a technical listing on Euronext, consisting of a listing without a public offering or private placement by a company already listed for a period of at least 12 months in another country, is the standard initial admission fee with a maximum fee of €120,000 (approximately US$134,500).

Each issuer that applies for listing shall pay to Euronext a handling fee of €10,000 (approximately US$11,200) for standard actions to be taken in connection with the listing (such as review of documents (prospectus, application form, corporate documents)). The handling fee is due upon filing of the (draft) application form or a kick-off meeting with Euronext having taken place. Additional handling fees may become due if Euronext is required to perform additional actions

or if its employees are required to spend additional time on the admission due to the complexity of the contemplated transaction. The handling fee will be credited against the admission fee payable by the issuer provided that the listing is completed within 12 months after the initial date the handling fee is due.

An additional admission fee of €15,000 (approximately US$16,800) is due for any additional listing taking place on Euronext Amsterdam, Brussels, Lisbon or London at the same time as, or later than, the primary admission to Euronext Paris.

An issuer transferring its equity securities from one Euronext exchange market (whether regulated or not) to another Euronext exchange market, will receive a 50% discount on the admission fee with a maximum fee of €10,000 (approximately US$11,200).

Further equity issues by an existing public company will be charged according to the same fee structure as new admissions. New shares that are not fungible with existing listed shares (such as new shares that are not entitled to the same dividend or that are of a separate category, such as preferred shares) will be listed on a separate line and charged the standard admission fee with a 50% discount. The admission fee for a subsequent admission of shares solely related to the payment of a stock dividend or bonus issue (as the case may be) is capped at €350,000 (approximately US$392,400) per annum.

Annual fees

The annual Euronext listing fee is the sum of:

- A commission based on the number of outstanding shares as at 31 December of the most recent year, calculated as follows:

Number of shares	Annual fee	
	Euros	Approximate US$ equivalent
Up to 2.5 million	€3,000	US$3,360

Number of shares	Annual fee	
	Euros	Approximate US$ equivalent
Over 2.5 million and up to 5 million	€4,000	US$4,480
Over 5 million and up to 10 million	€9,500	US$10,650
Over 10 million and up to 50 million	€15,000	US$16,800
Over 50 million and up to 100 million	€20,000	US$22,400
Over 100 million	€25,000	US$28,000

- For issuers with a market capitalization (based on the number of shares outstanding as of 31 December multiplied by the last closing price of the year) above €150 million (approximately US$168.18 million), an additional fee of €10 (approximately US$11.20) per million above €150 million.

The total annual fee of a category of shares cannot exceed €56,000 (approximately US$62,800).

In the case of dual or multi-listing on several Euronext markets in Europe, the annual fee is applicable only in the market of reference, with the secondary listing(s) getting a 50% rebate. Any additional admission to listing and/or trading on any Euronext market of such issuer's equity securities are not charged further annual fees.

AMF fees

The AMF does not charge any fee upon approval of the listing prospectus.

The AMF charges an annual fee to listed companies, based on their market capitalization. However, the fee is imposed only on companies with a market capitalization of more than €1 billion and whose principal trading market is Euronext Paris. The fee will thus not be imposed on a company that has only a secondary listing in Paris.

9. Additional information

As noted above, all post-listing reporting obligations can be in English, and no translation of the prospectus or prospectus summary is required if the listing is on the Professional Segment.

Euronext Paris offers a broad investor mix by type (institutional and retail) and geography. It serves Eurozone, UK and US investors, giving a greater scope for investor access. Pan-European bulge bracket firms are prominent participants. Euronext Paris also offers an equal opportunity for international companies to join key indices.

10. Contacts within Baker McKenzie

François-Xavier Naime in the Paris office is the most appropriate contacts within Baker McKenzie for inquiries about prospective listings on Euronext Paris.

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Frankfurt Stock Exchange

Initial financial listing requirements

Three segments of the FSE (operated by Deutsche Börse AG) must be distinguished:

- On the one hand, the General Standard and the Prime Standard (EU-Regulated market segments with highest transparency requirements).
- On the other hand, Scale (segment of the exchange-regulated Open Market with a lower level of transparency).

The former "First Quotation Board" closed in 2012 and is no longer available for primary listings of equity securities. However, the remaining "Quotation Board" of the Open Market is available for secondary broker listings of issuers listed elsewhere and who are subject to some degree of transparency obligations at their primary listing venue. For these secondary listings, no consent by the issuer is required and the issuer is not subject to any obligations in connection with the trading of its shares on the Open Market.

Companies applying for admission to the General or Prime Standard must have a minimum of 10,000 issued shares (applies only to no-par shares). The minimum market capitalization of the shares to be listed must be €1.25 million (approximately US$1.40 million). However, these criteria do not play any role in practice, since market conditions demand much higher numbers.

For Scale, the expected market capitalization must amount to at least €30 million (approximately US$33.64 million) and the (notional) nominal value of one share (or Depositary Receipt) must not be lower than €1 (approximately US$1.12). For a secondary listing on the Open Market, there are no financial criteria whatsoever.

With respect to the Prime and General Standard segments, there are no particular financial requirements in terms of profits, revenues or cash flows to be met in order to obtain a primary listing. However, an issuer applying for a listing on the Scale segment must meet three out of the following five key performance indicators: (i) revenues of at least €10 million (approx. US$11.21 million); (ii) annual profits of at least zero (no losses); (iii) positive equity; (iv) at least 20 employees, and (v) cumulated pre-IPO equity of at least €5 million (approx. US$5.61 million). Also, the issuer must confirm it has an operative business and that it meets certain compliance standards and the accredited "Capital Market Partner" which co-signs the listing application must confirm this certification.

Other initial listing requirements

Prospectus. A listing on the General or Prime Standard requires a BaFin-approved prospectus. An inclusion on the Scale segment also requires a prospectus in case of a concurrent public offering. However, because Scale has the status of an SME growth market, small and medium size issuers can follow a simplified prospectus standard. In the event of private offering or a pure listing, the issuer must provide an inclusion document, which is a kind of mini-prospectus.

Free float; distribution. A listing on the General or Prime Standard generally requires a free float of 25%, but the threshold can be lowered in the case of very large issues. A company whose shares will be included on the Scale segment must have a free float of at least 20% or 1 million shares and a minimum of 30 shareholders.

Application; third party involvement. An application for listing on the General Standard, the Prime Standard must be made by a bank or financial services provider with a minimum capital of €730,000 (approximately US$818,500). An application for listing on the Scale segment must be co-signed by a "Capital Market Partner" accredited with Deutsche Börse AG. In addition, for an index membership a Prime Standard listing and a designated sponsor is required. In the case of the Scale segment, a compliance advisor also must be contracted.

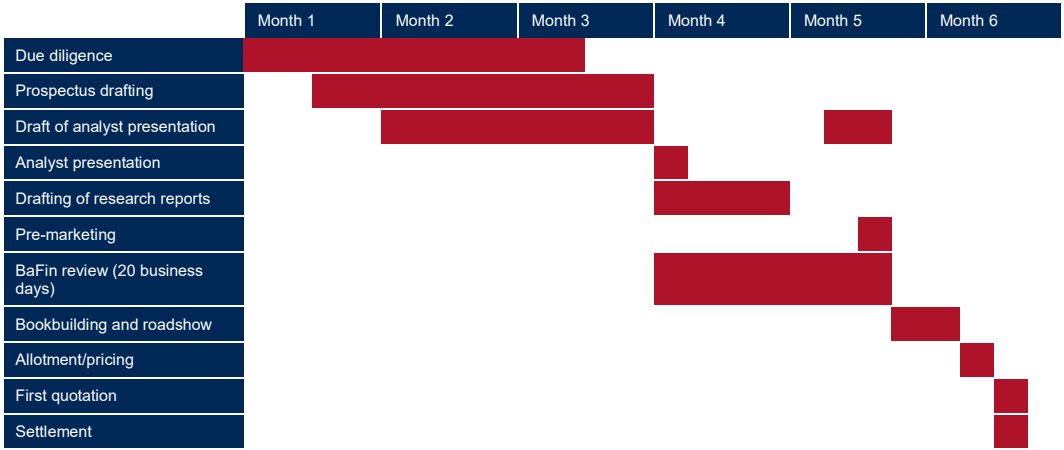
Accounting standards. In the case of General Standard and Prime Standard listings, IFRS or a national GAAP that was deemed equivalent by the European Commission must be complied with. In the case of the Scale segment, IFRS or equivalent, national GAAP (only EEA issuers) or German GAAP must be complied with.

Financial statements. In the case of the General Standard and Prime Standard, the applicant must submit audited annual financial statements, including the company report for the last three business years and the auditor certificates. In the case of the Scale segment, those documents must only be provided for the last completed fiscal year.

Corporate history. A company applying for admission to the General or Prime Standard must have a history as an enterprise of at least three years and must have duly published its financial statements during that period. For the Scale segment, a two-year corporate existence requirement applies.

Listing process

The listing process is much quicker than the prospectus approval process, and may take less than two weeks. However, listing cannot occur until the shares to be listed have been validly issued and the prospectus has been approved. The following is a typical process and timetable for a listing of a foreign company on the FSE in the Prime Standard or General Standard.



Corporate governance and reporting

There are no corporate governance requirements for a foreign company in order to qualify to list its securities on the FSE. However, if the foreign enterprise is listed via a special listing vehicle in the form of a German AG or SE, the German Corporate Governance Code applies.

While compliance with the recommendations of the Code is voluntary, companies must give a declaration of adherence in which they must disclose which recommendations of the Code have not been (or will not be) observed, including the reasons therefor. German investors will certainly feel more comfortable if the German Corporate Governance Code is observed.

Since the provisions of the Code tie into specific provisions of German corporate law to enhance best practice, it would be rather complicated for a company organized under a foreign law to try to follow the Code and report compliance on a voluntary basis. In this case, it would be preferable if the company followed any corporate governance code or best practice established in its home jurisdiction.

A company listed on the General Standard or Prime Standard or included in Scale must observe transparency obligations. No transparency obligations apply to an issuer included in the Quotation Board as a secondary trading venue.

Fees

A company seeking to list must pay initial fees and annual fees. Generally speaking, the FSE is one of the least expensive listing venues in the world. For Scale, the initial fee is at least €20,000 (approx. US$22,400), which will increase on a complicated digressive scale for market capitalization above €30 million (approx. US$33.64 million) and there an annual fee of €20,000 (approx. US$22,400). For the General Standard and the Prime Standard, the initial fee amounts to at least €12,000 (approx. US$13,450), which will increase on a complicated digressive scale for market capitalizations above €250 million (approx. US$280.30 million), but the total listing fee is capped at €89,000 (approx. US$99,800) plus an introduction fee of €2,000 (approx. US$2,250). The annual fee is at least €14,480 (approx. US$16,200) for the General Standard and at least €15,470 (approx. US$17,350) for the Prime Standard, plus (in each case) an additional €0.10 for each additional amount of €1 million of market capitalization. Additional fees apply to a prospectus review by the BaFin (€6,500 or approx. US$7,300) and to third party services (such as lawyers, accountants, banks and trading members).

1. Overview of exchange

The Frankfurt Stock Exchange (more commonly referred to as the FSE) is the largest German Exchange with the deepest market. Most German companies maintain their primary listing on this exchange. The FSE attracts more than 85% of the turnover in the German market and also has a significant share in the European market. Mainly through its electronic trading system XETRA®, the FSE is open to foreign investors and market participants.

The Frankfurt Stock Exchange is operated by Deutsche Börse AG (DBAG), which is itself a public company whose shares are listed on the FSE. It pursues an integrated market model. In particular, Clearstream Banking AG, a subsidiary of DBAG, acts as the sole German central custodian and is responsible for the settlement of all trades transacted on the FSE and the other German exchanges. DBAG also operates EUREX, the largest German derivatives exchange and is the majority shareholder of Tradegate, a securities exchange specializing in retail investors, and of EEX AG which operates the EEX (European Energy Exchange), the leading European exchange for energy and a number of other energy markets across the globe. Finally, Deutsche Börse AG also owns 360T a trading platform for foreign exchange.

Since 2011, the FSE no longer provides traditional floor trading handled by official brokers (who report the official floor trading price). Instead all trading is now electronic trading via its XETRA® trading platform where orders are matched automatically. The official brokers were replaced by a “specialist” model for small and midcap issuers, which still allows some human interference before a transaction is executed. It is possible to participate in the trading via remote membership, and about 50% of the more than 200 XETRA® market participants are located outside Germany.

The FSE has three market segments for a primary listing of shares:

Market name	Premium segment with enhanced transparency requirements?	Legal status
Prime Standard	Yes	EU-regulated market
General Standard	No	EU-regulated market
Scale	Yes	Exchange-regulated market and Multilateral Trading Facility (MTF)

A key difference in market segments is the distinction between EU-regulated markets and markets that are regulated by the stock exchanges themselves (regulated unofficial markets). On the FSE, companies that are listed on the EU-regulated market are admitted to the General Standard or to the Prime Standard, a segment with even higher transparency requirements. Membership in the Prime Standard is required in order to be eligible for inclusion in one of the selection indices (DAX®, MDAX®, SDAX® and TecDAX®).

Securities may be "included in the trading" (rather than being listed) on the unofficial market (*Freiverkehr*), which the FSE has branded as "Open Market" (which is regulated by the stock exchange itself and classifies also as a multilateral trading facility). No primary listing of equity securities is possible any more in the exchange-regulated Open Market other than on the Scale segment (or its predecessor, the Entry Standard segment, now renamed "Basic Board"). In the "Open Market" shares can be traded:

- On the Quotation Board, but only if this is their secondary "listing" venue.
- On the Scale segment, if they meet additional transparency requirements.
- On the Basic Board, for former issuers listed in the disbanded Entry Standard segment, but which do not meet the requirements

(or did not apply) for a listing on the Scale segment. Moreover, Scale issuers who do not fulfill the criteria for a Scale listing any longer can be "downgraded" to the Basic Board. In the following, we do not discuss the Basic Board, since it is not possible to commence a primary listing on the Basic Board.

Companies admitted to the General Standard and the Prime Standard fulfill the transparency requirements under the EU Transparency Directive and gain all the advantages of a full listing.

Since March 2017 the new SME market segment "Scale" has replaced the former Entry Standard market segment. Scale has introduced stricter admission and post-listing obligations compared to the former Entry Standard requirements. Issuers are also subject to the post-listing obligations under the European Market Abuse Regulation (publication of inside information, insider lists, reporting of directors' dealings), with some modifications, given that Scale obtained the status of an SME growth market in December 2019. Companies whose shares formerly traded in the Entry Standard Market segment were able to apply for a listing in the Scale market segment until 24 March 2017.

With the Scale segment, the FSE has created a simple, quick and cost-efficient way of including shares in exchange trading without application of the EU Transparency Directive, but with some elements of comparable transparency, which is particularly suited for small and medium-sized companies.

The aggregate market capitalization of all companies listed either on the Prime Standard or the General Standard, that is, of the entire Regulated Market, was €2,171 trillion (approximately US$2,434.13 trillion) in December 2019 (€1,688 trillion in February 2017). As of December 2019, there were 452 companies listed on the Regulated Market (453 companies in February 2017) and 49 companies in Scale (137 companies in the former Entry Standard in February 2017). Of these companies, 47 in the Regulated Market and 2 in the Entry Standard were non-German (in February 2017, 45 and

15 companies, respectively). Thus in December 2019, 10.4% of all listings in the Regulated Market were cross-border listings (6.2% in February 2017), and 4.3% in Scale (versus 11% in the Entry Standard in February 2017).

There is no particular specialization in any of the segments, except that the Scale segment loosely compares with the London Stock Exchange's AIM segment to attract SMEs with a primary focus on institutional investors.

After a wave of IPOs of internet, telecoms and software companies during the "dotcom bubble," there is no particular outstanding trend in the types of companies seeking a listing in Germany. Recent years have seen a relative abundance of (German) spin-offs, but there are also biotech, fintech and other high-tech companies, as well as companies from more traditional industries, listed on the FSE. Private-equity backed IPOs also play an important role.

While the FSE's supervisory authority is the Ministry of Economy of the State of Hesse, the relevant regulatory authorities for a listing on the FSE are the FSE's management board (*Geschäftsführung*) and the BaFin (*Bundesanstalt für Finanzdienstleistungsaufsicht*), which is the German Federal Financial Supervisory Authority responsible for prospectus review and approval and for the supervision of DBAG as MTF operator.

2. Principal listing and maintenance requirements and procedures

The listing requirements are set forth in the Stock Exchange Act (*Börsengesetz,* or BörsG), the Stock Exchange Admission Ordinance (*Börsenzulassungsverordnung,* or BörszulV) and the Stock Exchange Rules (*Börsenordnung,* or BörsO) of the FSE as well as in the General Terms and Conditions of DBAG for the unofficial market of the FSE (*Allgemeine Geschäftsbedingungen der Deutsche Börse AG für den Freiverkehr an der Frankfurter Wertpapierbörse*).

There are very few differences in listing requirements between foreign and domestic companies. For a listing, the company must have been validly incorporated in accordance with the laws of its statutory seat, and its constitutive documents must comply with the laws of this jurisdiction. There are no jurisdictions of incorporation or industries that would not be acceptable for a listed company, except business models which may be illegal (such as internet gambling).

If instruments are to be listed in Germany that give rights to shares listed on the exchange of another European Economic Area (EEA) country, the FSE is required to check with the competent authorities of the state where the shares are listed. In the case of securities of non-EEA companies, which are not listed in any other EEA country, in order to protect investors the company must show that a listing was not refused elsewhere.

There is no requirement for any shares to be placed into escrow (or otherwise be restrained from being traded, such as through "lock-in" or "lock-up" arrangements) in connection with the listing. However, for market reasons, the underwriters may ask for undertakings from existing shareholders not to sell their shares for a certain period of time and may also ask the company to agree not to issue further shares for an agreed period of time. Shares subject to a lock-up agreement may be exempt from the requirements of the Regulated Market to list an entire class of securities and will typically be assigned a different securities code to distinguish them from the listed securities.

There are no ownership requirements specifically applicable to a listing of a foreign company's securities, in terms of nationality or size of individual shareholdings.

There are no restrictions on the currency denomination of securities. However, share prices can only be quoted in Euro.

The securities to be listed or traded must be freely transferable (bearer securities or registered securities endorsed in blank). Normally, in order to be freely transferable, shares must be put in collective safe

custody. Specifically, the global certificates which represent the original shares would be kept directly in the vaults at Clearstream Banking Frankfurt (CBF), a DBAG subsidiary. In the case of shares in foreign companies, this can be an issue, as CBF needs assurance that the subsequent transfers in its books can validly pass title to the shares. As an alternative, the share certificates of foreign companies can be deposited with a non-domestic central securities depository, which is connected to CBF via a direct settlement link. If no such link exists, other possible solutions include the creation of a new holding company, preferably in the form of a German stock corporation (*Aktiengesellschaft*, or AG) or European Stock Corporation (*Societas Europeae*, or SE) or the listing of certificates that represent the shares (ADRs, GDRs).

Regulated Market (General or Prime Standard). A foreign company need not conduct any interviews with the exchange and there are no particular financial requirements in terms of profits, revenues or cash flows to be met in order to obtain a primary listing in the Regulated Market.

If the share have no par value companies applying for admission to the Regulated Market must have a minimum of 10,000 issued shares. The minimum expected market capitalization of the shares to be listed must be €1.25 million (approximately US$1.40 million). None of these criteria play any role in practice, since market conditions demand much higher numbers.

Companies applying for admission to the Regulated Market must have a history as an enterprise of at least three years and must have duly published their financial statements during that period. However, it is not an obstacle if the company has changed its legal form during the three-year period. It is therefore possible to set up a holding company as a listing vehicle prior to the listing. In addition, exemptions from the three-year period can be granted by the FSE under certain conditions, such as for so-called Special Purpose Acquisition

Companies (SPACs), which by their nature do not have an operating history.

There is no specific minimum number of security holders for a listing, but there is a minimum free float requirement. Normally, a company applying for a listing on the Regulated Market must have (or must aim for) a minimum of 25% of the class of its shares to be listed distributed to the public (free float) in one or more EEA states, except that the free float requirement can in practice be lowered to as little as 10% in the case of very large issues which secure sufficient liquidity for trading. Account may also be taken of shares in non-EEA states, if the shares are listed in those states.

Regardless of whether or not there is a public offering of securities in connection with the listing there is a prospectus requirement for a listing on the Prime Standard and General Standard Segments. The details of such requirements are discussed in section 3 below

There are no corporate governance requirements for a foreign company in order to qualify to list its securities on the Regulated Market. However, if the foreign enterprise is listed via a listing vehicle in the form of a German AG or SE, the German Corporate Governance Code applies (see section 5 below).

There is no automatic requirement to have a sponsor in order to obtain a listing. However, in order to be part of a selection index (DAX®, TecDAX®, MDAX®, SDAX®), the stock must be sufficiently liquid, and this may require the appointment of one or even two designated sponsors, who must give binding buy/sell quotes within a certain maximum spread. A designated sponsor must enter into an agreement with the stock exchange, but at the same time, it is not uncommon for a designated sponsor also to enter into an agreement with the issuer. For small cap and mid cap issuers whose shares are traded in a continuous action process, a specialist will be appointed by the FSE, which will also have to provide binding quotes or orders to provide market liquidity.

Scale

The issuer must enter into an advisory agreement with a company accredited as a "Deutsche Börse Capital Market Partner." The advisor is not liable for a breach of the transparency and other post-listing obligations, as the issuer will be liable for such breaches under the direct contractual relationship to be entered into by the issuer and DBAG in connection with the application for listing.

A foreign company need not conduct any interviews with the exchange, but for a listing on the Scale segment the issuer must pass an appropriateness review conducted by a bank or financial services provider accredited as a Capital Market Partner with DBAG. To be suitable for a listing on Scale, share issuers must at least comply with three out of the following five key performance indicators:

- Revenues of at least €10 million (approximately US$11.2 million).
- Annual profits of at least zero (no losses).
- Positive equity.
- At least 20 employees.
- Cumulated pre-IPO equity of at least €5 million (approximately US$5.61 million).

In addition, for Scale, the expected market capitalization must amount to at least €30 million (approximately US$34 million) and the (notional) nominal value of one share must not be lower than €1 (approximately US$1.12). Likewise, for certificates representing shares (such as Depository Receipts) the value calculated by dividing the shareholders' equity by the number of certificates which represent such shareholders' equity must be at least €1.

The issuer must have existed as an enterprise for at least two years and the free float must be at least 20% or 1 million shares.

In the Scale segment, an "inclusion document" can be prepared in lieu of a listing prospectus, which must have been reviewed for formal completeness, consistency and comprehensibility and co-signed by the Capital Market Partner who accompanies the listing. This document will be available on DBAG's website for a period of five years. It contains information similar to a prospectus, but does not meet the definition of a prospectus. It must inform investors in an objective, non-promotional way about the issuer and the securities. There is no express legal rule that attaches liability to the inclusion document, but there is a risk that the issuer and possibly also the Capital Market Partner who reviewed and co-signed the document could face civil liability for the accuracy and completeness of the inclusion document under general principles of civil law prospectus liability, which have been developed by German courts.

The inclusion document is not required if a prospectus has been prepared and approved by the competent EU authority.

In addition, a corporate profile must be provided and constantly updated, which must be available on the company's website.

There is no specific minimum number of security holders for a listing on the Scale segment, but a minimum free float requirement of 20% or 1 million shares applies.

There are no corporate governance requirements for a foreign company in order to qualify to list its securities on the Scale segment.

Open Market

A primary listing on the FSE's Open Market is not possible.

For a secondary listing on the Open Market, there are no financial criteria whatsoever.

The only criterion for a listing is that the company's shares or certificates representing shares have a primary listing in another recognized German or non-German securities exchange.

No ongoing financial requirements for maintaining a listing

There are no ongoing financial requirements that must be met to maintain a primary or secondary listing.

There is no requirement for listed foreign companies to have or maintain a minimum trading price for their securities. Nonetheless, shares trading below €1 (commonly known as penny stocks) are considered a questionable investment and will be shunned by most investors. Not infrequently, penny stocks of foreign companies were subject to questionable promotional activities on the Internet which created a strong suspicion of market manipulation. As a result, the FSE closed the Open Market First Quotation Board in 2012, thus getting rid of most German penny stocks.

Secondary listings

Secondary listings generally follow the same rules as primary listings. However, there are two possibilities for simplified secondary trading of foreign companies on the FSE.

For the Regulated Market, there is a simplified inclusion procedure for securities that already trade in other German or EEA-domiciled exchanges (marketed by the FSE as its "General Quoted" segment). The procedure may also theoretically be used by a company from a non-EEA country, if in its home market the company is subject to admission requirements and transparency obligations that are equivalent to the requirements in the Regulated Market. In practice, this provision is almost never used. Much more common is an inclusion in trading on the Open Market (Quotation Board), and there are literally thousands of securities traded in this way.

In both cases, inclusion is initiated by a trading member of the FSE and does not even require the consent of the issuer. This type of trading does not create any obligations for an issuer (other than the application of German insider trading and market manipulation rules), but only for the trading member, who must make sure the stock exchange is informed about certain key events and all publications

made by the issuer in its home market. Because of these limitations, the Quotation Board is not discussed below.

The following table summarizes the key listing requirements:

	Regulated Market	Open Market
Segment	Prime Standard/General Standard	Scale
Operating history	3 years	2 years
Financial statements	3 years (IFRS or equivalent)	1 year (IFRS or equivalent), national GAAP (only EEA issuers) or German GAAP
Minimum issue/capital	10,000 shares (applies only for no-par shares) Market cap of €1.25 million (approximately US$1.40 million)	Market cap of €30 million (approximately US$33.64 million)
Minimum nominal value	None	€1 (approximately US$1.12) (for no par shares or certificates evidencing shares, this amount is calculated by dividing the shareholders equity by the number of shares or certificates)
Minimum free float/shareholder number	25% (in large issues at least 10%)	20% or at least 1 million shares and 30 shareholders/holders of certificates representing shares
Freely tradable shares	Yes	Yes
Application	Listing application by bank or financial services provider admitted as a trading participant at a German stock exchange and with a minimum capital of €730,000 (approximately US$818,500)	Listing application co-signed by “Capital Market Partner” (must be bank or financial services provider) accredited with DBAG
Prospectus	Prospectus required	Prospectus only required in case of concurrent public offering. Otherwise, an

	Regulated Market	Open Market
		"inclusion document" can be prepared.
Sponsor/adviser	(Prime Standard only) Designated sponsor required for index membership	Compliance adviser ("Capital Market Partner" accredited with DBAG) required (need not be a bank or financial services provider)

Other requirements	Issuer must have a Legal Entity Identifier (LEI)	• Issuer must have an LEI.
		• Issuer meets at least three out of the five following KPIs:
		  ○ Revenues of at least €10 million (approximately US$11.21 million).
		  ○ Annual profits of zero (no losses).
		  ○ Positive equity.
		  ○ At least 20 employees.
		  ○ Cumulated pre-IPO equity of at least €5 million (approximately US$5.61 million).
		• Appropriateness confirmed by accredited "Capital Market Partner", taking into account a legal and financial due diligence.
		• Preparation of a research report by a provider selected by DBAG (currently there is only one provider, Edison).

Compliance requirements	No specific requirement	Issuer must confirm it has taken measures to ensure risk management, compliance with disclosure

	Regulated Market	Open Market
		obligations, an IR function and a compliance organization
Corporate Governance	German companies need to make an annual statement that they comply with the recommendations of the German Corporate Governance Code (DCGK) or explain why a particular provision of the DCGK is not complied with.	None.

The admission criteria are not materially different for foreign companies. The main issues for foreign companies result from the practical application of the normal criteria for domestic companies. A key issue is typically the way the shares are put into central custody for clearing and settlement. Shares in companies from some jurisdictions, such as Dutch NVs, are capable of being put in German central custody. For other companies, this is either not possible or has not been tested. An alternative would be to deposit the shares with a foreign central custodian, with a settlement link into the German custody system, or to use certificates representing shares (ADRs or GDRs).

Another solution for foreign companies is the creation of a German listing vehicle and depositing the shares with Clearstream Banking AG. A German listing vehicle also allows foreign companies to have a corporate governance framework that is familiar to German investors but would then also have to issue the annual statement on compliance with the DCGK. Of course, tax issues and additional compliance costs must be taken into account when choosing this route.

3. Listing documentation and process

Primary listings

Regulated Market (General or Prime Standard). Applying for a listing requires co-signing of the application by a German bank, a German

financial services provider or an EEA-domiciled enterprise operating in Germany on the basis of a so-called "European passport." The financial institution applying for the listing must have a minimum capital of €730,000 (approximately US$818,500).

The listing application must normally relate to all securities of the same class, with the exception of parts of a class of shares which serve to maintain a controlling influence over the company or shares that temporarily may not be traded (such as in case of a lock-up agreement).

Companies that apply for admission to the Regulated Market (General or Prime Standard) must have published a prospectus approved by the BaFin (or by another competent national authority, please see below). The prospectus must be drafted in accordance with the EU Prospectus Regulation. In the case of an issuer vehicle from another EEA country, the regulator of the home state will have to review and approve the prospectus according to its law, which will be substantially identical as it will also be based on the EU Prospectus Regulation.

Besides an approved prospectus, the applicant must submit the following documents:

- A current excerpt from the commercial register.
- Current articles of association or by-laws.
- Governmental approvals, if any, related to the incorporation of the company, its business activities or the issuance of shares.
- Audited annual financial statements, including the company report for the last three business years and the auditor certificates.
- Evidence of the issuance of the shares.
- In the case of single share certificates, a sample of the certificate.

- In the case of a global certification, a declaration by the company that the global certificates have been put in custody with a central depository and that single certificates will be issued if the global certificate is cancelled or upon a valid demand by the security holders.

Scale. Trading on the Scale segment does not require a formal listing approval, only a decision by the admissions board to "include" the security in trading. The issuer itself needs to apply for inclusion on the Scale segment, and the application must be co-signed by a Capital Market Partner accredited by DBAG. The Capital Markets Partner must be a German bank, a German financial services provider, an EEA-domiciled enterprise operating in Germany on the basis of a so-called "European passport" or a German branch of a foreign bank domiciled outside the EEA, which has been duly licensed in Germany.

For EEA companies, the prospectus is approved by the home state authority. It is possible to avoid the prospectus requirement in the Scale segment by a private placement with institutional investors or to aim for an inclusion in trading without any public offering of securities. However, in this case, a "mini-prospectus in the form of an "inclusion document" must be prepared and published on the DBAG website.

For an application for inclusion on the Scale segment, the following additional documents must be submitted:

- Evidence that an ISIN (International Securities Identification Number) has been assigned to the securities.
- Evidence that the securities are freely tradable.
- Evidence that transactions in the securities will be properly settled.
- Evidence that trading has not been prohibited by any governmental authority.

- If no prospectus is required (because no offering takes place concurrently), an "inclusion document", co-signed by the Capital Market Partner who accompanies the listing.
- Alternatively, an approved prospectus and all supplements to the prospectus, if any. In this case, the submission must also include:
    - A certificate of approval of the prospectus by the competent authority.
    - Evidence of the publication of the prospectus.
- Research report by a research provider selected by DBAG.
- Statement by the issuer regarding a sufficient free float.
- Appointment of at least two representatives of the issuer as contact persons for follow up on post-listing obligations.
- A current excerpt from the commercial register (not older than four weeks).
- A copy of the current articles of association / by-laws.
- Audited consolidated financial statements, including the consolidated company report for the last completed fiscal year prior to the date of application (IFRS or equivalent). Standalone financials are sufficient for an issuer that does not have subsidiaries. An auditor certificate in German or English must be included.
- Half-yearly financial statements if the application occurs more than 10 months after the end of the last fiscal year and condensed consolidated financial statements and interim group management report for the first six months of the current fiscal year.
- A short company profile that must be published on the website of the issuer.

- A corporate calendar which sets forth all important corporate events (such as the date of the annual general meeting).
- In the case of non-German issuers, a written power of attorney granted to the accompanying Capital Market Partner for service of legal declarations and deliveries by DBAG.
- A compliance advisory agreement with a "Deutsche Börse Capital Market Partner" (see above).
- Confirmation by the Capital Market Partner that:
    - The issuer has been duly incporporated in accordance with the law applicable to the issuer and is an existing company.
    - The securities to be included have been issued in accordance with the law applicable to the issuer and comply with the provisions applicable to the securities.
    - The issuer conducts an operative business.
    - The issuer meets at least three of the five KPIs.
    - The issuer has made arrangements with regard to:
        - An internal risk management for the identification, analysis and control of entrepreneurial risks.
        - An internal system for compliance with its publication and notification obligations.
        - Internal compliance provisions which ensure the compliance of the issuer's action with applicable law.
        - The support of shareholders, investors and analysts.
    - The Executive Board and the Supervisory Board of the issuer have sufficient expertise or experience in connection with the exercise of their respective tasks. This statement must be

based on personal interviews with all board members, a review of their CVs and a research of publicly accessible information on them.

Secondary listings

There is no difference between an application for a primary listing and a secondary listing. Please refer to section 2 above for a description of a simplified inclusion in secondary trading (as opposed to a true listing) on the FSE.

Prospectus requirements

The prospectus requirements are contained in the EU Prospectus Regulation (Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC).

Details of the structure of a prospectus and its exact content can be found in Commission Delegated Regulation (EU) No. 2019/980.

In particular, the prospectus must include disclosure relating to the following topics:

- Details of the persons responsible for the prospectus.
- Details of the statutory auditors.
- Risk factors relating to the company and its industry.
- General information about the company.
- A business overview, covering the company's operations, principal activities, significant new products and services and principal markets, important developments, its strategy and objectives, the dependency on intellectual property, and its investments.

- Organizational structure.
- A description in narrative form of the company's financial condition, changes in financial condition and results of the operations for the periods covered by the financial statements and any significant factors affecting its operating results (Operating and financial review).
- Capital resources.
- Regulatory environment.
- Trend information.
- Details of the company's management and supervisory bodies.
- Management remuneration and benefits.
- Board practices.
- Number of employees and their share options.
- Major shareholders.
- Recent related party transactions.
- Dividend policy.
- Legal and arbitration proceedings.
- Details of the company's share capital, objects, articles of association or charter, rights attaching to shares, procedure for conducting general meetings of shareholders and other related information.
- A summary of material contracts.
- In addition, information on the securities must be given that includes:

- A statement that the issuer has sufficient working capital.
- A statement on the issuer's capitalization and indebtedness.
- A description of any interest including a material conflict of interest of the persons involved in the offering.
- Reasons for the offer and use of proceeds.
- Information concerning the securities to be offered/admitted to trading.
- Terms and conditions of the offer.
- Admission to trading and dealing arrangements.
- Information on any selling securities holder.
- A statement on dilution.

The prospectus must also contain historical financial information, in the form of consolidated financial statements for at least the last three completed fiscal years. If the balance sheet date of the last annual financial statements is older than nine months, interim financial statements must be provided. The last balance sheet date of the annual financial statements must not be older than 18 months (if the prospectus contains audited interim financial statements) or 16 months (in the case of unaudited interim financial statements). At any rate, the latest semi-annual or quarterly financial statements must be included in the prospectus if they have been published by the company.

In addition to consolidated financial statements, according to the practice of the BaFin, the company's standalone financial statements for the last fiscal year must be included in the prospectus because such financial statements show the company's distributable profits.

If there has been a recent significant change in the company's position, such as a significant acquisition or merger, it is necessary to include pro forma financial information to reflect how the transaction

would have affected its assets and liabilities and earnings if it had occurred at the beginning of the period covered by the report. Also, in the case of a complex financial history (such as mergers with other companies or other major transactions), additional historical financial information for the company or companies that was/were merged into or acquired by the issuer may have to be provided, in order to give a complete picture of the consolidated company's financial history over the last three years.

For a company incorporated in an EEA member state, the accounts must generally be prepared under IFRS. For a company incorporated outside the EEA, the accounts should be prepared either under IFRS or under US or Japanese GAAP (or any other local GAAP which have been deemed equivalent to IFRS by the European Commission).

In all cases, audited financial statements must be provided together with the auditor certificates.

Any prospectus must contain a prospectus summary and the format of the summary has changed substantially under the Prospectus Regulation. Most importantly, its maximum length was shortened to seven pages, and the maximum number of risk factors was limited to 15. Overall, the intent is to make the summary more reader-friendly, also by using a "questions and answers" format.

The prospectus must be approved by the BaFin or in case of issuers from another EEA member state, the competent authority in their home member state. The review period is a maximum of 20 trading days, (10 days for first-time issuers); however, each re-filing technically triggers a new 10-day review period. In the past, a filing timetable could be agreed with the BaFin beforehand that does not exhaust these maximum periods. However, under the new regime, this becomes increasingly more difficult. It usually takes four to eight weeks from the initial filing until the date of prospectus approval.

The listing process with the FSE is much quicker than the prospectus approval process, and may take less than two weeks. However, listing

cannot occur until the shares to be listed have been validly issued and the prospectus has been approved.

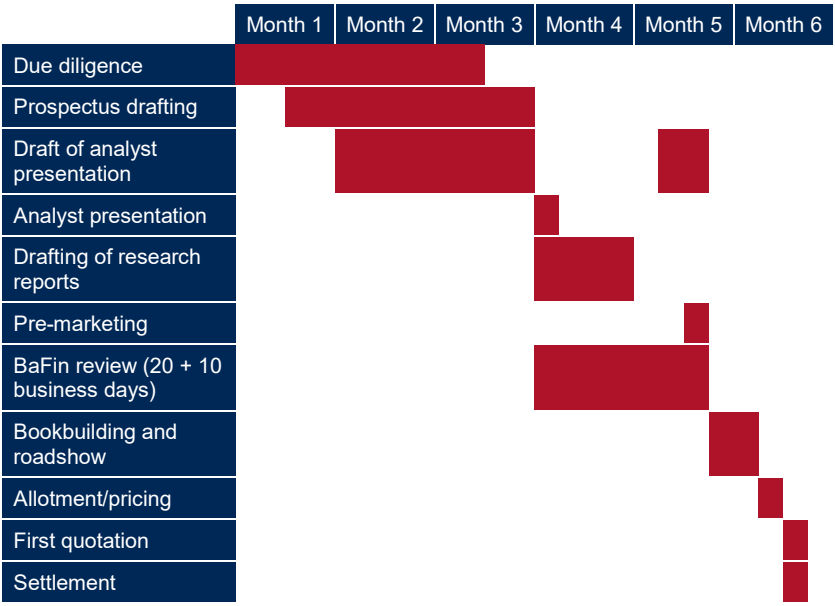
The Prospectus Regulation, which entered into force on 21 July 2019, also creates a new simplified prospectus format (EU growth prospectus) with a significantly reduced set of information required. In this case, the prospectus summary will also be simplified and historical financial information must be provided only for a period of two years.

The EU growth prospectus format is available for small and medium-sized companies (SMEs), companies other than SMEs whose securities are traded or to be traded on an SME growth market with an average market capitalization of less than €500 million (approximately US$560.60 million) and offers by other issuers with a total consideration not exceeding €20 million (approximately US$22.42 million) over a period of 12 months if the securities are not traded on a multilateral trading facility and the issuer has not more than 499 employees. SMEs are defined as companies that meet at least two out of the three following criteria according to their last annual accounts:

- Less than 250 employees on average.
- Balance sheet total not exceeding €43 million (approximately US$48.21 million).
- Annual turnover not exceeding €50 million (approximately US$56.06 million).

It should be noted that a similar simplified prospectus regime is available for "secondary" issuances, which is a misleading term, as it does not refer to secondary offerings by shareholders, but to offerings by companies of securities, which have been admitted to trading on a Regulated Market for at least 18 months.

Typical process and timetable for a listing of a foreign company on the FSE



There are no major variations in the documentation required for an offering of shares of a foreign company, compared to a domestic company.

4. Continuing obligations/periodic reporting

The continuing obligations of a company depend very much on whether it is listed on the Regulated Market.

Regulated Market

Any company whose securities are listed on the Regulated Market must treat all holders of the same securities equally. All information needed for the exercise of the rights of a security holder must be made available in Germany. Security holder data must be protected. With

each invitation to a general meeting, shareholders must receive a proxy form.

In addition, companies listed on the Regulated Market (General and Prime Standard) are subject to a number of continuing reporting obligations, some of which are periodic, while others are event-driven. They include the obligation to publish notices of general meetings and certain related information, dividend distributions, the issuance of new shares and the agreement or exercise of exchange or conversion rights, warrants, redemption and subscription rights. These obligations apply if Germany is the home state of the company, as well as to non-EEA companies whose shares are only listed in Germany (or, in case of dual listings within the EEA, if Germany was the state of the first listing). In the case of companies whose home state is another EEA country, substantially similar obligations will apply under the law of that country, since all obligations are based on EU directives.

A listed company whose home state is Germany must also publish details of directors' dealings in its shares. The members of the management board (or comparable senior executives) and members of the supervisory board (or a comparable body) are covered by this obligation. They must report their own trades, as well as trades by certain relatives and entities controlled by them. Since July 2016, directors are subject to blackout periods in which they cannot trade ahead of the publication of financial figures.

Such companies must also publish all threshold notices received from their shareholders. Relevant shareholding reporting thresholds for voting shares are 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75%. Investors are also obliged to report holdings in instruments which entitle or enable them to achieve a respective shareholding (above thresholds, except for the 3% threshold). This obligation will cover (among other items) call options, securities lending and repossession transactions, cash-settled instruments and the writing of put options. The definition also covers cash-settled instruments, if these have an equivalent economic effect. Finally, shareholders must also report the

crossing of the above thresholds (other than 3%) for the combination of holdings of shares and instruments. Companies must then publish this information.

Companies listed in the Regulated Market must promptly publish any changes in the number of voting rights as a result of capital increases or decreases to enable shareholders and holders of instruments to calculate their shareholding percentage and make the appropriate notifications.

A company must also report holdings of treasury shares if the 5% or 10% threshold is reached or crossed, and it must report the total number of voting shares at the end of every month in which the number of voting shares has changed.

Shareholders who cross the 10% threshold or a higher threshold must inform the company about their objectives in making their investment and the sources of their funds. The company must publish the statement received from the shareholder or must disclose the fact that the company did not timely receive such a statement.

A Prime Standard company must publish a corporate action timetable with the most important events in the company's calendar, as well as holding at least one generally accessible analyst meeting in addition to the annual financial press conference.

Scale Segment

For the Scale Segment, the issuer must:

- Publish certain financial information (see below).
- Publish and update a company profile and a company calendar that contains certain key events, such as the annual meeting, dividend payment, analyst conferences and the publication dates of financial information.

- Provide the Research Provider commissioned by DBAG with all the information requested by the Research Provider and necessary for the preparation of Research Report Updates within the term determined by the Research Provider.
- Conduct an information event for analysts and investors at least once a year.
- Maintain a support agreement with a Capital Market Partner for support in the compliance with post-inclusion obligations.
- Notify DBAG of:
    - Changes of data such as renaming, change of registered office, change of address, change of financial year, change or transfer of the operative business, change of designated sponsor or specialist.
    - Corporate actions.
    - Termination of agreement with the Capital Market Partner and entry into a new agreement with a Capital Market Partner.
    - Change of contact person.

The issuer is responsible vis-à-vis the stock exchange for the due compliance with these obligations, and must agree to pay a penalty of up to €100,000 (approximately US$112,100) for each violation. The maximum penalties for intentional violations depend on the type of violation. The highest maximum penalty applies for failure to publish annual financial statements. For negligent violations, the maximum penalty is half of the maximum for willful misconduct.

Inside information

Besides the events listed above, there is a general obligation for a company on the Regulated Market or on MTFs (which include, for example, Scale and the Quotation Board), provided the relevant

company has actively requested the listing on the MTF, to publish all inside information that affects the company without undue delay.

Broadly, inside information is information which:

- Is of a precise nature (that is, it deals with circumstances that exist or may reasonably be expected to come into existence and is specific enough to make conclusions as to the possible effect on price).
- Is not generally public.
- Is likely to have a significant effect on price if made public.

This definition includes all material non-public information that is price sensitive, including major agreements, acquisitions or divestitures, major losses, insolvencies and loss of key personnel. Under certain circumstances, a company may self-exempt itself from these obligations temporarily, such as in the case of pending negotiations. Also, interim steps in a protracted process can be inside information.

Financial information

The obligation to publish financial information again depends on the market segment.

Regulated Market. A company that is admitted to the General or Prime Standard and is a domestic issuer for purposes of the WpHG (the German Securities Trading Act) must publish its annual financial statements within four months after the end of the financial year. A company whose home state is Germany must also notify the public in advance of the publication date and provide the internet address where the annual financial statements will be available.

The annual financial statements should consist of the balance sheet including the income statement, the notes to the consolidated financial statements and the management report. For the presentation of the

annual financial statements, the commercial law or the national requirements apply.

A company admitted to the Prime Standard must also submit its annual financial statements and quarterly financial releases (*Finanzmitteilungen*) to the FSE.

Furthermore, a company listed under the General Standard or Prime Standard is required to publish half-yearly financial reports, which consist of short-form financial statements, an interim company report and a certification by the management.

If the company is a parent undertaking, the annual financial statements must also be compiled at the consolidated company level.

Scale Segment. A company whose shares are listed on the Scale Segment must publish its audited consolidated annual financial statements and an interim financial report covering the six months since the last balance sheet date.

Reporting standards. For the Regulated Market, IFRS reporting standards must be followed, or for non-EEA companies, certain other recognized national GAAP such as US-GAAP and Japanese GAAP are also permitted. For the Scale, additional national GAAP (only for EEA-based issuers) or German GAAP are permitted reporting standards. Normally, audited annual financial statements are required, while interim reports need not be audited.

Timing. For the Regulated Market, the annual financial statements must be provided within four months after the end of a fiscal year. Interim reports must be provided within three months from the end of the relevant period for which they were prepared. If the issuer is a German AG or SE and adheres to the German Corporate Governance Code, these periods are shortened to 90 days for the annual financial statements and 45 days for interim reports.

For the Scale Segment, the periods for publication are six months and four months, respectively.

Insider dealing and market manipulation

After being listed on the exchange, the company's securities become subject to prohibitions on insider dealing and market manipulation. These prohibitions apply in all segments, not only the Regulated Market. Also, there is no geographical scope of application.

Any person in possession of inside information (defined above) is not allowed to purchase or sell the relevant securities for his or her own account (or for the account, or on behalf, of a third person) by using his or her knowledge of inside information. Relevant securities also includes derivative transactions. Nor is it permitted to amend or cancel an order for the purchase or sale of the relevant securities while in the possession of inside information. Further, he or she may not unlawfully disclose inside information to another person, make a buy or sell recommendation based on this information or otherwise cause a third party to trade in insider securities. A disclosure is not unlawful if made in the normal exercise of an employment, a profession or duties.

European law also prohibits market manipulation by means of false information or misleading statements about circumstances that have a substantial influence on the market valuation of financial instruments, if the information is used to influence the market value or the market price. False or misleading information, in this sense, covers not only statements about hard facts, but also forecasts and evaluations, as long as they are based on facts.

The prohibition also covers the execution of dealings or the placement of buy or sell orders which are likely to give false or misleading signals regarding the offer, demand or exchange or market price of financial instruments or are likely to create an artificial price level. Further, any deceptive act which can influence the fair market value of a financial instrument on a regulated market in Germany or the EU is prohibited. Both willful and negligent breaches of the prohibition may be punished.

Short selling prohibition and reporting requirement

EU-Regulation No. 236/2012 stipulates a prohibition of "naked" short selling that—among other financial instruments—covers all stocks admitted to trading on a Regulated Market or other trading venues, including primary listings on the Scale or on other unofficial markets (*Freiverkehr or "Open Market")* in Germany. There is no explicit geographical limitation on this prohibition. A naked short position is one where the seller is not the owner of the securities he or she has sold and does not have an absolutely enforceable claim for the transfer of a sufficient number of securities and does neither have any "locate" agreement in place with a third party which allows a reasonable expectation that the short sale can be settled when due. Contrary to the German predecessor regime, intraday naked short positions are no longer permitted. It is immaterial whether the short position is manipulative or deceptive. However, manipulative or deceptive practices in connection with (naked or covered) short selling could constitute a punishable market manipulation. There is also a European reporting regime for net short positions. The reporting thresholds are 0.2% and each further increment of 0.1%. The position must be reported to the BaFin. If the short position reaches, exceeds or undercuts 0.5% and any higher increments of 0.1%, the size of the short position must not only be reported, but also published in the Electronic Federal Gazette (*Elektronischer Bundesanzeiger*).

The following table summarizes the principal post-listing transparency obligations.

When?	Prime Standard	General Standard	Scale
Annually	AGM invitation	AGM invitation	AGM invitation
Without undue delay	Publication of dividend payments, issue of new shares, agreement or exercise of conversion rights, warrants, redemption and subscription rights		None comparable
Annually	Annual financial statements (four months/90 days if Code is followed)		Annual financial statements (six months)

When?	Prime Standard	General Standard	Scale
Semi-annually	Interim report (three months/45 days if Code is followed)		Interim report (four months)
At the end of the 1st and 3rd fiscal quarter	Interim report (two months/45 days if Code is followed)	—	—
Annually	Analyst meeting	—	Analyst meeting
Annual update	—	—	Company profile
Annually and continuous update	Compliance declaration with the Code (only for German listing vehicles)		—
Without undue delay	Ad-hoc notices	Ad-hoc notices	Ad-hoc notices
Without undue delay after receipt	Directors' dealings	Directors' dealings	Directors' dealings
Without undue delay	Voting rights notices (latest four trading days for the shareholder, latest three trading days from receipt of the notice for the company)		—
Without undue delay	Number of voting rights	Number of voting rights	—
Continuous update	Corporate calendar	—	Corporate calendar and all relevant information submitted initially to DBAG in connection with the listing.

Most post-listing requirements under German law apply to foreign companies only in certain instances, namely when the company is a "domestic issuer" or (in other cases) where the company's home state is Germany. In simplified terms, this is usually the case if the foreign

company's primary listing venue is in Germany. Where German law does not apply, the European harmonized regime under the Transparency Directive makes sure that similar obligations would apply under the law of the EEA country where the company is domiciled or where its shares are listed.

A company from the EEA must follow IFRS for its financial reporting. A non-EEA company from a country whose national GAAP has been recognized by the EU (Japan, US, Canada, China, South Korea or India) may be able to report its financial results in that country's national GAAP instead of IFRS.

5. Corporate governance

There are no corporate governance requirements for a foreign company in order to qualify to list its securities on the FSE. However, if the foreign enterprise is listed via a special listing vehicle in the form of a German AG or SE, the German Corporate Governance Code (the Code) applies, which has been drafted by a governmental commission and which is amended from time to time. The currently applicable version dates from 2017 (but see impending change that will enter into force in 2020 described below).

While compliance with the recommendations of the Code is voluntary, companies must give a declaration of adherence or must disclose which recommendations of the Code have not been (or will not be) observed, including the reasons therefor. German investors will certainly feel more comfortable if the Code is observed.

The provisions of the Code fall into three categories:

- Provisions that simply summarize German stock corporation law.
- Recommendations.
- Suggestions.

Only compliance with the recommendations must be disclosed, although, in practice, compliance with the suggestions is disclosed as well.

Since the provisions of the Code tie into specific provisions of German corporate law to enhance best practice, it would be rather complicated for a company organized under a foreign law to try to follow the Code and report compliance on a voluntary basis. In this case, it would be preferable if the company followed any corporate governance code or best practice established in its home jurisdiction.

In addition to the provisions of the Code, any foreign company listing through a German AG should familiarize itself with the numerous provisions in the German Stock Corporation Act and the Commercial Code that apply specifically only to listed companies. Within the scope of this summary, it is not possible to list them all.

As of the time of this writing (January 2020) a new version of the Code had been announced (in May 2019), but not yet officially published, because the commission wanted to await the entry into force of new provisions in the Stock Corporation Act implementing the second Shareholder Rights Directive. The 2019 version of the Code represents a significant shift insofar as it no longer summarizes points of binding law, but rather states a significantly reduced set of "principles" (still reflecting material governance obligations imposed by law) complemented by recommendations and suggestions. This makes it significantly easier to identify recommendations and suggestions in the Code. Key substantive changes to the Code include amended recommendations regarding compensation of the members of the management board and a new catalogue of indicators for a lack of independence of members of the supervisory board. Moreover, the commission resolved to simplify corporate governance reporting by integrating the corporate governance report with the declaration of compliance with the Code.

6. Specific situations

There are no additional requirements, or any changes in the normal requirements, that apply to very large multinational companies. In practice, these companies are all listed on the Prime Standard segment, in order to provide the highest quality reporting and to be included in a selection index.

The Prospectus Regulation now allows a simplified prospectus format for issuers listed in SME growth markets. Smaller companies that want to operate under a less stringent regime may opt for trading on the Scale segment, which has obtained the status of an SME growth market on 16 December 2019.

As a result, Scale issuers no longer need to prepare and maintain insider lists (due an exemption in Article 18 (6) Market Abuse Regulation) and will be allowed to publish their ad hoc notices (disclosure of inside information) on the website of the FSE instead of a media bundle (Art. 17(9) Market Abuse Regulation).

Art. 39 of the EU Prospectus Regulation permits the competent authority of the home Member State to ask for adapted information to be included into the prospectus if the issuer is a “specialist issuer”, for example a property, mineral, investment, scientific research, start-up (with less than three years of existence) or shipping company. ESMA’s update of the recommendations of the Committee of European Securities Regulators of March 2013 contain further details regarding such requirements in Part III (Nos. 128 et seq.), which the BaFin applies in practice. In a consultation paper, ESMA has stated that at this time it does not plan to include these details as part of their guidelines on disclosure requirements under the Prospectus Regulation (which shall replace the recommendations which have been issued under the Prospectus Directive) in the near future and that issuers can continue applying the existing recommendations in that regard.

There are no situations in which a "fast track" or expedited listing can be procured, except as noted above in section 2.

7. Presence in the jurisdiction

Foreign companies listed in the General or Prime Standard are required to appoint a payment agent and an agent for service to receive legal notices or processes on the issuer's behalf.

Under the Scale rules, the issuer must appoint the Capital Markets Partner as its agent for receiving legal declarations from DBAG (including unilateral ones, such as a notice of termination of listing).

Otherwise, there is no necessity to maintain offices in Germany or to have directors resident in Germany.

There is no requirement to keep corporate records within Germany.

8. Fees

Generally speaking, the FSE is one of the least expensive listing venues in the world.

Initial listing

- *Listing fee for Regulated Market:* A base fee of €12,000 (approximately US$13,450) and a variable fee of up to EUR 77,000 (approximately US$86,000) depending on the market capitalization for the Prime Standard and General Standard according to the following table:

Market capitalization	Additional fee
Up to €250 million (approximately US$280.30 million) in market capitalization	€80 (approximately US$90) for each million of market capitalization
of the exceeding amount up to €500 million (approximately US$560.60 million) market capitalization	€40 (approximately US$45) for each additional million of market capitalization

Market capitalization	Additional fee
of the exceeding amount up to €1 billion (approximately US$1.12 billion) market capitalization	€20 (approximately US$22.50) for each additional million of market capitalization
of the exceeding amount up to €3 billion (approximately US$3.36 billion) market capitalization	€10 (approximately US$11.20) for each additional million of market capitalization
of the exceeding amount up to €3 billion (approximately US$3.36 billion) market capitalization	€5 (approximately US$5.60) for each additional million of market capitalization

- *Introduction fee for the Regulated Market:* An additional introduction fee of €2,000 (approximately US$2,250) applies for commencement of trading.

- *Listing Fee on Scale:* A base listing fee of €20,000 (approximately US$22,400) applies. A variable fee will be added according to the following table:

Market capitalization	Additional Fee
Up to €30 million(approximately US$33.64 million) in market capitalization	N/A
of the exceeding amount up to €50 million (approximately US$56.06 million) market capitalization	€700 (approximately US$780) for each additional million of market capitalization
of the exceeding amount up to €100 million(approximately US$112.12 million) market capitalization	€350 (approximately US$390 for each additional million of market capitalization
of the exceeding amount up to €250 million (approximately US$280.30 million) market capitalization	€250 (approximately US$280) for each additional million of market capitalization
of the exceeding amount above €250 million (approximately US$280.30 million) market capitalization	N/A

Additional costs are to be taken into account, such as those of the lawyers and accountants in connection with the preparation of the prospectus and the drafting and negotiation of agreements.

Also, the bank or trading member that applies for the listing will charge a fee for this service. If the listing is combined with an offering, the underwriting bank will charge a commission for its services (usually defined as a percentage of the offering proceeds) and also charge its out-of-pocket expenses. In larger offerings, a financial communications firm may also be involved to assist in the preparation of marketing materials.

Further costs include the fee payable to the BaFin for review and approval of the prospectus (€6,500, or approximately US$7,300), costs for custody (varying, depending on the method used) and costs in connection with the issue of shares, such as court and notary fees.

Ongoing fees

A listed company must pay an annual fee (payable in quarterly installments) for the ongoing listing/trading of its shares. This fee is:

- €15,470 (approximately US$17,350) and an additional €0.10 (approximately US$0.11) for each additional €1 million (approximately US$1.12 million) of market capitalization for the Prime Standard.
- €14,480 (approximately US$16,230) and an additional €0.10 (approximately US$0.11) for each additional €1 million (approximately US$1.12 million) of market capitalization the General Standard.
- €20,000 (approximately US$24,650) for Scale.

It is extremely difficult to assess the other costs of being a public company. Those will primarily be human resources costs for maintaining an investor relations department and a compliance department. Further costs may include travel, accommodation and

room rent for meetings with analysts, the costs of publication of financial documents and legal notices and (a major cost item) the holding of the annual meeting. Finally, an additional cost may be associated with maintaining a somewhat larger financial department and higher auditor cost if the company has not been reporting its financial data under IFRS prior to its listing.

9. Additional information

All communications to investors must be made in German and additionally in the English language for the Prime Standard, but it is not necessary to present the documents for the General Standard and the Scale Segment in both languages. It is normally not possible to limit communication to the English language. One exception is the prospectus for the listing and/or public offering, which may be prepared in the English language by a foreign company, provided that a German translation of the prospectus summary is provided.

Many companies (including German listed companies) put out investor relations materials in both languages. Stockholding threshold notices may also be sent to the company only in the English language, and the company may publish the notices only in English.

The FSE's websites (*www.deutsche-boerse.com* and *www.xetra.com*) are fully available in an English version, including documents required in connection with a listing. The website of the German regulator (*www.bafin.de*) and the European regulator ESMA (https://www.esma.europa.eu/) also contain many useful materials and guidance in the English language.

EU legislation, such as the Prospectus Regulation or the Market Abuse Regulation can be retrieved from the website *www.eurlex.europa.eu*.

Key differences in requirements for domestic companies

Admission criteria and post-listing obligations for domestic companies are generally the same as those for foreign companies. A

key issue for foreign issuers, however, is typically the way the shares are put into central custody for clearing and settlement. Shares in companies from some jurisdictions, such as Dutch NVs, are capable of being put in German central custody. For other companies, this is either not possible or has not been tested. An alternative would be to deposit the shares with a foreign central custodian, with a settlement link into the German custody system, or to use certificates representing shares (ADRs or GDRs).

10. Contacts within Baker McKenzie

Christoph Wolf and Manuel Lorenz in the Frankfurt office are the most appropriate contacts within Baker McKenzie for inquiries about prospective listings on the FSE.

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Ho Chi Minh Stock Exchange

Initial financial listing requirements

The main financial criteria for listing shares on the HOSE include:

Financial Requirements	• Being a Joint Stock Company (JSC) with a minimum amount of paid-up charter capital of VND120 billion (approx. US$5.18 million) at the time of registration for listing. • Return on equity of at least 5% in the latest year. • Profitable for two consecutive years prior to the year of registration for listing. • No accumulative losses up to the year of registration for listing. • No debts overdue for more than one year. • There must be a public disclosure of all debts owed to the company by members of the Board of Management (BOM), members of the Board of Controllers, directors or general director, deputy directors or deputy general directors, chief accountant, major shareholders and related persons.

Ongoing financial requirements. In order to maintain a listing on the HOSE, the company must ensure the following financial requirements are met:

- Paid-up charter capital of at least VND120 billion (approximately US$5.18 million).
- Its business and production do not suffer a loss for three consecutive years.
- Its total accumulated losses in the most recent audited financial statements do not exceed its paid-up charter capital.

Other initial listing requirements

Operating history. When applying for listing on the HOSE, the company must operate under the form of a JSC for at least two years, except for State-owned companies that are equitized and are concurrently listing.

Distribution. The applicant must have at least 20% of its voting shares held (at all times) by at least 300 non-major shareholders (that is, shareholders owning less than 5% each of the voting shares of the company), except for State-owned companies converted into JSCs under the Prime Minister's requirement.

Minimum trading price. By law, each share holds a par value of VND10,000 (approx. US$0.43). As a result, in principle, the initial listing price of the share cannot be lower than such par value.

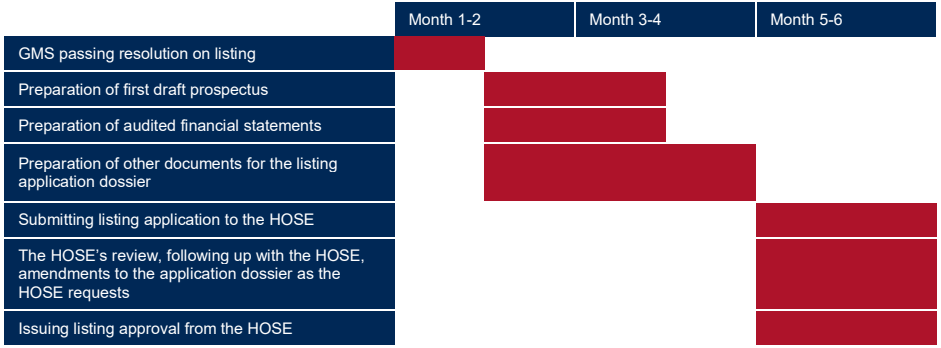
Accounting standards. Vietnamese accounting standards (VAS). Any deviations from the VAS require prior approval from the Ministry of Finance.

Financial statements. The applicant is required to disclose two years' stand-alone and, if the company has subsidiaries, consolidated financial statements, including the balance sheet, the statement of income, the statement of cash flows and notes to the financial statements. All submitted financial statements must be audited by qualified auditing companies and the auditor's opinion must not have any qualification with respect to owner equity, paid-up charter capital and other important items.

Lock-up and escrow requirements. Controlling Shareholders must undertake to hold 100% of the shares they own for six months from the date of listing and 50% of this number of shares for the following six months, unless shares are held by the State and the holders in question are representatives of the State.

Listing process

The indicative process and timeline for listing a foreign company on the HOSE:



Corporate governance and reporting

A listed company must comply with provisions on corporate governance of the Law on Enterprises and stricter regulations on corporate governance issued by the Government and the Ministry of Finance applicable for public company and listed companies (Decree No. 71/2017/ND-CP issued by the Government and Circular No. 95/2017/TT-BTC issued by the Ministry of Finance). These include:

- Appointment of a prescribed number of independent non-executive BOM members.
- Establishment of sub-committees under the BOM.
- Appointment of a person in charge of corporate governance.
- Professional qualification of the members of Board of Controllers.
- Establishment of internal regulations.

As long as the company remains a listed company, it must also comply with both periodic and extraordinary disclosure obligations. For periodic disclosure, the listed company must disclose its audited financial statements, annual reports, annual meeting of the GMS and foreign ownership ratio. Extraordinary disclosure mainly focuses on disclosure of price-sensitive information and must be made within 24 hours upon occurrence of such information.

Fees

A company seeking to list must pay both initial listing and annual fees. The initial listing fee is VND10 million (approx. US$432) (applicable to listing of shares, bonds, certificates of investment funds). Any change to the listing registration information will incur additional fees of VND2 million (approx. US$86) in relation to each change. The annual fee ranges are based on the total listed value of the company's securities, subject to a minimum of VND15 million (approx. US$647), and a maximum of VND20 million (approx. US$863) plus 0.001% of the total listed value of the securities (up to a maximum of VND50 million (approx. US$2,158).

1. Overview of exchange

Ho Chi Minh Stock Exchange (commonly referred to as HOSE) is one of two stock exchanges in Vietnam and also the largest one. Originally, the HOSE was established as a securities trading center in 2000 and then upgraded to a stock exchange in 2007.

As recorded in its latest annual report for 2018, HOSE received a newly listed volume of 6,898 million stocks, 17 million fund certificates and 208 million bonds, equivalent to a total new listing value of VND90,065 billion (approximately US$3.89 billion). Compared to 2017, the volume of newly listed securities in terms of stocks up by 8.7%, corporate bonds up by 70.7% and fund certificates up by 240%. As of December 2019, 421 companies were listed on the HOSE. On 2018, FTSE Russell, one of the leading global index providers, officially added Vietnam to the Watch List for possible reclassification from the Frontier Market to Secondary Emerging Market.

The mechanism of trading on the stock exchange in Vietnam is via agreement or an automated order-matching system. Settlement is centralized through the stock exchanges. As of December 2019, 14 banks and several securities companies have been authorized to accept custody of securities, which all are currently providing custody services for investors. Custody is based on a central depository and a central registry book entry system. The deposit of securities is managed at two levels, namely the securities are deposited with a depository member, who will redeposit the securities with the Vietnam Securities Depositor (VSD).

The HOSE does not specialize in, or encourage listings of any particular type of company, but instead encourages any company that meets its listing requirements to list in Vietnam.

In the past, foreign investors were restricted to holding no more than a 49% shareholding in a Vietnamese listed company. Since 1 September 2015, the Vietnam Government has lifted this restriction and entitled

foreign investors to acquire up to a 100% shareholding in a Vietnamese listed company, save for the limits that remain in certain service sectors pursuant to Vietnam's Commitments to the World Trade Organization and specialized laws of Vietnam or the limits set by the listed companies in their own charter. Practice has seen several listed companies that successfully raised their foreign ownership cap to allow up to 100% foreign investor ownership.

In Vietnam, there are three main regulators involved in any proposed listing on the HOSE and post-listing compliance matters. They are the State Securities Commission (SSC), HOSE and VSD. The SSC is responsible for capital market development, licensing of participants, and the issue and enforcement of regulations, including listing rules. The HOSE is in charge of implementing the listing rules, carrying out the listing procedures and managing the listed shares. The VSD is in charge of matters relating to deposit of listed securities. Securities must be deposited with a depository member, who will redeposit the shares with the VSD before they can be listed.

2. Principal listing and maintenance requirements and procedures

The listing requirements are set forth in the Law on Securities No. 70/2006/QH11 adopted by the National Assembly on 29 June 2006, as amended by Law No. 62/2010/QH12 dated 24 November 2010 and Law No. 35/2018/QH14 dated 20 November 2018 (Law on Securities), Decree No. 58/2012/ND-CP issued by the Government dated 20 July 2012 (as amended by Decree No. 60/2015/ND-CP dated 26 June 2015, Decree No. 86/2016/ND-CP dated 1 July 2016 and Decree No. 151/2018/ND-CP dated 7 November 2018) (Decree No. 58) and the Listing Rules of the HOSE under Decision No. 85/QD-SGDHCM dated 19 March 2018, as amended by Decision No. 295/QD-SGDHCM dated 30 July 2019 (HOSE Listing Rules). Please note that the current Law on Securities is valid until 31 December 2020.

Per Article 61 of Decree No. 58, other than the common listing requirements applicable for a domestic company listing on the HOSE, a foreign company is further required to meet the requirements for listing set out below:

- The securities of the foreign issuers must already have been offered for public sale in Vietnam in accordance with the securities law of Vietnam.
- The number of securities registered for listing must correspond to the number of securities permitted to be offered for sale in Vietnam.
- The issuer must provide an undertaking to fully perform all of its obligations in accordance with Vietnamese law.
- The foreign issuer must engage a securities company established and operating in Vietnam to provide consultancy services for the listing of the securities.
- The foreign issuer must comply with Vietnamese law on foreign exchange control.

There are no jurisdictions of incorporation or industries that would not be acceptable for a listed company, except business models which may be illegal in Vietnam.

Financial requirements. The main financial criteria for listing shares on the HOSE include:

- Being a Joint Stock Company (JSC) with a minimum amount of paid-up charter capital of VND120 billion (approximately US$5.18 million) at the time of registration for listing.
- Return on equity of at least 5% in the latest year.
- Profitable for two consecutive years prior to the year of registration for listing.

- No accumulative losses up to the year of registration for listing.
- No debts overdue for more than one year.
- There must be a public disclosure of all debts owed to the company by members of the Board of Management (BOM), members of the Board of controllers, directors or general director, deputy directors or deputy general directors, chief accountant, major shareholders and related persons.

Ongoing financial requirements. In order to maintain a listing on the HOSE, the company must ensure the following financial requirements are met:

- Paid-up charter capital of at least VND120 billion (approximately US$5.18 million).
- Its business and production do not suffer a loss for three consecutive years.
- Its total accumulated losses in the most recent audited financial statements do not exceed its paid-up charter capital.

Operating history. When applying for listing on the HOSE, the company must operate under the form of a JSC for at least two years, except for State-owned companies that are equitized and are concurrently listing.

Ownership requirement. At least 20% of the company's voting shares must be held (at all times) by at least 300 non-major shareholders (that is, shareholders owning less than 5% each of the voting shares of the company), except for State-owned companies converted into JSCs under the Prime Minister's requirement.

Undertaking of controlling shareholders. The following persons must undertake to hold 100% of the shares they own for 6 months from the date of listing and 50% of this number of shares for the following 6

months, unless shares are held by the State and the individuals listed below are representatives of the State:

- Shareholders being individuals or organizations whose ownership representatives are (i) members of the BOM or Board of Controllers, or who are (ii) the director (general director), deputy director (deputy general director) or equivalent positions appointed by the General Meeting of Shareholders (GMS) or BOM or individuals who are authorized to execute transactions on behalf of the company in accordance with the charter, or who are (iii) chief financial officer, chief accountant, head of finance-accounting division, accountant of the company.

- Any major shareholder who is a related person of any person listed above (collectively, Controlling Shareholders).

Listed shares are not required to be placed into escrow or otherwise refrained from being traded for the purpose of listing.

Corporate governance. Before becoming a public company and listing, the company is only required to comply with general corporate governance applicable to all JSCs. After becoming a public company and listing, the listed company must satisfy stricter requirements with respect to its corporate governance. See Section 5 below for further information.

Advisor. Domestic companies are not required to have a sponsor or a broker to assist with their listing application. However, foreign companies must appoint a Vietnam securities company as their listing advisor.

Interviews with the HOSE. A company seeking a listing on the HOSE is not required by law to conduct any interviews with the HOSE. However, in practice, the HOSE may request a meeting with the company registered for listing if it deems it necessary for the purpose of handling the listing dossier.

Minimum trading price. By law, each share holds a par value of VND10,000 (approximately US$0.44). As a result, in principle, the initial listing price of the share cannot be lower than such par value.

Currency. Listed shares must be traded and settled in Vietnamese Dong.

Clearing of trades. All shares must be deposited in VSD before listing.

Compliance adviser. The newly listed company is not required to appoint a compliance advisor.

3. Listing documentation and process

There is no difference in terms of listing documentation and process applicable to primary listings and secondary listings on the HOSE.

Listing documents. The listing company must prepare and submit a listing dossier containing the following documents to the SSC:

Registration form	The registration form is provided under Circular No. 202/2015/TT-BTC issued by the Ministry of Finance dated 18 December 2015, as amended by Circular No. 29/2017/TT-BTC dated 12 April 2017.
Decision on listing of shares	Approval of the GMS for the listing or decision of the competent State agency approving the equitization plan (in the case of listing shares of a State-owned enterprise undergoing equitization) must be included.
Register of Shareholders	The Register of Shareholders must be updated one month prior to the date of submitting the listing application dossier.
Prospectus	The prospectus in the prescribed form issued by the Ministry of Finance.
Undertaking of Controlling Shareholders	Controlling Shareholders have to undertake to hold 100% of the shares they own for six months from the date of listing and 50% of this number of shares for the following six months, unless shares are held by the State and the holders in question are representatives of the State.
Listing Advisory Contract	The Listing Advisory Contract, if any.

Other documents	• Undertaking to comply with the restriction on foreign ownership, if such restriction is applicable to the company. • List of related persons to members of the BOM, the Board of Directors, the Board of Controllers and the chief accountant. • Certificate from the VSD confirming the registration and depository of the shares at VSD. • Approval of the State Bank of Vietnam on the listing, if the applicant is a credit institution.
Applicable only to a foreign issuer	• Undertaking of the foreign issuer: (i) to undertake the investment project in Vietnam; (ii) not to remit the capital outside of Vietnam or withdraw its equity capital during the life of the project, and (iii) to duly undertake its obligations under Vietnamese laws. • Listing consultancy service agreement.

Prospectus contents. The prospectus must strictly follow the form issued by the Ministry of Finance. Per Annex 2 of Decree No. 58, the main disclosure requirements include:

- Analysis on the risks that may affect the price of the listed securities.
- Key personnel responsible for the contents of the prospectus.
- General information on the listing company, including development history, organizational structure, list of major shareholders, list of parent companies and subsidiaries of the listing companies, business operation etc.
- Information on the business performance of the listing company in the past two years.
- Financial status of the listing company.
- List of key managers including members of the BOM, Board of Directors, Board of Controllers and chief accountant.
- Details of the shares to be listed.

Financial Statements. The listing company must submit its financial statements for the last two years, satisfying the following key requirements in accordance with Article 5.6 of the HOSE Listing Rules:

- The financial statements must include a balance sheet, a report on business results, a statement of cash flows and notes to the financial statement; must comply with the regulations on accounting and auditing.
- In the event that the listing company has subsidiaries, the consolidated financial statements must also be submitted.
- All submitted financial statements must be audited by qualified auditing companies.
- The auditor's opinion on the financial statements must show full acceptance. In case the audit opinion is accepted with exceptions, such exceptions must not be related to the following items: equity (except for the exception when the state capital has not been transferred yet in equitized State-owned enterprises), the contributed charter capital and other important items affecting the listing conditions.
- If the auditor's opinion on the financial statements is acceptable except for items other than those mentioned above, the listing registration company must have a reasonable explanation certified by the auditing company on the effect of such exception(s).
- If the date of the end of the accounting period of the latest financial statement is ninety (90) days from the date of sending the registration dossier for listing to the HOSE, the listing company must make additional financial statements to the nearest month or quarter.
- If the application dossier is submitted after the deadline for publishing of reviewed semi-annual financial statements for large-

scale public companies, the listing company must also submit reviewed semi-annual financial statements, reviewed by the qualified auditing company.

- If the process of editing and supplementing the dossier exceeds the deadline for publishing annual financial statements, reviewed semi-annual financial statements or quarterly financial statements, the listing registration company must submit additional financial statements up to the latest accounting period similar to the regulations on disclosure of financial statements of the listing company.

- If the listing registration company makes additional issuance to increase capital after the end of the accounting period of the latest audited financial statements, the listing registration company must conduct a capital audit for the additional issued part.

- If the financial statement is a copy, it must be certified by a competent notary or the auditing company (if the financial statements have been audited or reviewed) or by the listing registration company (in the case of unaudited and reviewed financial statements).

- In certain cases, the HOSE may request the listing registration company to audit review mid-year financial statements.

- Vietnamese accounting standards must be used in preparing the financial statements.

Procedures. By law, the HOSE must approve or refuse to approve an application for registration for listing within 30 days from the date of receipt of a complete and valid application file, and in a case of refusal, must specify its reasons in writing. The detailed procedures for the HOSE to receive and review the listing application are as follows:

Step 1: Receiving the listing application dossier

- The HOSE will check the completeness of the dossier.
- In case of approval, the HOSE will publish its receipt of the dossier on public media.
- In case of rejection, the HOSE will send a written notification to the listing company to request additional documents.

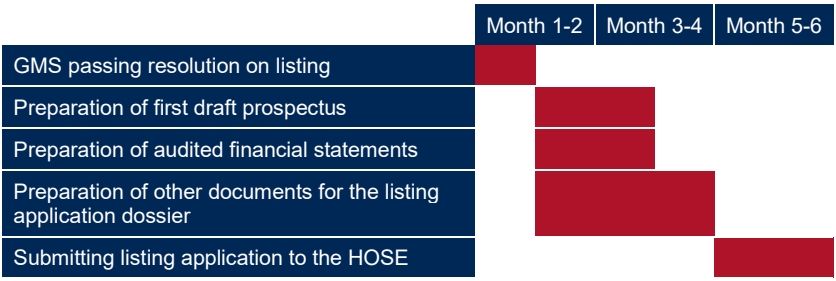
Step 2: Reviewing the listing application dossier

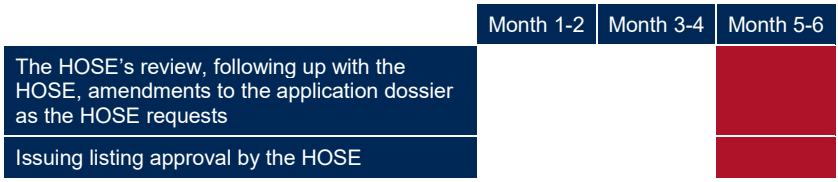
- After accepting receipt of the documents, the HOSE still has the right to request the listing company to make amendments or supplements to the dossier if it sees fit. If the listing company fails to fulfill such request within six months from the date of request, the HOSE may suspend review of the dossier.
- The HOSE may seek opinions from other competent authorities.

Step 3: Result

- In case of approval, the HOSE will issue a decision approving the listing.
- In case of rejection, the HOSE will send a written letter specifying the reasons for such rejection to the listing company.

Typical process and timetable for a listing of a foreign company on the HOSE





4. Continuing obligations/periodic reporting

Within seven working days from the date of approval for listing granted by the HOSE, the listed company must publish the HOSE's decision in a national newspaper for three consecutive publications. As long as the company remains a listed company, it must comply with both periodic and extraordinary disclosure obligations. For periodic disclosure, the listed company must disclose its audited financial statements, annual reports, annual meeting of the GMS and foreign ownership ratio.

Financial statements. The company must disclose its audited annual financial statements within ten days from the date on which the auditing organization signs the audit report, but no later than 90 days from the end of the financial year. If approved by the SSC, the time-limit can be extended up to 100 days from the end of the financial year.

Semi-annual financial statements. The company must disclose its verified semi-annual financial statements within five days from the date on which the auditing organization signs the verification report, but not exceeding 45 days from expiry of the first six months of the financial year. If approved by the SSC, the time-limit can be extended up to 60 days from expiry of the first six months of the financial year in compliance.

Quarterly financial statements. The company must, within 20 days from expiry of a quarter, disclose its quarterly financial statements and shall disclose its verified quarterly financial statements (if applicable) within five days from the date on which the auditing organization

signs the verification report. If approved by the SSC, the time-limit can be extended up to 30 days from expiry of the quarter.

Corporate governance report. Every six months, the company must disclose its corporate governance report.

Extraordinary disclosure. Extraordinary disclosure mainly focuses on disclosure of price-sensitive information and must be made within 24 hours after the occurrence of such information.

Once a company is listed, it is subject to the regulations on insider trading and market manipulation under the Law on Securities.

Insider trading. The Law on Securities prohibits "using inside information to purchase or sell securities for oneself or for a third party and the disclosure or supply of inside information to or advising another person to purchase or sell securities on the basis of inside information". Inside information is information on a public company which has not yet been disclosed and which, if disclosed, could have a major impact on the price of the securities of such public company. According to the Law on Securities, the following people are considered to have inside information of a public company:

- Members of the BOM and Board of Controllers, the director or general director and the deputy director or deputy general director.
- Major shareholders.
- Auditors of the financial statements.
- Other persons with access to inside information.
- Securities companies, securities investment fund management companies and securities practitioners of such companies.
- Organizations and individuals with a business co-operation relationship with, or who provide services to the public company, and people working in such organizations.

- People who directly or indirectly obtain inside information from the individuals or entities listed above.

Market manipulation. Besides insider trading, the Law on Securities prohibits the following:

- The act of colluding in the purchase and sale of securities aimed at creating false supply and demand, trading securities in the form of colluding with or persuading others to continuously sell and purchase in order to manipulate the price of securities, combing the aforementioned methods or using other trading methods to manipulate the price of securities.

- Directly or indirectly acting fraudulently or cheating, creating false information or omitting essential information which causes a serious misunderstanding and adversely affect activities being public offers of securities, listing and trading securities, conducting business and investing in securities, securities services and affect the security market.

- Disclosing false information with the aim of persuading or provoking the purchase and sale of securities, or disclosing incomplete or failing to promptly disclose information about events which have a major impact on the price of securities on the market.

5. Corporate governance

Pre-IPO. Before becoming a public company and getting listed, the company is only required to comply with general corporate governance applicable to all JSCs.

Post-IPO. Public and listed companies must comply with provisions on corporate governance of the Law on Enterprises and stricter regulations on corporate governance issued by the Government and the Ministry of Finance applicable for public company and listed companies (Decree No. 71/2017/ND-CP issued by the Government on

6 June 2017 and Circular No. 95/2017/TT-BTC issued by the Ministry of Finance on 22 September 2017).

BOM and independent BOM members

- The BOM of listed companies must consist of between three (3) and eleven (11) members. The composition of the BOM must be balanced in terms of the number of members having knowledge and experience in law, finance, business operations of the company and consideration of gender balance.
- At least one third of the members of BOM must be non-executive members.
- Listed companies are required to appoint at least one-third of the BOM members to be independent members.
- An independent member satisfy the following conditions:
    - Not be a person currently working for the company or any subsidiary company of the company; or not be a person having worked for the company or any subsidiary company of the company for at least the three (3) preceding years.
    - Not be a person who is currently entitled to salary or remuneration from the company, except for allowances which members of the Board of Management are entitled to in accordance with regulations.
    - Not be a person whose spouse, natural father, adoptive father, natural mother, adoptive mother, child, adopted child or sibling is a major shareholder of the company, or a manager of the company or its subsidiary company.
    - Not be a person directly or indirectly owning at least one per cent. of the total voting shares in the company.

  - Not be a person having been a BOM member or the Board Of Controllers of the company for at least five (5) preceding years.

- A member of the BOM must satisfy the following conditions and other conditions as stipulated in the charter of the company:
  - Have full capacity for civil acts, and not fall into the category of persons not permitted to manage an enterprise as stipulated in Article 18.2 of the Law on Enterprises.
  - Have professional expertise and experience in business management of the company and not necessarily be a shareholder of the company, unless otherwise stipulated in the charter of the company.
  - A member of the BOM may concurrently be a member of the BOM of another company.
  - In the case of a subsidiary company in which the State holds more than fifty (50) per cent. of the charter capital, a member of the BOM must not be the spouse, natural father, adoptive father, natural mother, adoptive mother, child, adopted child, sibling, brother in-law or sister-in-law of the director or general director or other managers of the company, or must not be a related person of a manager or a person with the authority to appoint managers of the parent company.
- A member of the BOM of a listed company must not concurrently be the BOM member of more than five other companies.
- The Chairman of the BOM must not concurrently hold the position of director or general director.
- The BOM of a listed company can establish sub-committees to assist its operations including sub-committee for personnel, sub-committee for salary and bonuses, and other special sub-committees. The BOM needs to nominate one (1) independent

member of the BOM members as the head of sub-committee for personnel and sub-committee for salary and bonuses. The establishment of the sub-committees must be approved by the GMS.

- If the sub-committee for personnel and sub-committee for salary and bonuses are not established, the BOM can assign the independent BOM members to assist it in the personnel, salary and bonuses activities.

Person in charge of corporate governance

- The BOM of a listed company must appoint at least one (1) person to be in charge of corporate governance; such person in charge of corporate governance can take over the position as the company secretary as specified the Law on Enterprises.

- The person in charge of corporate governance must be knowledgeable about law and not work for the independent auditing company performing audits of the company's financial statements.

Board of Controllers

- The Board of Controllers of listed companies must consist of between three and five members. A controller is not required to be a shareholder of the company.

- The head of the Board of Controllers must be a professional in accounting and auditing working full time at the company and all other members of the Board of Controllers of the listed company must be accountants or auditors.

Internal regulations. The BOM is required to prepare internal regulations to be submitted to the GMS for approval. Public companies should refer to the sample internal regulations on corporate governance in Annex 02 of Circular No. 95 to prepare their internal regulations on corporate governance and ensure the compliance with

the Law on Enterprises, the Law on Securities, and Decree No. 71. In general, the internal regulations of the public companies include the following matters:

- Procedures for convening and voting at the GMS.
- Procedures for nominating, standing for election of, electing, removing and dismissing members of the BOM.
- Procedures for organizing a meeting of the BOM.
- Procedures for nominating, standing for election of, electing, removing and dismissing members of the Board of Controllers.
- Establishment and operation of internal audit team (if the public company is operated in accordance with Article 134.1(b) of the Law on Enterprises with GMS, BOM and a director (general director)).
- Procedures for selecting, appointing and removing managers.
- Procedures for coordinating activities between the BOM, the Board of Controllers and the director (general director).
- Provisions on annual assessment of activities, reward and discipline of members of the BOM, members of the Board of Controllers, the director (general director) and other managers.
- Procedures for establishment and operation of sub-committees of the BOM (if any).
- Procedure for selecting, appointing and removing persons in charge of corporate governance.

Training courses on corporate governance. The BOM members, the Board of Controllers members, the general director and the corporate secretary of a listed company must participate in training courses on corporate governance at training institutions authorized by the SSC.

6. Specific situations

Large companies. There are no additional requirements, or changes in the normal requirements, that apply to large companies listing on the HOSE.

Small companies. There are no additional requirements, or changes in the normal requirements, that apply to smaller companies listing on the HOSE.

Specific industries. Listing requirements are the same for all industries. However, for companies operating in special industries such as banks or insurance companies, a consultation with the relevant authority (such as the State Bank of Vietnam with respect to banks or the Ministry of Finance with respect to insurance companies) before commencing the listing procedures is usually required in practice. For banks, the Law on Securities explicitly requires an approval of the State Bank of Vietnam as one of the listing documents.

"Fast track" listings. The HOSE does not have a "fast track" or expedited listing procedure.

7. Presence in the jurisdiction

Legal representative. All companies established in accordance with Vietnamese law must ensure that there is always at least one legal representative residing in Vietnam. If the company has only one legal representative, such person must reside in Vietnam and must authorize in writing another person to exercise the rights and perform the obligations of the legal representative when the former exits Vietnam. Listed companies are also subject to this requirement.

Delisting circumstances. Most of the circumstances in which the shares will be delisted relate to the unstable presence and/or operation of the company in Vietnam. In particular, those circumstances include:

- The company does not maintain its paid-up charter capital of at least VND120 billion (approximately US$5.18 million).
- The company does not maintain the requirement that at least 20% of the voting shares in the company be held by at least 300 non-major shareholders (that is shareholders owning less than 5% each of the voting shares of the company).
- The company itself suspends its main business and production activities, or such activities are suspended, for one-year period or longer.
- The business (enterprise) registration certificate or operational license for the specialized industry or business line of the company is revoked.
- There is no share trading on the HOSE for a period of 12 months.
- Business and production suffers a loss for three consecutive years, or total accumulated losses in the most recent audited financial statements exceed paid-up charter capital.
- The company no longer exists or no longer satisfies the conditions for listing as the result of merger, consolidation, division, split, dissolution or bankruptcy or because the company conducted an offer or issue of 50% or more of the number of currently circulating shares to swap them for shares and/or capital contribution portions in another enterprise, or the company does not satisfy the conditions to qualify as a public company.
- The auditors refuse to conduct an audit of, or disagree with or refuse to provide an opinion on the most recent financial statements of the company.
- The company was late in lodging annual financial statements for a period of three consecutive years.

- The SSC or the HOSE discovers that the company falsified its application file for listing, or such file contained seriously incorrect information affecting investors' decisions.
- The company is in serious breach of its obligation to disclose information, or there are other circumstances in which the HOSE or the SSC considers it necessary to require delisting to protect investors' interests.

As a result, in principle, the company must maintain its stable legal status, presence and operation in Vietnam to avoid being delisted.

Corporate records. The company must keep its corporate records to the same standard as non-listed companies (that is, mostly in accordance with the requirements on keeping corporate records provided in the Law on Enterprises and the Accounting Law). Registers of holders are maintained and updated by the VSD.

8. Fees

The following fees are listed out in accordance with Circular No. 127/2018/TT-BTC issued by the Ministry of Finance dated 27 December 2018.

Initial listing fees

Name of Fee	Amount
Initial listing fee	
Listing of shares, bonds, certificates of investment funds	VND10 million (approximately US$432)
Listing of other warrants	VND5 million (approximately US$216)
Fee for changing the listing registration information	
Listing of shares, bonds, certificates of investment funds	VND5 million (approximately US$216) for each time of change

Name of Fee	Amount
Listing of other warrants	VND2 million (approximately US$86) for each time of change

Ongoing fees

Name of Fee	Amount
Annual management fee of listed shares	
Listed value under VND100 billion (approximately US$4.32 million)	VND15 million (approximately US$647) per year
Listed value from VND100 billion (approximately US$4.32 million) to VND500 billion (approximately US$21.58 million)	VND20 million (approximately US$863) per year
Listed value more than VND500 billion (approximately US$21.58 million)	VND20 million (approximately US$863) per year + 0.001% of the total listed value but not exceeding VND50 million (approximately US$2,158), per year
Annual management fee of bonds, certificates of investments	
Listed value under VND80 billion (approximately US$3.45 million)	VND15 million (approximately US$647) per year
Listed value from VND80 billion (approximately US$3.45 million) to under VND200 billion (approximately US$8.63 million)	VND20 million (approximately US$863) per year
Listed value more than VND200 billion (approximately US$8.63 million)	VND20 million (approximately US$863) per year + 0.001% of the total listed value but not exceeding VND50 million (approximately US$2,158), per year
Annual management fee of listed exchange-traded funds	VND30 million (approximately US$1,295) per year
Annual management fee of other listed warrants	VND1.5 million (approximately US$65) per month

9. Additional information

All materials to be distributed to shareholders can be in Vietnamese and English but the Vietnamese version will prevail.

Materials to be submitted to the HOSE or other regulatory authorities can be submitted only in Vietnamese. Documents issued abroad and in a foreign language have to be consular, legalized and accompanied with a certified Vietnamese translation for the purpose of submission.

As noted in Section 2, in order for shares of a foreign company to be listed in Vietnam, such company must conduct a public offer of shares in Vietnam. Domestic companies are not subject to such requirement. The listing documentation applicable to a foreign company is more complicated than that of a domestic company since more documents are required to be submitted, such as undertaking letter of the company not to withdraw its capital out of Vietnam within the term of investment registered with Vietnamese authorities. To date, there have been no foreign companies listed on any stock exchange in Vietnam, so the process still remains untested in practice.

10. Contacts within Baker McKenzie

Oanh Nguyen in the Ho Chi Minh City office is the most appropriate contact within Baker McKenzie for inquiries about prospective listings on HOSE.

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Ho Chi Minh City
oanh.nguyen
@bakermckenzie.com
+84 28 3520 2629

Hong Kong Stock Exchange (Growth Enterprise Market)

Initial financial listing requirements

To qualify for listing on GEM, formerly known as the Growth Enterprise Market, operated by the Exchange, a company must have a trading record of at least two financial years comprising:

Cash Flow	A positive cashflow generated from operating activities in the ordinary and usual course of business of at least HK$30 million (approx. US$3.85 million) in aggregate for the two financial years immediately preceding the issue of the listing document.
Market Capitalization	Market capitalization of at least HK$150 million at the time of listing (approx. US$19.26 million).

In addition, a company must have available sufficient working capital for the group's present requirements for at least the next 12 months from the date of the prospectus.

Other initial listing requirements

Share price. HKSE does not require a minimum trading price.

Distribution. To list its securities, a company must have:

- At all times, at least 25% of its total issued share capital held by the public.
- At the time of listing, at least 100 shareholders and not more than 50% of the securities in public hands can be beneficially owned by the three largest public shareholders.

Accounting standards. Audited financial statements must be prepared in compliance with HKFRS, IFRS or, for a PRC issuer, CASBE.

Financial statements. The listing document must generally include two financial years' audited financial statements and, if the latest financial year ended more than six months before the date of the listing document, an additional audited interim (or stub) set of accounts for part of the current financial year.

Operating history and ownership. A trading record of at least two full financial years, with:

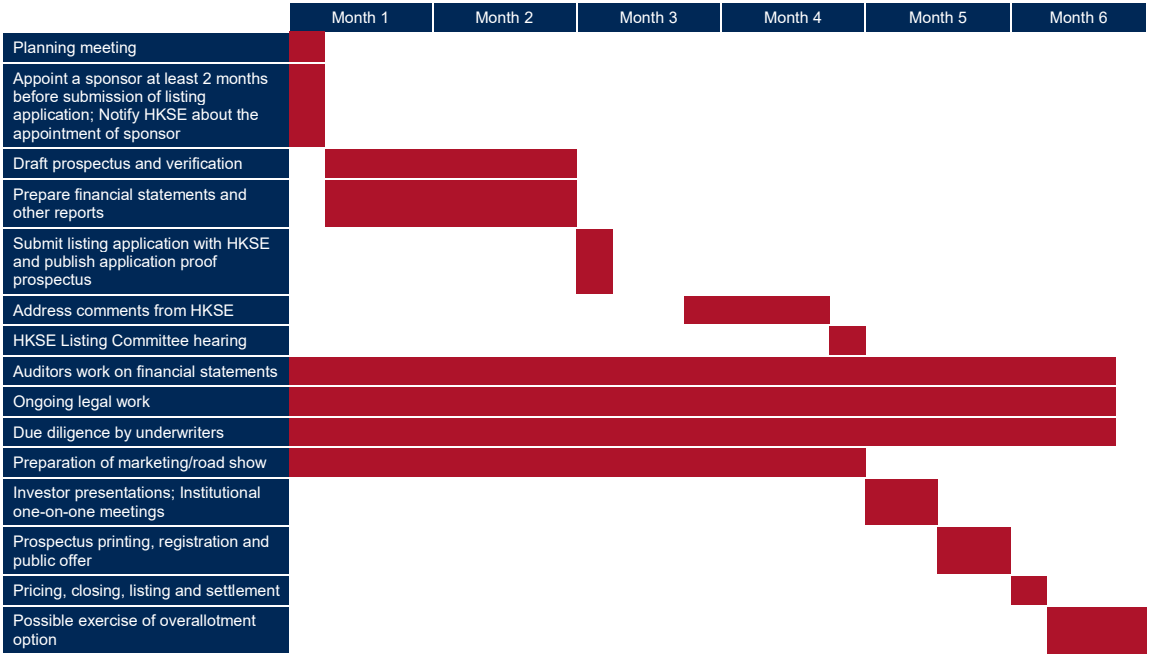
- Substantially the same management throughout the two full financial years.
- A continuity of ownership and control throughout the full financial year immediately preceding the issue of the listing document.

Other markets. HKSE also offers listings on the Main Board (which has more stringent listing requirements). Information about the Main Board is available in another chapter of this Handbook.

Note: Companies in certain industries are subject to modified listing and ongoing compliance rules. For example, mineral companies, overseas companies and PRC companies have separate chapters in the Hong Kong GEM Listing Rules which are dedicated to each of these types of companies. In addition, the HKSE may accept a shorter trading record period and may vary or waive the ownership and management requirements for mineral companies or newly formed project companies (for example, a company formed for the purpose of a major infrastructure project). Where HKSE accepts a trading record of less than two financial years, the applicant must nevertheless still meet the cash flow requirement of HK$30 million (approx. US$3.85 million) for that shorter trading record period.

Listing process

The HKSE will review the prospectus, application forms and relevant announcements. The following is a fairly typical process and timetable for a listing of a company on the GEM of HKSE via an underwritten public offering in Hong Kong.



Corporate governance and reporting

Requirements for public companies include:

- Appointment of a prescribed number and percentage of independent non-executive directors.
- Professional qualification of a company secretary.
- Audit committee and its composition.
- Remuneration committee and its composition.
- Appointment of a compliance adviser.

A listed company has continuing disclosure and reporting obligations under the Hong Kong GEM Listing Rules and Securities and Futures Ordinance.

An issuer applying for a transfer of listing from GEM to the Main Board on HKSE must have a sufficient management presence in Hong Kong, which normally means that at least two of its executive directors must be ordinarily resident in Hong Kong. However, the HKSE may grant a waiver from strict compliance with this requirement. Each waiver application will be considered on a case-by-case basis depending on the merits of the case.

Fees

A company seeking to list must pay both initial listing fees and annual fees. The initial listing fee ranges from HK$100,000 (approx. US$12,840) to HK$200,000 (approx.US$25,680). Additional shares listed subsequently will require additional payments. The annual listing fee ranges from HK$100,000 (approx. US$12,840) to HK$200,000 (approx.US$25,680) depending on the nominal value of shares listed.

1. Overview of exchange

The Stock Exchange of Hong Kong Limited, which is commonly referred to as HKSE or SEHK, is recognized worldwide as a premier securities exchange with access to abundant local and overseas funds and free flow of both capital and information. HKSE has a long-standing reputation as one of the most popular destinations for capital-raising among major financial markets.

With Hong Kong's close ties to Mainland China and other Asian economies, the HKSE is strategically placed to serve as an ideal platform for issuers to achieve exposure to the rapidly growing Mainland Chinese and other Asian markets. In addition, Hong Kong has a well-established legal system based on English common law, which provides companies with a strong and attractive foundation for capital raising and reinforces confidence for investors. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Listing Rules) are comparable to international standards and demand from issuers a high level of corporate governance and transparency. Over the years, the Hong Kong government and regulators have sought ways to expand, diversify and internationalize the stock market by attracting more foreign companies of good quality to list in Hong Kong.

There are two boards on HKSE where issuers may list their securities:

- The Main Board is a market for companies that meet the profit or other financial criteria of the HKSE. Companies can list either shares or depositary receipts, as a primary or secondary listing, on the Main Board.
- The second board is the GEM (formerly known as the Growth Enterprise Market), which is a stand-alone market for small and mid-sized companies.

On 15 February 2018, HKSE implemented the following amendments to GEM Listing Rules:

- The change of the name "Growth Enterprise Market" to "GEM" to reflect the new role of GEM as a market for small and mid-sized companies.
- The minimum expected market capitalization requirement has been increased from HK$100 million to HK$150 million (approximately US$12.84 million to US$19.26 million); the corresponding minimum public float requirement has been increased from HK$30 million to HK$45 million (approximately US$3.85 million to US$5.78 million).
- The minimum cash flow requirement has been increased from HK$20 million to HK$30 million (approximately US$2.57 million to US$3.85 million).
- The introduction of a mandatory public offering requirement of at least 10% of the total offer size for all GEM IPOs with a claw back mechanism in line with the practice of the Main Board.
- The extension of the post-IPO lock-up requirement on controlling shareholders from one year to two years.
- A requirement for the prior consent of the HKSE for the placing of securities of a new applicant to core connected persons, connected clients and existing shareholders, and their respective close associates.
- The removal of the streamlined process for a transfer of listing from GEM to the Main Board.
- The introduction of a mandatory sponsor requirement for a transfer of listing from GEM to the Main Board, where a sponsor must be appointed at least two months before the submission of a listing application.

- An increase in the initial listing fee from a GEM transfer application to the scale applicable to a Main Board application.

The HKSE does not specialize in any particular type of company, but instead encourages any company that meets its listing requirements to list in Hong Kong.

As at 31 December 2019, there was a total of 2,449 companies listed on HKSE (December 2018: 2,315), of which 2,071 companies are listed on Main Board (December 2018: 1,926) and 378 companies (December 2018: 389) are listed on GEM. This represents a slight increase of 5.8% in the total number of listed companies on HKSE, despite the minor 2.8% decrease in the number of GEM listed companies.

As at 31 December 2019, the Main Board and GEM had a total of 1,241 Mainland enterprises (December 2018: 1146) (including H Share companies, Red Chip companies and Mainland private enterprises) and 1,208 domestic and foreign companies (December 2018: 1,169). In terms of market capitalization, Mainland enterprises constituted 73% in 2019 and 68% in 2018 respectively. It is not feasible to differentiate meaningfully between domestic and foreign companies listed on the HKSE because many domestic companies restructure themselves before listing and use foreign holding companies as their listing vehicles (e.g. investment holding companies incorporated in offshore tax havens like Cayman Islands, British Virgin Islands or Bermuda).

For the avoidance of doubt, H-Share companies refer to enterprises that are incorporated in Mainland China which are either controlled by Mainland Chinese Government entities or individuals. Red Chip companies refer to enterprises incorporated outside Mainland China and are controlled by Mainland Chinese Government entities. Mainland private enterprises refer to companies that are incorporated outside Mainland China and are controlled by Mainland Chinese individuals.

As of 31 December 2019, the aggregate market capitalization of Main Board and GEM was HK$38,165 billion (approximately US$4,900.39 billion), representing a 27.6% increase from HK$29,909 billion (approximately US$3,840.32 billion) as of 31 December 2018. GEM's market capitalization was HK$107 billion (approximately US$13.74 billion), representing a 42.5% decrease from HK$186 billion (approximately US$23.88 billion) as of 31 December 2018.

In Hong Kong, two main regulators are involved in any proposed listing on the HKSE and post-listing compliance matters. They are the HKSE and the Securities and Futures Commission (SFC). The HKSE takes the leading role in regulating companies seeking a listing in Hong Kong and supervising their post-listing compliance requirements. The SFC performs a leading role in market regulation and certain areas of listing regulation.

Hong Kong operates a dual filing regime. HKSE is responsible for the day-to-day administration of all listing related matters while the SFC supervises and monitors the HKSE in its listing-related functions and responsibilities. As such, disclosure documents are required to be filed with both the HKSE and the SFC. HKSE is the frontline regulator and the primary point of contact for listed companies. HKSE passes information and materials submitted by listing applicants and listed companies to the SFC. The SFC may exercise its statutory powers to investigate persons who knowingly or recklessly provide false or misleading information in its statutory filing with the SFC under the dual filing system.

During a listing process, the Listing Division of the HKSE is the primary point of contact for listing applicants and their advisers. The Listing Division vets materials submitted by listing applicants for compliance with the Hong Kong Listing Rules and prospectus requirements under the Hong Kong Companies (Winding up and Miscellaneous Provisions) Ordinance and Securities and Future Ordinance (SFO). The Listing Committee/Division of the HKSE will determine (subject to an established review procedure) whether a

listing applicant may or may not list on the HKSE. The SFC does not actively participate in the listing approval process, but, if it appears to the SFC that the disclosure materials of a listing applicant contain false or misleading information or the applicant is otherwise unsuitable to list in Hong Kong, the SFC can object to a listing. The SFC has taken a front-loaded approach to identify risks and take pre-emptive measures to regulate the stock market.

Companies listed on GEM may apply for separate listing of its existing businesses and assets if the spin-off entity satisfies all listing criteria and other factors such as ability of the spin-off entity to operate independent of its parent and the level of competition between the applicant's and its parent's business.

2. Principal listing and maintenance requirements and procedures

A listing applicant must meet the basic requirements of GEM Listing Rules to qualify for a listing on GEM. The HKSE may grant waivers from strict compliance with the requirements, and it assesses each waiver application on a case by case basis depending on the merits of each case. The HKSE has additional listing and disclosure requirements for infrastructure companies, mineral companies, overseas companies and People's Republic of China (PRC) companies.

Where a listing applicant is not incorporated in Hong Kong or in a jurisdiction other than one of the recognized jurisdictions, its suitability to list in Hong Kong will be assessed by HKSE on a case by case basis. A listing applicant must demonstrate that it is subject to appropriate standards of shareholder protection, which are at least equivalent to those required under Hong Kong law or one of the recognized or acceptable jurisdictions. In addition, when considering protections available to shareholders in overseas jurisdictions, the regulators would consider the practicality of enforcement actions.

Overseas jurisdictions that HKSE has formally ruled to be acceptable include Austria, Australia, Brazil, Bermuda, British Virgin Islands, Canada (Alberta, British Columbia or Ontario), Cayman Islands, Cyprus, England and Wales, France, Germany, Guernsey, India, Isle of Man, Israel, Italy, Japan, Jersey, Labuan, Luxembourg, PRC, Republic of Korea, Russia, Singapore and United States of America (California, Delaware or Nevada).

Financial criteria. A GEM applicant must fulfill the following financial criteria:

	Financial Criteria
Profit attributable to shareholders	N/A
Market capitalization at the time of listing	At least HK$150 million (approx. US$19.26 million)
Revenue	N/A
Cash flow	A positive cashflow generated from operating activities in the ordinary and usual course of business of at least HK$30 million (approximately US$3.85 million) in aggregate for the two financial years immediately preceding the issue of the listing document

A listing applicant must be satisfied, after due and careful inquiry, that it has available sufficient working capital for the group's present requirements, for at least the next 12 months from the date of the prospectus. In the case of a mineral company, the listing applicant must have available sufficient working capital for 125% of the group's present requirements for at least 12 months from the date of the prospectus.

After the initial listing, a company is not required to meet similar ongoing financial requirements in order to maintain its listing.

Operating history and management. A GEM new applicant must have a trading record of at least two full financial years, with:

- Substantially the same management throughout the two full financial years.
- A continuity of ownership and control throughout the full financial year immediately preceding the issue of the listing document.

At the time of listing, there must be a minimum of 100 shareholders. In addition, not more than 50% of the shares in public hands at the time of listing can be beneficially owned by the three largest public shareholders.

There are no ownership requirements with respect to holders of a particular nationality.

Minimum public float. At least 25% of the listing applicant's total issued share capital must at all times be held by the public, subject to a minimum public market capitalization of HK$45 million (approximately US$5.78 million) at the time of listing. However, for listing applicant with an expected market capitalization of over HK$10 billion (approximately US$1.28 billion) at the time of listing, the HKSE may accept a lower percentage of between 15% and 25%. This minimum public float must be maintained at all times after listing. For example, an issuer with a large market capitalization at the time of listing might obtain a waiver from strict compliance with the normal public float requirement.

Lock-up requirements. The GEM Listing Rules provide that any controlling shareholder(s) (holding 30% or more of the issued share capital of an issuer) must not, from the prospectus date until 12 months after dealings commence on HKSE, in any way dispose of any of its interest in the issuer. In addition, for a further 12 months, the controlling shareholder(s) cannot dispose of any of its interest in the issuer so that it will cease to be controlling shareholder(s).

These restrictions do not apply to:

- Any offer for sale contained in the prospectus.
- Any additional securities purchased by the controlling shareholder(s) during the relevant period, subject to the requirements to maintain an open market in the securities and a sufficient public float.
- Any stock lending arrangement to facilitate settlement of over-allocations.
- Using the securities as security in favor of an authorized institution for a *bona fide* commercial loan.

Corporate governance. The GEM Listing Rules have various chapters dedicated to corporate governance issues. These cover various topics, including notifiable transactions, connected transactions, board composition and committee structure, review by auditors and retention of external compliance advisers. See Section 5 below for further information.

Sponsor and interviews. Each listing applicant must appoint at least one independent sponsor to assist with its listing application. A sponsor must be licensed or registered under applicable laws to advise on corporate finance matters. A sponsor is not independent if, *inter alia*, the sponsor group holds, directly or indirectly, more than 5% of the issued share capital of the new applicant, except that the holding arises as a result of an underwriting obligation.

Minimum trading price. The HKSE does not impose any requirement for listed companies to have or maintain a minimum trading price for their securities.

Currency. Eligible securities must be traded and settled in Hong Kong dollars, Renminbi or US dollars, even though they may be denominated in other *currencies*.

Clearing of trades. All new equity securities to be listed on the HKSE are required to be admitted on their first listing or trading date to the Central Clearing and Settlement System (CCASS) operated by Hong Kong Securities Clearing Company Limited (HKSCC). CCASS is a securities settlement system used within the HKSE market *system*. It is not a mandatory requirement to deposit the shares in CCASS, but all on-market transactions will be settled through CCASS. Securities deposited in CCASS will be registered in the name of HKSCC Nominee Limited.

Compliance adviser. A newly listed issuer must appoint a compliance adviser from listing until the date on which the listed issuer complies with the relevant rules in respect of its financial results for the second full financial year after listing. Under GEM Listing Rules, compliance adviser has to be any corporation or authorized financial institution licensed or registered to carry on Type 6 regulated activities (advising on corporate finance) under SFO. After the prescribed period, the HKSE has discretion to direct a listed issuer to appoint a compliance adviser to undertake such role for such period in specific circumstances if a listed issuer has breached the GEM Listing Rules consistently.

3. Listing documentation and process

The applicant must provide to investors a prospectus, application forms and relevant announcements and circulars. These documents must also be submitted to the Hong Kong regulators as part of the listing process, in addition to other documents, including accountants' reports, a property valuation report (if applicable) and (for mining and resources companies) additional technical valuation reports.

Prospectus contents. The mandatory content requirements of a prospectus are set out in the Hong Kong Companies (Winding Up and Miscellaneous Provisions) Ordinance, the GEM Listing Rules and the

Securities and Futures (Stock Market Listing) Rules. The main disclosure requirements include:

- General nature of the business of the issuer.
- Current and historical shareholding and capital structure of the issuer, and details of the substantial shareholder(s) of the issuer.
- Risk factors.
- Waivers and exemptions from compliance with the Listing Rules.
- Information about the listing.
- Relationship with controlling shareholders.
- Accountants' report for at least two financial years prior to the date of the prospectus.
- Property valuation report, if applicable.
- Summary of all material contracts entered into by the issuer group during the track record period.
- Summary of the constitutional documents of the issuer.
- Indebtedness of the issuer group.
- Use of proceeds.
- Details of the directors of the issuer and parties involved in the offering.
- If the issuer is a mining or exploration company, a valuation report of the resources.

Financial statements. The prospectus must include an accountants' report for at least two financial years prior to the date of the prospectus. If an applicant has a longer operating history of more than

two years, the HKSE would encourage voluntary disclosure of three years of financial results in the accountants' report.

Financial statements must be prepared in accordance with any one of:

- The Hong Kong Financial Reporting Standards (HKFRS).
- International Financial Reporting Standards (IFRS).
- For PRC issuers only, China Accounting Standards for Business Enterprises (CASBE).

If the applicant is or will be simultaneously listed on either the New York Stock Exchange or the Nasdaq, accountants' report can be prepared in accordance with the generally accepted accounting principles in the United States of America (US GAAP).

The HKSE has in previous cases granted waivers from strict compliance with the accounting standard requirements. In addition to US GAAP, the generally accepted accounting principles in Singapore, the United Kingdom, Australia, Canada and Japan have been accepted previously.

Typical process and timetable for a listing of a foreign company

The length of time required to list a company from the kick-off meeting to the actual listing depends on many factors such as the size of the company's operation, complexity of issues, the quality of the internal records of the company, the due diligence process and whether all requisite documents and approvals are available or have been obtained. In general, a very smooth project will take six to nine months to complete. Complex corporate restructuring, preparation of financial statement up to the required standard and application for special waivers would lengthen the listing timetable.

The following diagram summarizes the process for a listing application on GEM.

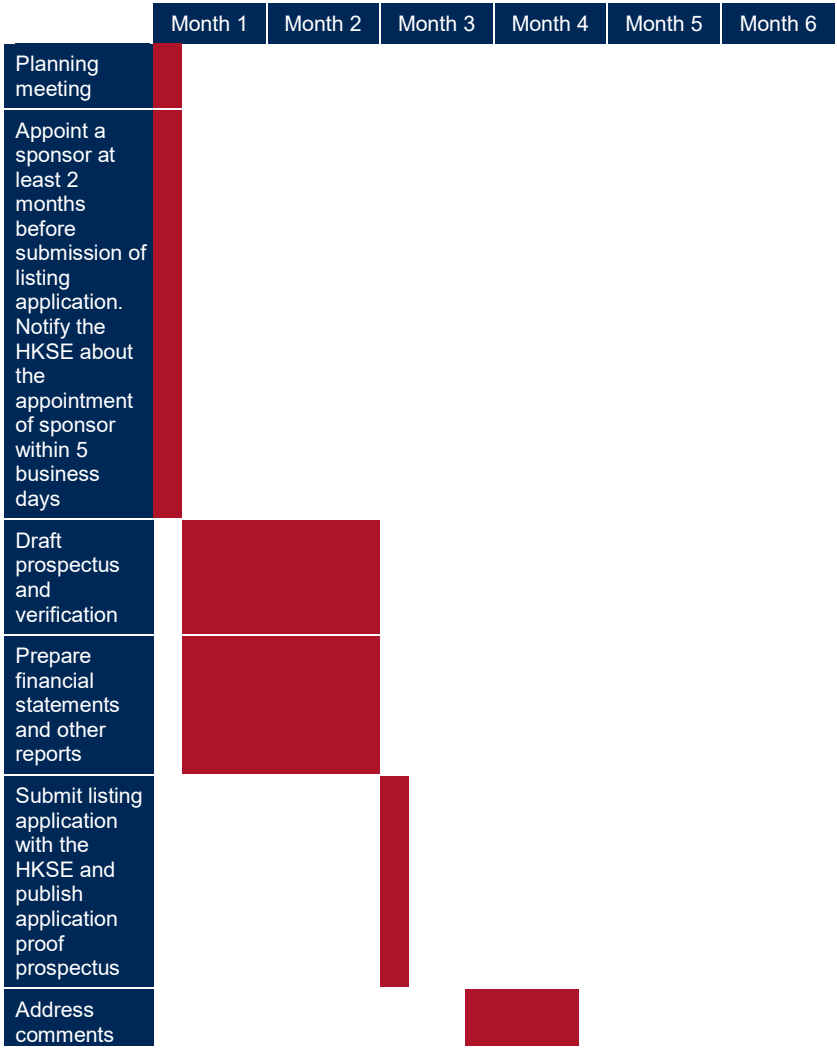
Note: "H" stands for the provisional date when the HKSE Listing Division meets to consider and discuss the listing application (commonly known as the "listing hearing"). The days indicated are clear business days (i.e. securities trading dates of the HKSE). All indications of dates are estimates.

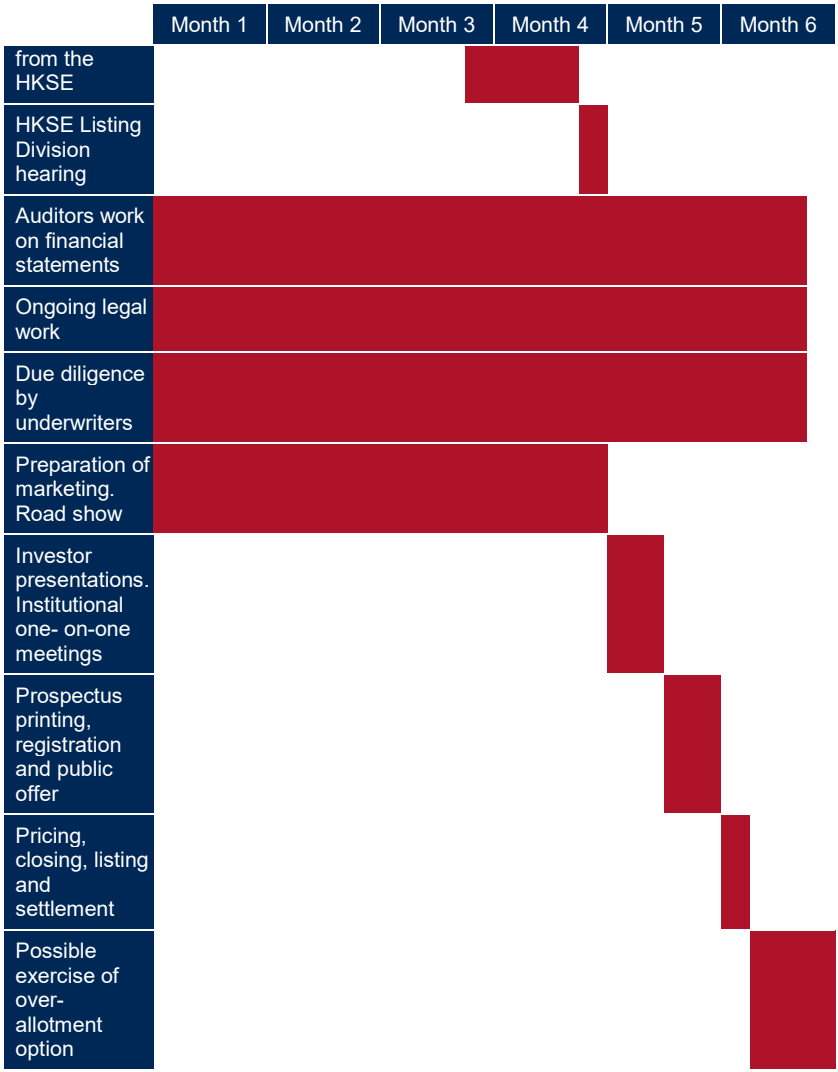
	Preparatory stage	• Kick-off meeting • Appoint sponsor and notify HKSE in writing within five business days of its appointment • Due diligence • Draft prospectus • Prepare financial statements • Prepare property valuation report and other reports (if required) • Obtain regulatory approval from local authorities (if required) • Restructuring • Verification
	↓	

H-40 (assuming that HKSE has two rounds of comments)	Submission of the Listing Application	• Submit the listing application (Form 5A)
		• Pay the initial listing fee
		• Submit required documents, including:
		  ○ application proof of the prospectus (including advance draft accounts)
		  ○ advance drafts of all requests for waivers from compliance with the requirements of the GEM Listing Rules, the Companies Ordinance, Companies (Winding up and Miscellaneous Provisions) Ordinance and the Securities and Futures Ordinance
		  ○ advance draft profit forecast memorandum and cash flow forecast memorandum
		  ○ advance draft working capital sufficiency confirmation
		• Publish application proof prospectus on the HKSE's website
		• Respond to several rounds of comments or questions

	↓	
H-4	Submit additional documents	• Submit hearing proof of prospectus and other required documents, including a legal opinion on articles of association • Respond to further comments or questions from the HKSE
	↓	
H	Listing hearing	• Approval in principle
	↓	
	Roadshow	• Issue pre-deal research reports • Issue "red-herring" offering circular and roadshow • Publish post hearing information pack on the HKSE's website
	↓	
	Prospectus bulk-print	
	↓	
	Prospectus registration with the Registrar of Companies in Hong Kong	Sign Hong Kong underwriting agreement
	↓	
	Issue of prospectus and formal notice	• Receive applications • Public offer opens • Public offer closes • Sign international underwriting agreement (if any) / Fix offer price • Issue final offering circular • Listing approval granted • Allotment of shares
	↓	
	Dealings in shares commence	

The documentation requirements described in this section are similar for foreign and domestic companies, with a few minor deviations. The following is a fairly typical timetable for a listing of company on GEM.




Month 1
Month 2
Month 3
Month 4
Month 5
Month 6
from the HKSE
HKSE Listing Division hearing
Auditors work on financial statements
Ongoing legal work
Due diligence by underwriters
Preparation of marketing. Road show
Investor presentations. Institutional one- on-one meetings
Prospectus printing, registration and public offer
Pricing, closing, listing and settlement
Possible exercise of over-allotment option

4. Continuing obligations and periodic reporting

Once a company is listed, it must publish its quarterly, interim and annual reports within a prescribed timeframe, contents and publication requirements as described below. In addition, the GEM Listing Rules prescribes other continuing disclosure requirements on listed companies, such as immediate disclosure of inside information, notifiable transactions and connected transactions. A new listed company has to consult its compliance adviser before publication of any regulatory announcement, circular or financial report in the first two financial years after listing. Except with prior approval of independent shareholders, a new listed company may not affect any fundamental change in its principal business activities in the first 12 months after listing.

Inside information. As one of the continuing disclosure requirements under the GEM Listing Rules and the SFO, a listed company is required to notify the public of any information that constitutes inside information.

Financial statements. The issuer *must* issue (i) annual financial results within three months after the date upon which the financial period ended; (ii) half-year interim results (for the first six months of each financial year) within 45 days after the end of such period; and (iii) quarterly interim results (for each of the first three and nine month periods of each financial year) within 45 days after the end of such period. Overseas issuers and PRC issuers are subject to additional disclosure requirements.

Annual financial statements must be audited by certified public accountants who are qualified under the Hong Kong Professional Accountants Ordinance for appointment as auditors of a company. Interim financial statements (half-year or quarterly) do not need to be audited but the issuer must state whether the interim report has been audited or not.

In addition to disclosing inside information and financial statements, the GEM Listing Rules impose other continuing disclosure obligations on listed companies such as changes of directors, notifiable transactions (which, in some cases, may not only require disclosure but will also require prior approval from shareholders) and corporate actions. Generally, announcements regarding acquisition, disposals, results of shareholders' meeting shall be published on the same day that relevant agreements are signed or on the same day on which shareholders' meeting was held. In any event, announcements shall be published no later than 30 minutes before the commencement of the morning trading session of the next business day. Certain types of announcements and circulars have to be vetted by HKSE before publication.

Market misconduct. In Hong Kong, market misconduct is governed by the SFO. The six forms of market misconduct comprise (i) insider dealing; (ii) false trading; (iii) price rigging; (iv) stock market manipulation; (v) disclosure of false or misleading information inducing transactions; and (vi) disclosure of information about prohibited transactions.

The SFO governs the Market Misconduct Tribunal (MMT), which has the power to impose civil sanctions for market misconduct activities. The SFO also contains a parallel criminal regime. There is, however, no "double jeopardy" under the two regimes. Under the civil regime, the MMT may make various orders, such as disqualifying an officer of a listed corporation for up to five years; prohibiting dealings in any securities, futures or leveraged foreign exchange contracts for up to five years; and disgorgement of the amount of any profit gained or loss avoided as a result of the market misconduct. The maximum criminal sanctions are 10 years' imprisonment and fines of HK$10 million (approximately US$1.28 million).

In addition, third party actions in the courts are permitted. A person who has "committed a relevant act in relation to market misconduct" is liable to pay compensation by way of damages to any other person

for any pecuniary loss sustained by the other person as a result of the market misconduct. The proceedings of the MMT are admissible in such cases.

The SFO also imposes a duty on a company's officers (including its directors) to take all reasonable measures to ensure that proper safeguards exist to prevent the company from committing any market misconduct. If the company is identified as having engaged in market misconduct, the MMT may impose sanctions on any of its officers (including its directors) so long as the misconduct is attributable, directly or indirectly, to a breach by that officer of the duty imposed on him to take the preventive measures.

5. Corporate governance

Listing Rules requirements

The GEM Listing Rules have a chapter and an appendix dedicated to corporate governance. In addition, various requirements relevant to corporate governance are contained throughout the GEM Listing Rules. There are three tiers of requirements:

Type A: Rules, which are the required standard of corporate governance mandatory for all companies, breaches of Listing Rules may lead to sanctions.

Type B: Code provisions ("comply or explain" requirements), which a company is expected to comply with, but may deviate from it if a company gives good reasons for its decision to deviate.

Type C: Recommended best practices, which a company is recommended to adopt, but a failure to adopt does not require explanation.

Type A regulations

The requirements which a company must comply with are relatively prescriptive. Examples include:

- Appointment of at least three independent non-executive directors (INED) and INEDs must represent at least one-third of the board. At least one of the INEDs must have appropriate professional qualifications or accounting or related financial management expertise.
- Professional qualification of a company secretary.
- Appointment of an audit committee and its composition.
- Appointment of a remuneration committee and its composition.
- Appointment of a compliance adviser.

Type B and Type C regulations

Type B and Type C regulations are mainly included in the Corporate Governance Code (CG Code). The CG Code consists of principles of good governance, most of which have their own set of more detailed provisions which amplify the principles. The principles deal with the board of directors and their committees; the role and responsibilities of chairman and chief executives; remuneration and evaluation of directors and senior management; appointment, re-election and removal of directors; directors' responsibility and delegation; accountability and audit; risk management and internal control; corporate governance; communication with shareholders; and company secretary.

Corporate governance report

All companies must include a corporate governance report in their annual report and a statement on corporate governance in their interim

report. The corporate governance report must include all the information required in the GEM Listing Rules, for example:

- The company should explain how it has applied the principles in the CG Code.
- If the company has adopted its own code that exceeds the requirements of the code provisions of the CG Code, it should draw attention to this fact.
- The company should include a statement as to whether it has deviated from the code provisions of the CG Code, and, if so, it must give considered reasons for that decision.

Environmental, Social and Governance (ESG) report

All companies must publish their ESG reports on an annual basis in accordance with the prescribed ESG guide set out in the GEM Listing Rules. ESG reports may be presented as information in the company's annual report or in a separate report. ESG report has to address two subject areas: environmental and social. Corporate governance is addressed separately in the CG Code.

Effective from the financial years commencing on or after 1 July 2020, all listed companies' ESG reporting obligation will be upgraded. The ESG report must be published within five months after the end of the financial year. Furthermore, each subject area sets out two levels of disclosure obligations: (a) mandatory disclosure requirements; and (b) "comply or explain" provisions. If a company deviates from the "comply or explain" provisions, it must give considered reasons in its ESG report.

6. Specific situations

Large companies. The financial criteria for companies with a large market capitalization are different from smaller companies. These differences include:

- Acceptance of a shorter trading record period of less than two financial years provided that the applicant has met the minimum cash flow requirement of HK$30 million (approximately US$3.85 million).

- Acceptance of a lower percentage of public float (between 15% and 25%) for issuers with an expected market capitalization of over HK$10 billion (approximately US$1.28 billion) at the time of listing, compared with the usual 25% as described in section 2 above.

Small companies. There are no additional requirements, or changes in the normal requirements, that apply to smaller companies listing on GEM.

Specific industries. Companies in certain industries are subject to modified listing and maintenance rules. For example, mineral companies, infrastructure companies and PRC companies have separate sections or chapters in the GEM Listing Rules which are dedicated to each of these types of companies. In addition, the HKSE may accept a shorter trading record period and/or may vary or waive the profit or other financial requirements for mineral companies or newly formed project companies (infrastructure projects).

HKSE has the discretion to determine whether a particular company is suitable for listing in Hong Kong. In general, an issuer whose assets consist wholly or substantially of cash or short-dated securities will not be regarded as suitable for listing, except where it is solely or mainly engaged in the securities brokerage business.

"Fast track" listings. The HKSE does not have a "fast track" or expedited listing procedure. However, for cases where all the

necessary information is already available, the listing process could be much shorter than usual.

7. Presence in the jurisdiction

Management presence for transfer of listing. An issuer applying for a transfer of listing from GEM to Main Board on the HKSE must meet all the qualifications for listing on the Main Board, including a sufficient management presence in Hong Kong. This will normally mean that at least two of its executive directors must be ordinarily residents in Hong Kong. However, the HKSE may grant a waiver from strict compliance with this requirement and will assess each waiver application on a case by case basis depending on the merits of the case.

Process agent. A foreign issuer must appoint and maintain throughout the period when its securities are listed on the HKSE, a process agent in Hong Kong to accept service of process and notices. This is a requirement under the GEM Listing Rules.

Authorized representative. A foreign issuer must appoint two authorized representatives as the principal channel of communication between the foreign issuer and HKSE. The representatives must be acceptable to HKSE but do not have to be residents in Hong Kong. The authorized representatives may also be the process agent referred to in the preceding paragraph.

Corporate records. It is a GEM Listing Rules requirement that only securities registered on a register kept in Hong Kong may be traded on GEM. A foreign issuer must keep a register of holders in Hong Kong for transfers to be registered locally.

In addition, any foreign issuer must be registered as a non-Hong Kong company under the Hong Kong Companies Ordinance. Therefore, a foreign issuer must file requisite records and documents with the Registrar of Companies in Hong Kong, such as the details of directors and company secretary.

8. Fees

Initial listing. The initial listing fee is determined by the following scale:

Monetary value of the equity securities to be listed		Initial listing fee	
In HK$ million	In US$ million (approx.)	In HK$	In US$ (approx.)
Not exceeding 100	Not exceeding 12.84	100,000	12,840
1,000	128.40	150,000	19,260
Over 1,000	Over 128.40	200,000	25,680

Ongoing fees. All domestic or foreign listed issuers must pay an annual listing fee in advance in one instalment by the following scale:

Nominal value of listed equity securities		Annual listing fee	
In HK$ million	In US$ million (approx.)	In HK$	In US$ (approx.)
Not exceeding 100	Not exceeding 12.84	100,000	12,840
2,000	256.80	150,000	19,260
Over 2,000	Over 256.80	200,000	25,680

Where an issuer has shares which have a nominal value of less than HK$0.25 (approximately US$0.03), then for the purpose of calculating the annual listing fee, the nominal value of each share shall be deemed to be HK$0.25 (approximately US$0.03).

9. Additional information

All materials to be distributed to shareholders must be in both English and Chinese, unless the GEM Listing Rules specify otherwise.

Materials to be submitted to HKSE or other regulatory authorities can only be in English. A certified English translation must be provided if the documents are not in English.

There are many issues a foreign company should examine when considering a listing. Whether the foreign company is already listed on any stock exchange or not, when considering a listing on HKSE, the issuer, its directors and senior management should familiarize themselves with the continuing compliance obligations imposed by HKSE and other relevant Hong Kong securities laws and regulations, such as the Codes on Takeovers and Mergers and Share Buy-backs.

Key differences in requirements for domestic companies

Listing requirements for domestic companies are generally the same as those for foreign companies. Certain foreign companies are, however, subject to the HKSE's case by case assessment for suitability to list in Hong Kong.

10. Contacts within Baker McKenzie

Ivy Wong in the Hong Kong office and Jackie Lo and Wang Hang in the Beijing office are the most appropriate contacts within Baker McKenzie for inquiries about prospective listings on the HKSE.

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Hong Kong Stock Exchange (Main Board)

Initial financial listing requirements

To qualify for listing on the Main Board of the HKSE, a company must have a trading record of not less than three financial years and meet at least one of the following three financial criteria at the time of listing:

Profit test	Market capitalization of at least HK$500 million (approx. US$64.20 million). Profit attributable to shareholders of at least HK$50 million (approx. US$6.42 million) in the last three financial years, with profits of at least HK$20 million (approx. US$2.57 million) recorded in the most recent year and aggregate profits of at least HK$30 million (approx. US$3.85 million) recorded in the two years before that.
Market capitalization/ revenue test	Market capitalization of at least HK$4 billion (approx. US$642.00 million). Revenue of at least HK$500 million (approx. US$64.20 million) for the most recent audited financial year.
Market capitalization/ revenue/cash flow test	Market capitalization of at least HK$2 billion (approx. US$257.80 million). Revenue of at least HK$500 million (approx. US$64.20 million) for the most recent audited financial year. Positive cash flow from operating activities of at least HK$100 million (approx. US$12.84 million) in aggregate for the three preceding financial years.

In addition, a company must have available sufficient working capital for the group's present requirements, for at least the next 12 months from the date of the prospectus.

Other initial listing requirements

Share price. The HKSE does not require a minimum trading price.

Distribution. To list its securities, a company must have:

- At all times, at least 25% of its total issued share capital held by the public.
- At the time of listing, at least 300 shareholders.

Accounting standards. Audited financial statements must be prepared in compliance with HKFRS, IFRS or, for a PRC issuer, CASBE.

Financial statements. The listing document must generally include three years' audited financial statements and, if the latest financial year ended more than six months before the date of the listing document, and an audited interim (or stub) set of accounts for part of the current financial year.

Operating history and ownership. A trading record of at least three financial years, with:

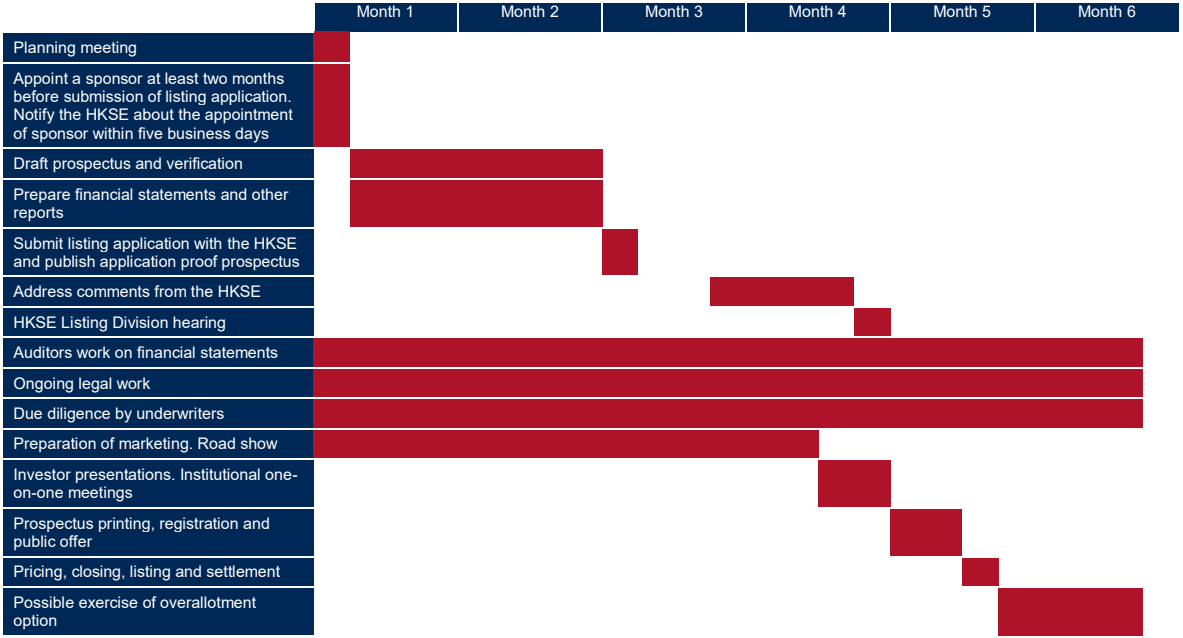
- Management continuity for at least the three preceding financial years.
- Ownership continuity and control for at least the most recent audited financial year.

Other markets. The HKSE also offers listings on GEM (formerly known as the Growth Enterprise Market), which has less stringent listing requirements. Information about GEM can be found in another chapter of this handbook.

Note: Companies in certain industries are subject to modified listing and ongoing compliance rules. For example, pre-revenue biotech companies, innovative companies with weighted voting rights (WVR) structures, mineral companies, overseas companies, PRC companies and investment companies have separate chapters in the Main Board Listing Rules which are dedicated to each of these types of companies. In addition, the HKSE may accept a shorter trading record period and/or may vary or waive the profit or other financial requirements for mineral companies, newly formed project companies (for example, a company formed to construct a major infrastructure project) and biotech companies.

Listing process

The HKSE will review the prospectus, application forms and relevant announcements. The following is a fairly typical process and timetable for a listing of a company on the HKSE via an underwritten public offering in Hong Kong.



Corporate governance and reporting

Requirements for public companies include:

- Appointment of a prescribed number of independent non-executive directors.
- Professional qualification of a company secretary.
- Audit committee and its composition.
- Remuneration committee and its composition.
- Appointment of a compliance adviser.

A listed company has continuing disclosure and reporting obligations under the Hong Kong Listing Rules and Securities and Futures Ordinance.

A listing applicant must have a sufficient management presence in Hong Kong, which normally means that at least two of its executive directors must be ordinarily resident in Hong Kong. However, the HKSE may grant a waiver from strict compliance with this requirement. Each waiver application will be considered on a case-by-case basis depending on the merits of the case.

Fees

A company seeking to list must pay both initial listing fees and annual fees. The initial listing fee ranges from HK$150,000 (approx. US$19,260) to HK$650,000 (approx. US$83,460). Additional shares listed subsequently will require additional payments. The annual fee ranges from HK$145,000 (approx. US$18,620) to HK$1,188,000 (approx. US$152,540), depending on the nominal value of shares listed.

1. Overview of exchange

The Stock Exchange of Hong Kong Limited (commonly referred to as SEHK or HKSE) is recognized worldwide as a premier securities exchange with access to abundant local and overseas funds and free flow of both capital and information. The HKSE has a long-standing reputation as one of the most popular destinations for capital-raising among major financial markets.

With Hong Kong's close ties to Mainland China and other Asian economies, the HKSE is strategically placed to serve as an ideal platform for issuers to achieve exposure to the rapidly growing Mainland Chinese and other Asian markets. In addition, Hong Kong has a well-established legal system based on English common law, which provides companies with a strong and attractive foundation for capital raising and reinforces confidence for investors. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Listing Rules) are comparable to international standards and demand from issuers a high level of corporate governance and transparency. Over the years, the Hong Kong government and regulators have sought ways to expand, diversify and internationalize the stock market by attracting more foreign companies of good quality to list in Hong Kong.

There are two boards on the HKSE where issuers may list their securities:

- The Main Board is a market for companies that meet the profit or other financial criteria of the HKSE. Companies can list either shares or depositary receipts, as a primary or secondary listing, on the Main Board.
- The second board is the GEM (formerly known as the Growth Enterprise Market), which is a stand-alone market for small and mid-sized companies.

The HKSE does not specialize in, or encourage listings by, any particular type of company, but instead encourages any company that meets its listing requirements to list in Hong Kong.

On 30 April 2018, the HKSE implemented the new listing regime to attract innovative companies with weighted voting rights (WVR) structures and pre-revenue biotech companies to list in Hong Kong, which is considered to be one of the most important regulatory changes in Hong Kong since the first H-share listing in 1993. As of 31 December 2019, there were three innovative companies with WVR structures and 14 pre-revenue biotech companies listed on the Main Board.

As of 31 December 2019, the aggregate market capitalization of the securities listed on the Main Board and GEM was HK$38,165 billion (approximately US$4,900.39 billion), representing a 27.6% increase from HK$29,909 billion (approximately US$3,840.32 billion) as of 31 December 2018. The Main Board's market capitalization was HK$38,058 billion (approximately US$4,886.65 billion), representing a 28% increase from HK$29,723 billion (approximately US$3,816.43 billion) as of 31 December 2018.

As at 31 December 2019, the average daily trading turnover for Main Board and GEM was HK$87.16 billion (approximately US$11.19 billion), representing a 18.9% decrease from HK$107.41 billion (approximately US$13.79 billion) in 2018.

As at 31 December 2019, there was a total of 2,449 companies listed on the HKSE (December 2018: 2,315), of which 2,071 companies are listed on Main Board (December 2018: 1,926). That marks a slight increase of 5.8% in the total number of listed companies on the HKSE. In 2019, the Main Board had 161 new listings (2018:143), representing an increase of 12.6%.

As at 31 December 2019, the Main Board and GEM had a total of 1,241 Mainland enterprises (December 2018: 1146 (including H Share companies, Red Chip companies and Mainland private enterprises)

and 1,208 domestic and foreign companies (December 2018: 1,169). In both 2018 and 2019, Mainland enterprises constituted approximately 50% of the total number of listed companies on the HKSE. In term of market capitalization, Mainland enterprises constituted 73% in 2019 and 68% in 2018, representing an increase of 32%. It is not feasible to differentiate meaningfully between domestic and foreign companies listed on the HKSE because many domestic companies restructure themselves before listing and use foreign holding companies as their listing vehicles (for example, investment holding companies incorporated in offshore tax havens like Cayman Islands, British Virgin Islands or Bermuda).

For the avoidance of doubt, H-Share companies are enterprises incorporated in Mainland China and controlled by either Mainland Chinese Government entities or Mainland Chinese individuals. Red Chip companies are enterprises incorporated outside Mainland China and controlled by Mainland Chinese Government entities. Mainland private enterprises are companies incorporated outside Mainland China and controlled by Mainland Chinese individuals.

As at 31 December 2019, the Main Board and GEM raised IPO equity funds of approximately HK$312.89 billion (approximately US$40.18 billion) (as of 31 December 2018: HK$288.01 billion (approximately US$36.98 billion), representing an increase of 8.6%.

In Hong Kong, two main regulators are involved in any proposed listing on the HKSE and post-listing compliance matters. They are the HKSE and the Securities and Futures Commission (SFC). The HKSE takes the leading role in regulating companies seeking a listing in Hong Kong and supervising their post-listing compliance requirements. The SFC performs a leading role in market regulation and certain areas of listing regulation.

Hong Kong operates a dual filing regime. The HKSE is responsible for the day-to-day administration of all listing-related matters, while the SFC supervises and monitors the HKSE in its listing-related functions and responsibilities. As such, disclosure documents are

required to be filed with both the HKSE and the SFC. The HKSE is the frontline regulator and the primary point of contact for listed companies. The HKSE passes information and materials submitted by listing applicants and listed companies to the SFC. The SFC may exercise its statutory powers to investigate persons who knowingly or recklessly provide false or misleading information in its statutory filing with the SFC under the dual filing system.

During a listing process, the Listing Division of the HKSE is the primary point of contact for listing applicants and their advisers. The Listing Division vets materials submitted by listing applicants for compliance with the Main Board Listing Rules and prospectus requirements under the Hong Kong Companies (Winding up and Miscellaneous Provisions) Ordinance, and Securities and Futures Ordinance (SFO). The Listing Committee/Division of the HKSE will determine (subject to an established review procedure) whether a listing applicant may or may not list on the HKSE. The SFC does not actively participate in the listing approval process, but, if it appears to the SFC that the disclosure materials of a listing applicant contain false or misleading information or the applicant is otherwise unsuitable to list in Hong Kong, the SFC can object to a listing. The SFC has taken a front-loaded approach to identify risks and take pre-emptive measures to regulate the stock market.

Primary and secondary listing on the Main Board

For companies in conventional industry sectors, the HKSE has one set of listing requirements which apply to both primary and secondary listings and both foreign and domestic companies. The HKSE has set out additional requirements, modifications and exceptions which apply to an overseas issuer whose primary listing is or is to be on another stock exchange. An overseas company can opt for a dual-primary listing where it is subject to both full requirements in Hong Kong and those of another jurisdiction.

Alternatively, an overseas company can apply for a secondary listing on the Main Board if it already has a primary listing on another stock

exchange or it is unlisted and is applying to list simultaneously in multiple jurisdictions, which include a secondary listing in Hong Kong. A secondary listed company will principally be regulated by the rules and authorities of the jurisdiction where it is primary listed. For this reason, the HKSE would consider granting extensive automatic waivers and common waivers from the Main Board Listing Rules if the applicant is listed on a stock exchange recognized by the HKSE and the SFC as having a strong reputation for requiring high shareholder protection and corporate governance standards. Generally, an applicant eligible for extensive waiver is a large company with a large market capitalization and a long track record of clean regulatory compliance on its primary market.

According to the joint policy statement issued by the SFC and the SEHK (updated in April 2018), the HKSE is likely to grant extensive waivers from the Main Board Listing Rules to secondary listing applicants who have a primary listing on the main market of one of the following stock exchanges:

- The Amsterdam Stock Exchange (Euronext Amsterdam).
- The Australian Securities Exchange (ASX).
- The São Paulo Stock, Commodities and Futures Exchange (B3 S.A. - Brasil, Bolsa, Balcão).
- The Frankfurt Stock Exchange (Deutsche Börse).
- The Italian Stock Exchange (Borsa Italiana).
- The London Stock Exchange (LSE).
- The Madrid Stock Exchange (Bolsa de Madrid).
- Nasdaq.
- The New York Stock Exchange.
- The Paris Stock Exchange (Euronext Paris).

- The Singapore Exchange (SGX).
- The Stockholm Stock Exchange (Nasdaq Stockholm).
- The Swiss Exchange (SIX Swiss Exchange).
- The Tokyo Stock Exchange (JPX).
- The Toronto Stock Exchange (TSX).

Provided that the applicant has not received waivers from or is exempt from the rules, regulations or legislation that generally apply to entities listed on such primary markets.

For a qualified innovative company that is already listed on Nasdaq, the New York Stock Exchange or the Main Market of the London Stock Exchange, whether for Greater China or international companies, it can seek a concessionary secondary listing under the Main Board Listing Rules Chapter 19C that provides more relaxed rules and requirements relating to WVRs, and variable interest entity structures that allow companies to indirectly own or control their business subject to foreign ownership restrictions.

Spin-off listing

Companies listed on the HKSE may apply for a separate listing of their existing businesses and assets if the spin-off entity satisfies all listing criteria and other factors such as the ability of the spin-off entity to operate independently of its parent and the level of competition between the applicant's and its parent's business.

Stock connect

Stock Connect, the mutual market access program that links the stock markets in China (Shanghai Stock Exchange (SSE) and Shenzhen Stock Exchange (SZSE)) and Hong Kong, celebrated its fifth anniversary in November 2019. Since its launch, Stock Connect has seen sustained volume growth in both Northbound trading (trading of SSE securities or SZSE securities by Hong Kong and overseas

investors) and Southbound trading (trading of SEHK securities by Mainland Chinese investors) to meet rising global investor demand. The total value of shares held through Stock Connect is at an all-time high, with growing participation from both Mainland Chinese and international investors. On 28 October 2019, the first two eligible Hong Kong-listed companies with WVR structures were successfully included in Southbound trading.

2. Principal listing and maintenance requirements and procedures

A listing applicant must meet the basic requirements to qualify for a listing on the Main Board. The HKSE may grant waivers from strict compliance with the requirements, and it assesses each waiver application on a case by case basis depending on the merits of each case. The HKSE has additional listing and disclosure requirements for innovative companies with WVR structures, pre-revenue biotech companies, infrastructure companies, mineral companies, investment companies, overseas companies and People's Republic of China (PRC) companies.

In general, an applicant whose assets consist wholly or substantially of cash and/or short-dated investments will not normally be regarded as suitable for listing, except when the cash and short-term investments are held by a member of the issuer's group that is a banking company, an insurance company or a securities house.

Acceptable Overseas Jurisdictions. Where a listing applicant is not incorporated in Hong Kong or in a jurisdiction other than one of the recognized jurisdictions, its suitability to list in Hong Kong will be assessed by the HKSE on a case by case basis. A listing applicant must demonstrate that it is subject to appropriate standards of shareholder protection, which are at least equivalent to those required under Hong Kong law or one of the acceptable jurisdictions. In addition, when considering protections available to shareholders in overseas jurisdictions, the regulators would consider the practicality of enforcement actions.

Overseas jurisdictions that HKSE has formally ruled to be acceptable include Austria, Australia, Brazil, Bermuda, British Virgin Islands, Canada (Alberta, British Columbia or Ontario), Cayman Islands, Cyprus, England and Wales, France, Germany, Guernsey, India, Isle of Man, Israel, Italy, Japan, Jersey, Labuan, Luxembourg, PRC, Republic of Korea, Russia, Singapore and United States of America (California, Delaware or Nevada). The HKSE has published a country guide for each acceptable overseas jurisdiction setting out a comprehensive guide on (i) how overseas companies can meet the requirement for equivalent shareholder protection standards in the Main Board Listing Rules and (ii) the experience of listing new applicants from the same jurisdiction (if applicable).

Financial requirements. A Main Board applicant must have a trading record of not less than three financial years and meet one of the following three financial criteria:

	Profits test	Market capitalization/revenue test	Market capitalization/ revenue/cash flow test
Profit attributable to shareholders	At least HK$50 million (approx. US$6.42 million) in the last three financial years, with profits of at least HK$20 million (approx. US$2.57 million) recorded in the most recent year and aggregate profits of at least HK$30 million (approx. US$3.85 million) recorded in the two years before that.	—	—
Market capitalization at the time of listing	At least HK$500 million (approx. US$64.20 million)	At least HK$4 billion (approx. US$513.60 million)	At least HK$2 billion (approx. US$256.80 million)

	Profits test	Market capitalization/revenue test	Market capitalization/ revenue/cash flow test
Revenue	—	At least HK$500 million (approx. US$64.20 million) for the most recent audited financial year	At least HK$500 million (approx. US$64.20 million) for the most recent audited financial year
Cash flow	—	—	Positive cash flow from operating activities of at least HK$100 million (approx. US$12.84 million) in aggregate for the three preceding financial years

An innovative company with WVR structure is required to have a minimum market capitalization of HK$40 billion (approx. US$5.14 billion), or alternatively, a minimum market capitalization of HK$10 billion (approx. US$1.28 billion) and a minimum revenue of HK$1 billion (approx. US$128.40 million) for the most recent audited financial year. A pre-revenue biotech company must have an initial market capitalization of at least HK$1.5 billion (approx. US$192.60 million).

A listing applicant must be satisfied, after due and careful inquiry, that it has available sufficient working capital for the group's present requirements, for at least the next 12 months from the date of the prospectus. In the case of a mineral company or a pre-revenue biotech company, it must have available working capital to meet 125% of the group's working capital needs for at least 12 months from the date of the prospectus. A mineral company is defined as a new applicant whose major activity is the exploration for and/or extraction of natural resources (that is, mineral and/or petroleum). Major activity means activity which represents 25% or more of the total assets, revenue or

operating expenses of the applicant's group with reference to its latest audited consolidated financial statements.

After the initial listing, a company is not required to meet similar ongoing financial requirements in order to maintain its listing.

Operating history and management. A Main Board listing applicant must have a trading record of at least three financial years, with:

- Management continuity for at least the three preceding financial years.
- Ownership continuity and control for at least the most recent audited financial year.

The track record period for a pre-revenue biotech company is modified to two financial years with management continuity for at least two financial years. Ownership continuity remains 12 months prior to the date of the listing application.

Under the market capitalization/revenue test, the HKSE may accept a shorter trading record period under substantially the same management if the new applicant can demonstrate that: (i) its directors and management have sufficient and satisfactory experience of at least three years in the line of business and industry of the new applicant; and (ii) management continuity for the most recent audited financial year.

At the time of listing, there must be a minimum of 300 shareholders. In addition, not more than 50% of the shares in public hands at the time of listing can be beneficially owned by the three largest public shareholders.

There are no ownership requirements with respect to holders of a particular nationality.

Minimum public float. At least 25% of the listing applicant's total issued share capital must at all times be held by the public, subject to a

minimum market capitalization of HK$125 million (approximately US$16.05 million) at the time of listing. However, for listing applicant with an expected market capitalization of over HK$10 billion (approximately US$1.28 billion) at the time of listing, the HKSE may accept a lower percentage of between 15% and 25%. This minimum public float must be maintained at all times after listing. For example, a corporate issuer with a large market capitalization at the time of listing might obtain a waiver from strict compliance with the normal public float requirement.

Lock-up requirements. The Main Board Listing Rules provide that any controlling shareholder(s) (holding 30% or more of the issued share capital of an issuer) must not, from the prospectus date until six months after dealings commence on the HKSE, in any way dispose of any of its interest in the issuer (including shares, options, rights or encumbrances). In addition, for a further six months, a controlling shareholder cannot dispose of any of its interest in the issuer so that it will cease to be controlling shareholder.

These restrictions do not apply to:

- Any offer for sale contained in the prospectus.
- Any additional securities purchased by the controlling shareholder(s) during the relevant period, subject to the requirements to maintain an open market in the securities and a sufficient public float.
- Any stock lending arrangement to facilitate settlement of over-allocations.
- Using the securities as security in favor of an authorized institution for a bona fide commercial loan.

Corporate governance. The Main Board Listing Rules have various chapters dedicated to corporate governance issues. These cover various topics, including notifiable transactions, connected transactions, board composition and committee structure, review by

auditors and retention of external compliance advisers. See Section 5 below for further information.

Board and executive management requirements. Each issuer must appoint at least three independent non-executive directors (INED), which represents at least one-third of the board before listing and at least one INED who has appropriate accounting or professional qualification.

Sponsor and interviews. Each listing applicant must appoint at least one independent sponsor to assist with its listing application. A sponsor must be licensed or registered under applicable laws to advise on corporate finance matters. A sponsor is not independent if, for instance, the sponsor group holds, directly or indirectly, more than 5% of the issued share capital of the new applicant, except where the holding arises as a result of an underwriting obligation.

Minimum trading price. The HKSE does not impose any requirement for listed companies to have or maintain a minimum trading price for their securities.

Currency. Eligible securities must be traded and settled in Hong Kong dollars, Renminbi or US dollars, even though they may be denominated in other currencies.

Clearing of trades. All new equity securities to be listed on the HKSE are required to be admitted on their first listing or trading date to the Central Clearing and Settlement System (CCASS) operated by Hong Kong Securities Clearing Company Limited (HKSCC). CCASS is a securities settlement system used within the HKSE market system. It is not a mandatory requirement to deposit the shares in CCASS, but all on-market transactions will be settled through CCASS. Securities deposited in CCASS will be registered in the name of HKSCC Nominee Limited.

Compliance adviser and company secretary. A newly listed issuer must appoint a compliance adviser from listing until the date on which

the issuer complies with the relevant Main Board Listing Rules in respect of its financial results for the first full financial year commencing after the date of its initial listing. Under the Main Board Listing Rules, the compliance adviser must be a corporation or authorized financial institution licensed or registered to carry on Type 6 regulated activities (advising on corporate finance) under the SFO. After the prescribed period, the HKSE has the discretion to direct a listed issuer to appoint a compliance adviser to undertake such role for such period in specific circumstances if a listed issuer has breached the Main Board Listing Rules consistently.

An issuer must appoint a company secretary who possesses academic or professional qualifications or relevant experience capable of discharging the functions of company secretary.

Sophisticated investors and meaningful investment. For innovative companies with WVR structures and pre-revenue biotech companies, there are additional requirements for sophisticated investors and meaningful investment. Sophisticated investors for innovative companies are assessed based on factors that include net assets, assets under management, relevant investment experience and such investors' knowledge and expertise in the relevant field. Examples of sophisticated investors for pre-revenue biotech companies include dedicated healthcare funds, major healthcare companies and investors with minimum assets under management of HK$1 billion (approximately US$128.40 million), and there is also indicative benchmark investment (that ranges from 1% to 5% or more of the issued share capital of the issuer upon listing) for different amounts of market capitalization of pre-revenue biotech issuers.

3. Listing documentation and process

Primary listings. In cases where the Main Board is the primary location where the listing applicant's securities will be traded and it is raising funds in the listing process, the applicant must provide to investors a prospectus, application forms and relevant announcements and circulars. These documents must also be submitted to the Hong

Kong regulators as part of the listing process. In addition, accountants' reports, financial information for a stub period, a property valuation report (if applicable) additional technical valuation reports, application for exemptions (if application) and legal opinions have to be submitted to the regulators.

Secondary listings. In cases where the listing applicant's securities are already traded on another exchange, subject to very minor differences, the Main Board Listing Rules requirements are the same as those for a primary listing. In particular, the listing process and documentary requirements are very similar. Please feel free to contact us for the specific details.

Prospectus contents. The mandatory content requirements of a prospectus are set out in the Hong Kong Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Main Board Listing Rules and the Securities and Futures (Stock Market Listing) Rules. The main disclosure requirements include:

- General nature of the business of the issuer.
- Current and historical shareholding and capital structure of the issuer, and details of the substantial shareholder(s) of the issuer.
- Risk factors.
- Waivers and exemptions from compliance with the Listing Rules.
- Information about the listing.
- Relationship with controlling shareholders.
- Accountants' report for three financial years prior to the date of the prospectus.
- Property valuation report, if applicable.
- Summary of all material contracts entered into by the issuer group during the track record period.

- Summary of the constitutional documents of the issuer.
- Indebtedness of the issuer group.
- Use of proceeds.
- Details of the directors of the issuer and parties involved in the offering.
- If the issuer is a mining or exploration company, a valuation report of the resources.

Financial statements. At the time of initial listing, the prospectus must include an accountants' report which reports on the last three financial years' results and, if the latest financial year ended more than six months before the date of the prospectus, then, in addition, an audited interim (or stub) set of accounts for part of the current financial year.

For primary and secondary listings of all issuers, financial statements must be prepared in accordance with any one of:

- The Hong Kong Financial Reporting Standards (HKFRS).
- International Financial Reporting Standards (IFRS).
- For PRC issuers only, China Accounting Standards for Business Enterprises (CASBE).

For secondary listings of foreign issuers (in this case meaning an overseas-listed issuer which is not seeking a dual-primary listing status on the overseas exchange and the HKSE), in addition to HKFRS, IFRS and CASBE, the HKSE also accepts the generally accepted accounting principles in the United States of America (US GAAP).

The HKSE has in previous cases granted waivers from strict compliance with these accounting standard requirements for primary and secondary listings. In addition to US GAAP, the generally

accepted accounting principles in Singapore, the United Kingdom, Australia, Canada and Japan have been accepted previously.

Typical process and timetable for a listing of a foreign company

The length of time required to list a company from the kick-off meeting to the actual listing depends on many factors such as the size of the company's operation, complexity of issues, the quality of the internal records of the company, the due diligence process and whether all requisite documents and approvals are available or have been obtained. In general, a very smooth project will take six to nine months to complete. Complex corporate restructuring, preparation of financial statements up to the required standard and application for special waivers would lengthen the listing timetable.

The following diagram summarizes the process for a listing application on the Main Board.

Note: "H" stands for the provisional date when the HKSE Listing Division meets to consider and discuss the listing application (commonly known as the "listing hearing"). The days indicated are clear business days (that is, days on which securities are traded on the HKSE). All indications of dates are estimates.

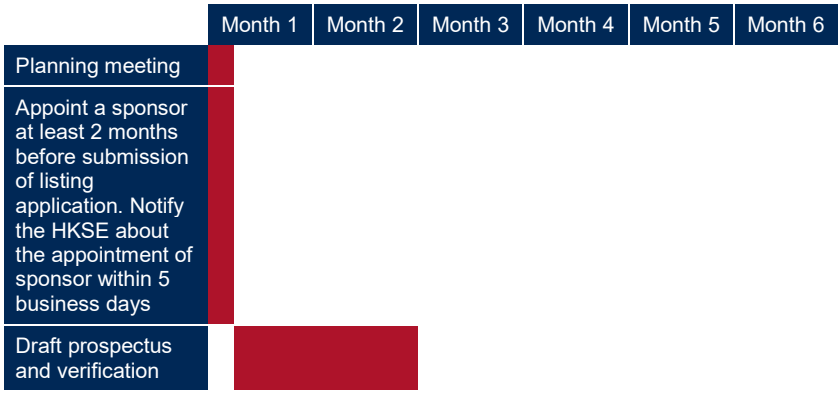
	Preparatory stage	• Kick-off meeting • Appoint sponsor at least 2 months before submission of an application and notify HKSE in writing within five business days of its appointment • Due diligence • Draft prospectus • Prepare financial statements • Prepare property valuation report and other reports (if required) • Obtain regulatory approval from local authorities (if required) • Restructuring • Verification

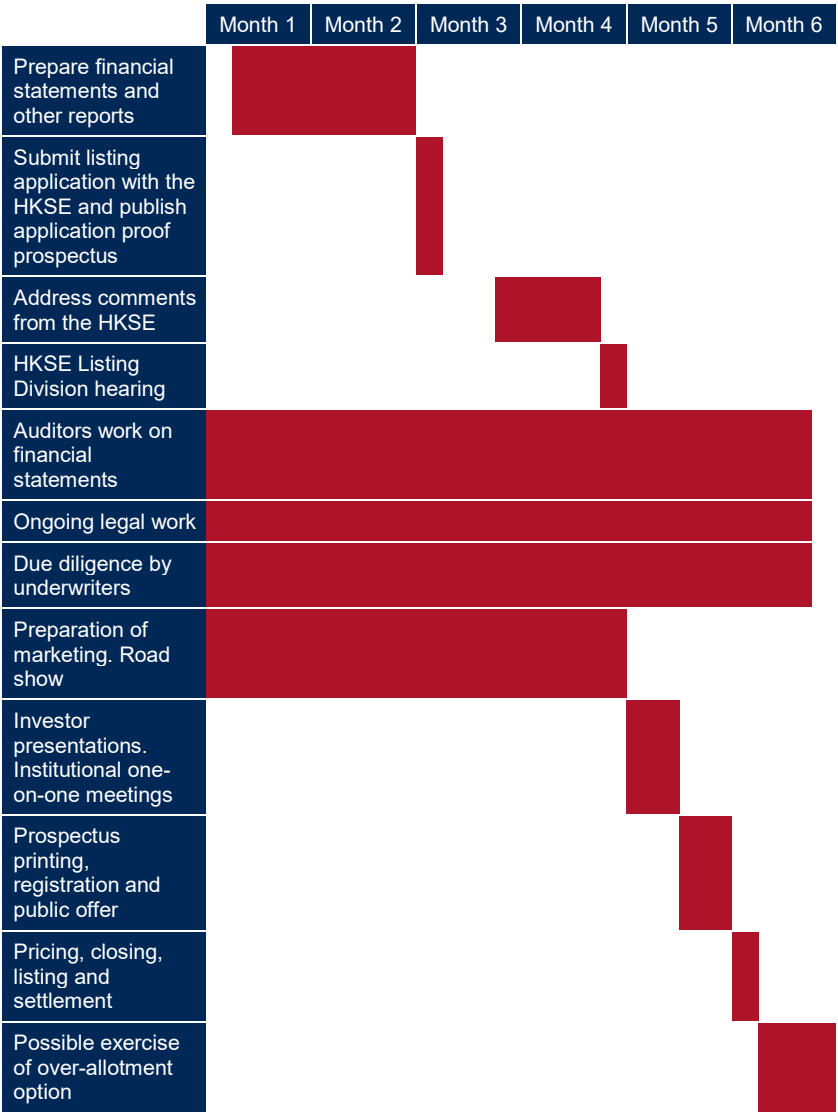
H-40 (assuming that HKSE has two rounds of comments)	Application for listing	• Submit the listing application (Form A1)
		• Pay the initial listing fee
		• Submit required documents, including:
		  ○ application proof of the prospectus (including advance draft accounts)
		  ○ advance drafts of all requests for waivers from compliance with the requirements of the Main Board Listing Rules, the Companies Ordinance, Companies (Winding up and Miscellaneous Provisions) Ordinance and the Securities and Futures Ordinance
		  ○ advance draft profit forecast memorandum and cash flow forecast memorandum
		  ○ advance draft working capital sufficiency confirmation
		• Publish application proof prospectus on the HKSE's website
		• Respond to several rounds of comments or questions from the HKSE

	↓	
H-4	Submit additional documents to the HKSE	• Submit hearing proof of prospectus and other required documents, including a legal opinion on articles of association • Respond to further comments or questions from the HKSE
	↓	
H	Listing hearing	• Approval in principle
	↓	
	Roadshow	• Issue pre-deal research reports • Issue "red-herring" offering circular and roadshow • Publish post hearing information pack on the HKSE's website
	↓	
	Prospectus bulk-print	
	↓	

	Prospectus registration with the Registrar of Companies in Hong Kong	Sign Hong Kong underwriting agreement
	↓	
	Issue of prospectus and formal notice	• Receive applications • Public offer opens • Public offer closes • Sign international underwriting agreement (if any) / Fix offer price • Issue final offering circular • Listing approval granted • Allotment of shares
	↓	
	Dealings in shares commence	

The documentation requirements described in this section are similar for foreign and domestic companies, with a few minor deviations. The following is a fairly typical timetable for a listing of a company on the Main Board.




Month 1
Month 2
Month 3
Month 4
Month 5
Month 6
Prepare financial statements and other reports
Submit listing application with the HKSE and publish application proof prospectus
Address comments from the HKSE
HKSE Listing Division hearing
Auditors work on financial statements
Ongoing legal work
Due diligence by underwriters
Preparation of marketing. Road show
Investor presentations. Institutional one-on-one meetings
Prospectus printing, registration and public offer
Pricing, closing, listing and settlement
Possible exercise of over-allotment option

4. Continuing obligations and periodic reporting

Once a company is listed, it must publish its interim and annual accounts within a prescribed timeframe, and follow the content and publication requirements set out in the Main Board Listing Rules. In addition, the Main Board Listing Rules prescribe other continuing disclosure requirements on listed companies, such as immediate disclosure of inside information, notifiable transactions and connected transactions. In the first financial year after listing, a newly listed company must consult its compliance adviser (i) before publication of any regulatory announcement, circular or financial report; (ii) when it is contemplating a notifiable or connected transaction; (iii) when it is proposing to use the proceeds of the initial public offering in a manner different from that detailed in the prospectus or where the business activities, developments or results of the issuer deviate from any forecast, estimate, or other information in the prospectus.

A listed issuer may not affect any transaction or arrangement which would result in a fundamental change in its principal business activities as described in the prospectus.

While all of these provisions apply to foreign issuers, the HKSE may be prepared to agree to such modifications as it considers appropriate in secondary listings. Conversely, the HKSE may impose additional requirements to ensure that investors have the same level of shareholder protection as that offered in Hong Kong.

Inside information. As one of the continuing disclosure requirements under the Main Board Listing Rules and the SFO, a listed company has a general obligation to disclose price sensitive or inside information to the public. Inside information means specific information about the company, its shareholders or officers or its shares/derivatives that is not generally known to the persons who are accustomed to deal in the shares of the company, which, if known to them would likely materially affect the price of the listed shares. The obligations to disclose inside information depend upon the facts of each case.

Financial statements. The issuer must issue (i) annual financial results within four months after the end of the financial period; and (ii) half-year interim results (for the first 6 months of each financial year) within three months after the end of that six months period.

Annual financial statements must be audited by certified public accountants who are qualified under the Hong Kong Professional Accountants Ordinance for appointment as auditors of a company. Interim financial statements (half-year or quarterly) do not need to be audited but they must be "reviewed" by the auditors. The HKSE has in previous cases granted waivers from strict compliance with the requirement that the auditors must be qualified under the Hong Kong Professional Accountants Ordinance. One example was when Singaporean auditors were permitted to act as a listed company's auditors after listing.

In addition to disclosing inside information and financial statements, the Main Board Listing Rules impose other continuing disclosure obligations on listed companies such as changes of directors, notifiable transactions (which, in some cases, may not only require disclosure but will also require prior approval from shareholders) and corporate actions. Generally, announcements regarding acquisitions, disposals and results of shareholders' meeting must be published on the same day that the relevant agreements are signed or on the same day on which the shareholders' meeting was held. In any event, announcements must be published no later than 30 minutes before the commencement of the morning trading session of the next business day. Certain types of announcements and circulars have to be vetted by the HKSE before publication.

Market misconduct. In Hong Kong, market misconduct is governed by the SFO. The six forms of market misconduct comprise:

- Insider dealing.
- False trading.

- Price rigging.
- Stock market manipulation.
- Disclosure of false or misleading information inducing transactions.
- Disclosure of information about prohibited transactions.

The SFO governs the Market Misconduct Tribunal (MMT), which has the power to impose civil sanctions for market misconduct activities. The SFO also contains a parallel criminal regime. There is, however, no "double jeopardy" under the two regimes. Under the civil regime, the MMT may make various orders, such as:

- Disqualifying an officer of a listed corporation for up to five years.
- Prohibiting dealings in any securities, futures or leveraged foreign exchange contracts for up to five years.
- Disgorgement of the amount of any profit gained or loss avoided as a result of the market misconduct.

The maximum criminal sanctions are 10 years' imprisonment and fines of HK$10 million (approximately US$1.28 million).

In addition, third party actions in the courts are permitted. A person who has "committed a relevant act in relation to market misconduct" is liable to pay compensation by way of damages to any other person for any pecuniary loss sustained by the other person as a result of the market misconduct. The proceedings of the MMT are admissible in such cases.

The SFO also imposes a duty on a company's officers (including its directors) to take all reasonable measures to ensure that proper safeguards exist to prevent the company from committing any market misconduct. If the company is identified as having engaged in market

misconduct, the MMT may impose sanctions on any of its officers (including its directors) so long as the misconduct is attributable, directly or indirectly, to a breach by that officer of the duty imposed on him to take the preventive measures.

5. Corporate governance

Listing Rules requirements

The Main Board Listing Rules have a chapter and an appendix dedicated to corporate governance. In addition, various requirements relevant to corporate governance are contained throughout the Main Board Listing Rules. There are three tiers of requirements:

Type A: Rules, which are the required standard of corporate governance mandatory for all companies and breaches may lead to sanctions;

Type B: Code provisions ("comply or explain" requirements), which a company is expected to comply with, but may deviate from it if a company gives good reasons for its decision to deviate; and

Type C: Recommended best practices, which a company is recommended to adopt, but a failure to adopt does not require explanation.

Type A regulations

The requirements which a company must comply with are relatively prescriptive. Examples include:

- Appointment of at least three INED to the board and INEDs must represent at least one-third of the board.
- At least one of the INEDs must have appropriate professional qualifications or accounting or related financial management expertise.

- Professional qualification of a company secretary.
- Appointment of an audit committee and its composition.
- Appointment of a remuneration committee and its composition.
- Appointment of a compliance adviser.

Type B and Type C regulations

Type B and Type C regulations are mainly included in the Corporate Governance Code (CG Code). The CG Code consists of principles of good governance, most of which have their own set of more detailed provisions which amplify the principles. The principles deal with: the board of directors and their committees; the roles and responsibilities of chairman and chief executives; remuneration and evaluation of directors and senior management; appointment, re-election and removal of directors; directors' responsibility and delegation; accountability and audit; risk management and internal control; corporate governance; communication with shareholders; and company secretary.

Corporate governance report

All companies must include a corporate governance report in their annual report and a statement on corporate governance in their interim report. The corporate governance report must include all the information required in the Main Board Listing Rules, for example:

- The company should explain how it has applied the principles in the CG Code.
- If the company has adopted its own code that exceeds the requirements of the code provisions of the CG Code, it should draw attention to this fact.
- The company should include a statement as to whether it has deviated from the code provisions of the CG Code, and, if so, it must give considered reasons for that decision.

Environmental, Social and Governance (ESG) report

All companies must publish their ESG report on an annual basis in accordance with the prescribed ESG guide set out in the Main Board Listing Rules. The ESG report may be presented as information in the company's annual report or in a separate report. The ESG report has to address two subject areas: environmental and social. Corporate governance is addressed separately in the CG Code.

Effective from the financial years commencing on or after 1 July 2020, all listed companies' ESG reporting obligation will be upgraded. The ESG report must be published within five months after the end of the financial year. Furthermore, each subject area sets out two levels of disclosure obligations: (a) mandatory disclosure requirements; and (b) "comply or explain" provisions. If a company deviates from the "comply or explain" provisions, it must give considered reasons in its ESG report.

6. Specific situations

Large companies. The financial criteria for companies with a large market capitalization are different from smaller companies. These differences include:

- Acceptance of a shorter trading record period under the market capitalization/revenue test if the applicant is able to demonstrate that its directors and management have sufficient and satisfactory experience of at least three years in the line of business and industry and there is management continuity for the most recent audited financial year.

- Acceptance of a lower percentage of public float (between 15% and 25%) for issuers with an expected market capitalization of over HK$10 billion (approximately US$1.284 billion) at the time of listing, compared with the usual 25% as described in section 2 above.

Small companies. There are no additional requirements, or changes in the normal requirements, that apply to smaller companies listing on the Main Board.

Specific industries. Companies in certain industries are subject to modified listing and maintenance rules. For example, innovative companies, pre-revenue biotech companies, mineral companies, infrastructure companies and investment companies have separate chapters in the Main Board Listing Rules which *are* dedicated to each of these types of companies. In addition, the HKSE may accept a shorter trading record period and/or may vary or waive the profit or other financial requirements for pre-revenue biotech companies, mineral companies or newly formed project companies (infrastructure projects).

The HKSE *has* the discretion to determine whether a particular company is suitable for listing in Hong Kong. In general, an issuer whose assets consist wholly or substantially of cash or short-dated securities will not be regarded as suitable for listing, except where it is solely or mainly engaged in the securities brokerage business or if it is an investment company that satisfies all the conditions for listing as an investment company.

"Fast track" listings. The HKSE does not have a "fast track" or expedited listing procedure. However, for cases where all the necessary information is already available, the listing process could be much shorter than usual.

7. Presence in the jurisdiction

Management presence. A new applicant applying for a primary listing on the HKSE must have a sufficient management presence in Hong Kong. This will normally mean that at least two of its executive directors must be ordinarily resident in Hong Kong. However, the HKSE may grant a waiver from strict compliance with this requirement and will assess each waiver application on a case by case basis depending on the merits of the case.

Process agent. A foreign issuer must appoint and maintain throughout the period when its securities are listed on the HKSE, a process agent in Hong Kong to accept service of process and notices.

Authorized representative. A foreign issuer must appoint two authorized representatives as the principal channel of communication between the foreign issuer and the HKSE. The representatives must be acceptable to the HKSE. The authorized representatives may also be the process agent referred to in the preceding paragraph.

Corporate records. It is a Main Board Listing Rule requirement that only securities registered on a register kept in Hong Kong may be traded on the HKSE. A foreign issuer must keep a register of holders in Hong Kong for transfers to be registered locally.

In addition, any foreign issuer must be registered as a non-Hong Kong company under the Hong Kong Companies Ordinance. Therefore, a foreign issuer must file requisite records and documents with the Registrar of Companies in Hong Kong, such as the details of directors and company secretary.

8. Fees

Initial listing. For an initial listing, any issuer (domestic or foreign) must pay an initial listing fee. For primary listings, the fee is determined by the following scale:

Monetary value of the equity securities to be listed			Initial listing fee	
In HK$ million		In US$ million (approx.)	In HK$	In US$ (approx.)
Not exceeding	100	12.84	150,000	19,260
	200	25.68	175,000	22,470
	300	38.52	200,000	25,680
	400	51.36	225,000	28,890
	500	64.20	250,000	32,100
	750	96.30	300,000	38,520
	1,000	128.40	350,000	44,940

Monetary value of the equity securities to be listed		Initial listing fee	
In HK$ million	In US$ million (approx.)	In HK$	In US$ (approx.)
1,500	192.60	400,000	51,360
2,000	256.80	450,000	57,780
2,500	321.00	500,000	64,200
3,000	385.20	550,000	70,620
4,000	513.60	600,000	77,040
5,000	642.00	600,000	77,040
Over 5,000	642.00	650,000	83,460

For secondary listings, the initial listing fee is normally 25% of the fees listed above, subject to a minimum fee of HK$150,000 (approximately US$19,260).

Ongoing fees. All domestic or foreign listed issuers must pay an annual listing fee on the following scale:

Nominal value of listed equity securities		Annual listing fee	
In HK$ million	In US$ million (approx.)	In HK$	In US$ (approx.)
Not exceeding 200	25.68	145,000	18,620
300	38.52	172,000	22,080
400	51.36	198,000	25,420
500	64.20	224,000	28,760
750	96.30	290,000	37,240
1,000	128.40	356,000	45,710
1,500	192.60	449,000	57,650
2,000	256.80	541,000	69,460
2,500	321.00	634,000	81,410
3,000	385.20	726,000	93,220
4,000	513.60	898,000	115,300
5,000	642.00	1,069,000	137,260

Nominal value of listed equity securities		Annual listing fee	
In HK$ million	In US$ million (approx.)	In HK$	In US$ (approx.)
Over 5,000	642.00	1,188,000	152,540

For secondary listing, the annual listing fee is normally 25% of the fees listed above.

For issuers whose shares have a nominal value of less than HK$0.25 (approximately US$0.03), the nominal value per share shall be deemed to be HK$0.25 (approximately US$0.03) for calculation of the annual listing fees.

9. Additional information

All materials to be distributed to shareholders must be in both the English and Chinese, unless the Main Board Listing Rules specify otherwise.

Materials to be submitted to the HKSE or other regulatory authorities can only be in English. A certified English translation must be provided if the documents are not in English.

There are many issues a foreign company should examine when considering a cross-border listing. Whether the foreign company is already listed on any stock exchange or not, when considering a listing on the HKSE, the issuer, its directors and senior management should familiarize themselves with the continuing compliance obligations imposed by the HKSE and other relevant Hong Kong securities laws and regulations, such as the Codes on Takeovers, Mergers and Share Buy-backs (Takeovers Code). A secondary listed company on the HKSE is not subject to the Takeovers Code unless it is a “public company in Hong Kong” within the meaning of Takeovers Code.

Key differences in requirements for domestic companies

Listing requirements for domestic companies are generally the same as those for foreign companies. Certain foreign companies are, however, subject to the HKSE's case by case assessment for suitability to list in Hong Kong.

10. Contacts within Baker McKenzie

Ivy Wong in the Hong Kong office and Jackie Lo and Wang Hang in the Beijing office are the most appropriate contacts within Baker McKenzie for inquiries about prospective listings on the HKSE.

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Indian Stock Exchanges

Initial listing requirements

Any domestic issuer proposing to list its shares on the National Stock Exchange of India Limited (NSE) or the BSE Limited (BSE, and, together with NSE, the Stock Exchanges) must meet all of the following criteria:

Assets test	Net tangible assets of at least US$0.42 million, calculated on a restated and consolidated basis, in each of the preceding three full years, of which not more than 50% must have been held in monetary assets. If more than 50% of the issuer's net tangible assets are held in monetary assets, it must have utilised or made firm commitments to utilise the excess amount in its business or projects. This limit of 50% is not applicable where the initial public offering comprises solely of an offer for sale (OFS).
Net worth	Minimum US$0.14 million in each of the preceding three full years calculated on a restated and consolidated basis.
Operating Profit	Minimum average operating profit of US$2.11 million, calculated on a restated and consolidated basis, during the preceding three years, with operating profit in each of these preceding three years.
Revenue source	If the issuer has changed its name within the last one year, at least 50% of the revenue for the preceding one full year, calculated on a restated and consolidated basis, must have been earned by it from the activity indicated by the new name.
Outstanding securities	The issuer may not have outstanding convertible instruments or any instrument that gives a right or interest to any party prior to listing (instruments of this nature must be converted before filing the RHP).
Miscellaneous	None of the issuer, any of its promoters, its promoter group or directors or selling shareholders of the issuer (if the initial public offering contains an OFS component) should have been debarred from accessing the capital market by the SEBI. No promoter or director of the issuer should be a promoter or director of any other company that is debarred from accessing the capital market under any order or directions made by the SEBI. No promoter or director of the issuer should be a wilful defaulter or a fugitive economic offender.

Other initial listing requirements

Share price. The NSE and BSE do not specify any minimum price for listing of shares.

Minimum Float. Minimum public float of 25% of post-issue capital must be maintained, subject to certain conditions.

Minimum number of shareholders. At least 1,000 at the time of listing.

Distribution. If the eligibility criteria is satisfied:

- QIBs: not more than 50% of the issue size, 5% of which must be allocated to mutual funds.
- Retail individual investors: not less than 35% of the issue size.
- Non-institutional investors (NIIs): not less than 15% of the issue size.
- If the eligibility criteria is not satisfied:
- QIBs: not less than 75% of the issue size, 5% of which must be allocated to mutual funds.
- Retail individual investors: not more than 10% of the issue size.
- NIIs: not more than 15% of the issue size.

Accounting standards. Indian GAAP or Ind AS until 31 March 2020, and Ind AS thereafter, US GAAP or IFRS. If the financial results are prepared in accordance with IFRS and then shifted to US GAAP or vice-versa, then the accounts relating to the previous period must be properly restated for comparison.

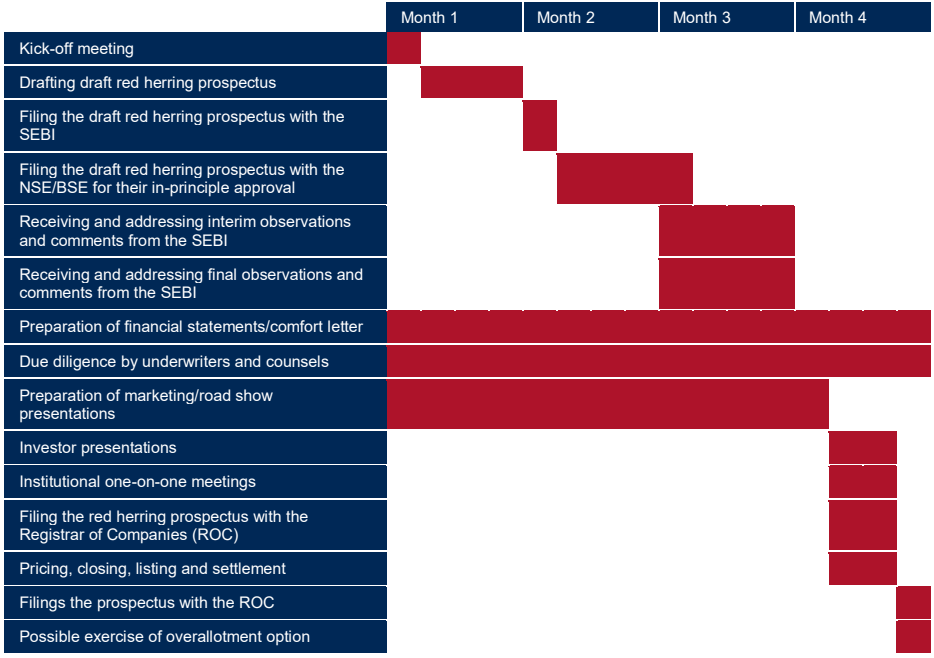
Financial statements. The Prospectus must include audited financial statements for three financial years immediately preceding the date of prospectus.

Management continuity. Any change in key management personnel during the immediately preceding year must be disclosed in the offer document.

Operating history. Three years.

Listing process

Listings of shares requires approvals and permissions from the Securities and Exchange Board of India (SEBI) and the Stock Exchanges. The following table summarizes the standard listing process and timetable for listing shares on the NSE/BSE via an underwritten public offering:



Corporate governance

The issuer must:

- Maintain a board of directors with an optimum combination of executive and non-executive directors with not less than 50% of the board comprising non-executive directors. Where the Chairman is a non-executive director, at least 1/3 of the board should comprise independent directors, rising to at least 50% if the Chairman is an executive director or a promoter of the company.
- Set up an audit committee with a minimum of three directors as members. Two-thirds of the members of the audit committee must be independent directors and all members of the audit committee must be financially literate, with at least one member having accounting or related financial management expertise.
- Present details of material individual transactions with related parties which are not in the normal course of business or on an arm's length basis to the audit committee.
- Obtain the approval of the shareholders for all material related party transactions.
- Convene board and committee meetings at least four times each year (with a maximum time gap of 120 days between any two meetings).
- Include a separate section on Corporate Governance in its Annual Reports, with a detailed compliance report on Corporate Governance. Noncompliance of any mandatory requirement with reasons thereof and the extent to which the non-mandatory requirements have been adopted should be specifically highlighted.
- Submit a quarterly compliance report to the stock exchanges within 15 days from the close of quarter, signed either by its Compliance Officer or the Chief Executive Officer.

Fees

An issuer seeking to list its shares must pay both initial listing fees and annual fees as may be specified by the NSE and BSE from time to time. An issuer must also, as a condition precedent to listing, deposit with the stock exchange an amount equivalent to 1% of the issue size by way of a refundable deposit to secure its compliance with all laws and regulations prescribed by the stock exchange.

Initial listing requirements

Any issuer proposing to list its IDRs on the National Stock Exchange of India Limited (NSE) or the BSE Limited (BSE, and, together with NSE, the Stock Exchanges) must meet all of the following tests.

Capital and reserves	A minimum pre-issue paid-up capital and free reserves of US$50 million.
Market capitalization	Minimum average market capitalization during the last three years in its home country of US$100 million.
Trading history	• Listed in the home country for at least three immediately preceding years. • Continuous trading record or history on a stock exchange in its home country for at least the three immediately preceding years. • A track record of compliance with securities market regulations in its home country.
Income	Track record of distributable profits (that is, profits after providing for depreciation) for at least three out of the immediately preceding five years.
Issuance of securities	Not having been prohibited from issuing securities by any regulatory body. Not having any fugitive economic offender as its promoter or director.

Other initial listing requirements

Share price. The NSE and BSE do not specify any minimum price for listing of IDRs.

Issue size. The minimum issue size for the IDRs must be US$7.04 million.

Distribution. No single individual or single entity or group of entities in India directly or indirectly can be allotted more than 5% of the issue size, except that Qualified Institutional Buyers can be allotted up to 15% of the issue size.

Accounting standards. The offering documents must contain audited financial statements for the immediately preceding three years prepared in compliance with Indian GAAP or Ind AS or US GAAP or IFRS. If the financial results are prepared in accordance with IFRS and then shifted to US GAAP or vice-versa, then the accounts relating to the previous period must be properly restated for comparison.

Financial statements. The financial statements must be prepared in accordance with the disclosure requirements that apply to the issuer in its home country where its securities are listed. All US GAAP and IFRS financial statements must be audited by a professional accountant or certified public accountant in accordance with International Standards on Auditing and must be accompanied by a statement on the significant differences between US GAAP/IFRS and Indian GAAP and/or Ind AS.

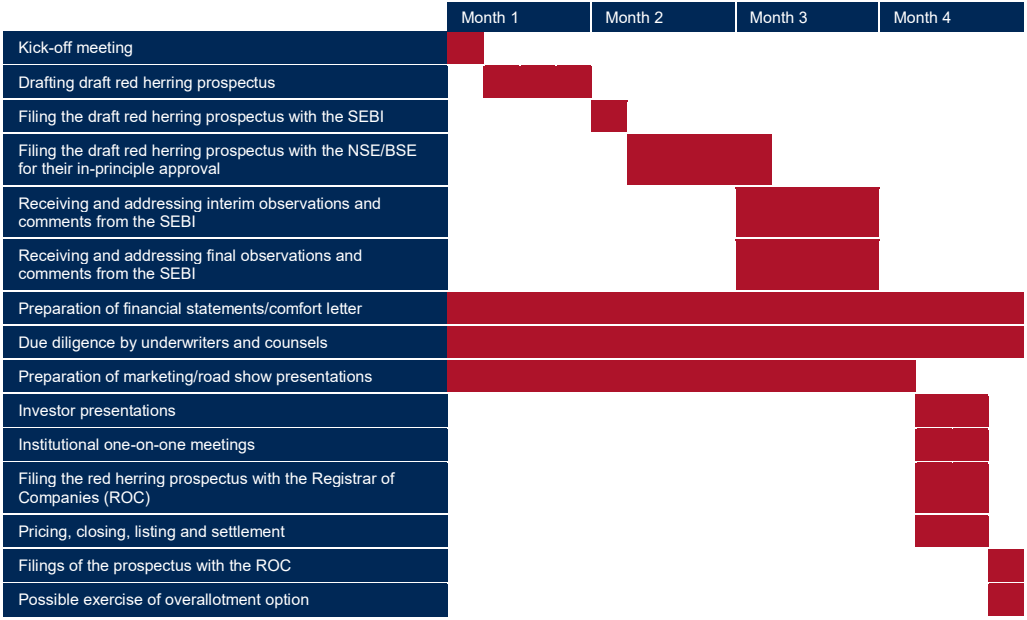
Management continuity. Any change in key management personnel during the immediately preceding year must be disclosed in the offer document.

Holders. There is no prescribed minimum number of holders.

Operating history. The issuer must have been listed in its parent country with a track record of trading on the stock exchange for the preceding three years.

Listing process

Listing of IDRs requires approvals and permissions from the Securities and Exchange Board of India (SEBI) and the Stock Exchanges. The following table summarizes the standard listing process and timetable for listing of IDRs on NSE/BSE via an underwritten public offering:



Corporate governance

If the issuer's home jurisdiction is a signatory to the Multilateral Memorandum of Understanding of the International Organization of Securities Commissions, the issuer must:

- Comply with corporate governance regulations of its home country.
- File a comparative analysis of the corporate governance regulations applicable in its home country and in the other jurisdictions in which its equity shares are listed along with the compliance of the same vis-à-vis the corporate governance provisions applicable to Indian listed companies.

Fees

An issuer seeking to list its IDRs must pay both initial listing fees and annual fees as may be specified by the NSE and BSE from time to time. An issuer must also, as a condition precedent to listing, deposit with the stock exchange an amount equivalent to 1% of the issue size by way of a refundable deposit to secure its compliance with all laws and regulations prescribed by the stock exchange.

1. Overview of exchange

Currently there are six stock exchanges in India recognized by the Securities and Exchange Board of India (SEBI), India's securities markets regulator. Of these, two stock exchanges have nationwide terminals in India, namely, the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE, and, together with NSE, the Stock Exchanges). The applicable law, rules, regulations, guidelines relating to listing of securities on both the NSE and the BSE are substantially similar and are administered by the SEBI.

The BSE and NSE offer trading primarily in equity, debt instruments, exchange traded funds and derivative products of equities, interest rate and currencies. Commodity trading activity in India is dominated by the Multi Commodity Exchange of India Limited (MCX) and the National Commodity and Derivatives Exchange (NCDEX).

This summary is related to the "equity cash" segment only.

The "equity cash" segment for trading in equity shares of companies corresponds to the "main market" in exchanges elsewhere in the world. A "small and medium enterprise" segment was introduced by the NSE and the BSE on 31 August 2012 and 13 March 2012, respectively, to facilitate listing and trading of shares of small and medium enterprises, and is akin to the "alternate investment markets" elsewhere in the world.

The BSE is one of the oldest stock exchanges in the world, having been established in 1875. It is the first stock exchange in India to have obtained permanent recognition on 31 August 1957 from the Government of India under the SCRA while the NSE began operations in 1994 as India's first screen-based electronic trading platform.

Indian law does not make any fundamental distinction between primary and secondary listings, and a minimum public shareholding

requirement of 25% is uniformly applied to all domestic listed companies.

As of 30 November 2018, the aggregate market capitalization on the NSE was US$2.13 trillion, as compared to 30 November 2018 when it was US$2.03 trillion. The aggregate market capitalization on the BSE was US$2.15 trillion as of 30 November 2019, as compared to 30 November 2018 when it was US$2.05 trillion.

The total number of companies listed on the NSE as of 30 November 2019 was 1,951, as compared to 30 November 2018 when 1,922 companies were listed. The total number of companies listed on the BSE as of 30 November 2019 was 5,527, as compared to 30 November 2018 when 5,095 companies were listed. The Stock Exchanges are not identified with any particular type of industry as being a specialized platform for listing of shares of companies in such industry. The SEBI governs listing and trading of shares on the Indian stock exchanges. The SEBI has been conferred with powers under the SEBI Act, 1992, and it administers the provisions of the SCRA, with regulation-making powers under both legislations. The SEBI has been mandated by the Indian Parliament to protect the interests of investors in the securities market and ensuring the orderly development of the securities market.

2. Principal listing and maintenance requirements and procedures

India is subject to exchange controls. Currently, only INR-denominated securities can list on Indian stock exchanges. On 27 March 2015, the SEBI issued the Securities and Exchange Board of India (International Financial Services Centres) Guidelines, 2015, which permits foreign companies to raise capital (in currencies other than the Indian Rupee) and to issue debt securities in an international financial services centre (IFSC), being in the nature of a special economic zone, governed by the Special Economic Zones Act, 2005. In 2015, the Indian Government notified the creation of an IFSC at Gandhinagar, Gujarat, within the Gujarat International Finance Tec-

City (GIFT City) special economic zone. The SEBI permitted India International Exchange (IFSC) Limited to commence operations as a stock exchange within GIFT City in 2017, and it is fully operational as on date.

Issuances of securities in an IFSC by Indian companies or foreign companies, in a currency other than Indian rupees, are treated as issuances of Indian Depository Receipts (IDRs), which have to be made in compliance with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (ICDR Regulations). Companies incorporated outside India and meeting the eligibility criteria specified in the Companies (Registration of Foreign Companies) Rules, 2014 (RFC Rules), Issue of Indian Depository Receipt Rules, 2004 (IDR Rules) and the ICDR Regulations may list INR-denominated IDRs on the Stock Exchanges in compliance with the requirements of the IDR Rules and the ICDR Regulations. Any issuance of IDRs must also comply with the terms and conditions listed in Rule 13 of the RFC Rules.

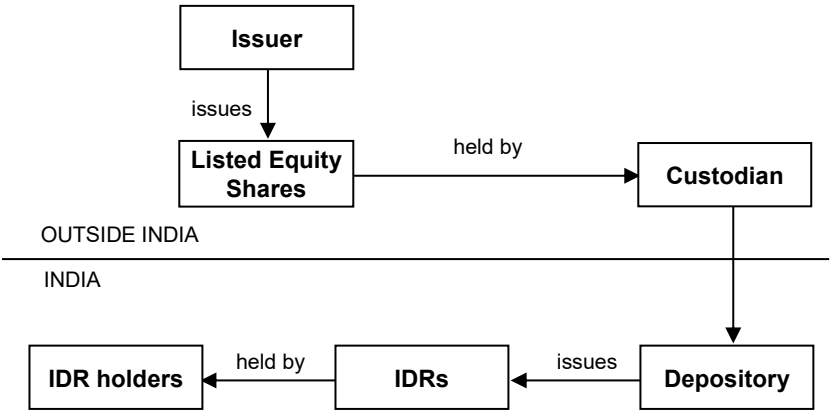
The requirements for listing IDRs are different from the requirements for listing of shares of a domestic company.

The SEBI may grant waivers from strict compliance with the requirements, and it assesses each waiver application on a case-by-case basis depending on the merits of each case.

Indian Depository Receipts

Structure. IDRs are Indian rupee denominated depository receipts issued by a local depository and represent a proportional ownership interest in a fixed number of underlying equity shares of the issuer, as may be determined by the issuer. Equity shares underlying the IDRs are deposited with an overseas custodian, who holds the shares on behalf of the depository. IDRs thus are a medium for Indian residents to own equity interest in foreign companies and not only in their Indian operations.

IDRs are typically structured as depicted below:



Rights of the IDR holders. An IDR holder is entitled to rights on an equitable basis *vis-à-vis* the rights of the equity shareholders of the issuer in its home country where it is listed. The key rights of IDR holders are:

- Voting.
- Entitlement to bonus issue.
- Participation in rights issue.
- Participation in sub-division and consolidation of the underlying equity shares.
- Participation in other distributions and corporate actions.

Eligibility criteria for issuers. Any issuer proposing to list its IDRs on the Stock Exchanges should, among other things:

- Have pre-issue paid-up capital and free reserves of at least US$50 million.
- Have minimum average market capitalization during the last three years in its home country of at least US$100 million.

- Have a track record of distributable profits (that is, profits after providing for depreciation) for at least three out of the preceding five years.
- Not have been prohibited from issuing securities by any regulatory body.
- Have a track record of compliance with securities market regulations in its home country.
- Have a continuous trading record or history on a stock exchange in its home country for at least the three immediately preceding years from the date of application for listing.
- Not have any fugitive economic offender as a promoter or director.
- Fulfil such other eligibility criteria as may be laid down by the SEBI from time to time.

The minimum issue size for an IDR issuance is US$7.04 million.

Listing Regulations. Currently, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations) prescribe a model listing agreement for listing of IDRs, which has to be executed by an issuer whose securities market regulator is a signatory to the Multilateral Memorandum of Understanding of the International Organization of Securities Commissions.

The Listing Regulations determine the corporate governance norms that an issuer must comply with. Specifically, issuers must maintain the same standards of corporate governance as are required under the laws of their country of origin or under any other jurisdiction in which their equity shares are listed. For details and further information, please refer to section 5 below.

Sponsors; interviews; merchant bankers. There is no requirement for an issuer to appoint a sponsor or to conduct interviews with the Stock Exchanges or the SEBI as part of the listing process. The issuer must appoint one or more merchant bankers registered with the SEBI as the book running lead manager(s) (BRLMs) to manage the issue and also to engage with the SEBI and the Stock Exchanges on queries that may be raised regarding the issuer.

Security holders. There is no requirement for an issuer to maintain a minimum number of security holders. However, no single individual or single entity or group of entities in India directly or indirectly can hold more than 5% of the issue size, except that Qualified Institutional Buyers (QIBs) can hold up to 15% of the issue size.

Eligible investors. The categories of investors who can invest in IDRs are:

- QIBs, which include domestic institutional investors and foreign institutional investors and their sub-accounts registered with the SEBI, excluding insurance companies and venture capital funds.
- Non-institutional investors (NIIs), which include corporates and high net worth individuals.
- Non-resident Indians.
- Retail individual investors.
- Employees of the issuer or its subsidiary company or its holding company or its material associates.

Size, allocation, and pricing. An IDR issue must have a minimum issue size of US$7.04 million. The minimum allocation requirement for an IDR issue is as follows:

- QIBs: a minimum of 50% of the issue size.
- Retail individual investors: a minimum of 30% of the issue size.

- NIIs and employees: the balance, up to 20%, to be apportioned among NIIs and employees at the discretion of the issuer.

Under-subscription in any of the categories other than the QIB category can be adjusted against over-subscription in other categories.

The Stock Exchanges and the SEBI allow free pricing of IDRs. The issuer, in consultation with its BRLMs, determines the price band between a minimum price (floor price) and the maximum price (the cap price). After the bids have been received and the issue closes, the final issue price of the IDRs is determined through the book-building process which elicits demand and enables the assessment of the price for determination of the quantum or value of shares or IDRs, as the case may be, in accordance with the ICDR Regulations.

Restrictions on trading. There are no "lock in" requirements with respect to IDRs, which can be freely traded once listed on the Stock Exchanges, except for "anchor investors" who are subject to a "lock in" for a period of 30 days from the date of allotment of the IDRs.

Fungibility. The IDRs shall be fungible into the underlying equity shares of the issuer in the manner specified by the SEBI and the Reserve Bank of India (RBI), from time to time, IDRs can be converted/redeemed into the underlying equity shares only after the expiry of one year from the date of the listing of the IDRs, subject to the compliance of the related provisions of the Foreign Exchange Management (Transfer of Issue of any Foreign Security) Regulations, 2004. Limited two-way fungibility of IDRs is also permissible. According to the provisions of the Listing Regulations, IDRs shall have two-way fungibility in the manner specified by the SEBI from time to time.

Shareholding. There is no minimum public shareholding required to be maintained for an issue of IDRs.

Registrar; settlement. The issuer must appoint a registrar, and the two must enter into a tripartite agreement with each of the National

Securities Depository Limited and the Central Depository (Services) India Limited, who (along with the registrar) will conduct the clearing and the settlement process for the issuer.

Grievances; courts. The issuer must engage a company secretary qualified under the laws of India and based in India to act as a compliance officer responsible for the resolution of any investor grievances. The issuer must, for the redressal of grievances of IDR holders, undertake to subject itself to the jurisdiction of the courts in India having jurisdiction over the Stock Exchanges.

IDRs and domestic listings: differences in regulatory requirements

The following chart summarizes the differences in the regulatory requirements for the issue of IDRs by a foreign company and a public offering of equity shares by a domestic company*.

	Issue of IDRs by a foreign company	Public offering of shares by a domestic company
Nature of instrument	IDRs are instruments bearing beneficial interest in the underlying equity shares of the issuer.	Investors have a direct interest in the equity of the issuer.
Previous listing requirements	The issuer must be listed in its home country and should have a trading history of three years.	The issuer is not required to be previously listed. It can list its shares in an initial public offering.
Minimum issue size	US$7.04 million.	No minimum issue size.
Eligibility criteria	• The issuer must have pre-issue paid-up capital and free reserves of at least US$50 million and a minimum average market capitalization during the last three years in its	• The issuer must have net tangible assets of at least US$0.42 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% must have been held in monetary assets. If more than 50% of the issuer's net tangible assets are

	Issue of IDRs by a foreign company	Public offering of shares by a domestic company
	home country of at least US$100 million. • The issuer must have a track record of distributable profits (that is, profits after providing for depreciation) for at least three out of the preceding five years. • The issuer must have a continuous trading record or history on a stock exchange in its home country for at least the three immediately preceding years. • The issuer should not have been prohibited from issuing securities by any regulatory body and it should have a track record of compliance with security market regulations in its home country. • No promoter or director of the issuer should be a fugitive economic offender.	held in monetary assets, it must have utilized or made firm commitments to utilize the excess amount in its business or projects. This limit of 50% is not applicable where the IPO comprises solely of an OFS. • The issuer must have net worth of at least US$0.14 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each). • The issuer must have average operating profit of at least US$2.11 million, calculated on a restated and consolidated basis, during the preceding three years, with operating profit in each of these preceding three years. • If the issuer has changed its name within the last one year, at least 50% of the revenue, calculated on a restated and consolidated basis, for the preceding one full year must have been earned by it from the activity indicated by the new name. • If any of the above mentioned eligibility criteria is not satisfied, then the issue can be made through the book-building process in which at least 75% of the net offer must be allotted to QIBs. • The issuer, any of its promoters, promoter group or directors or selling shareholders (if the initial public offering comprises of an offer for sale component) of the issuer should not have been debarred from accessing the capital market by the SEBI.

	Issue of IDRs by a foreign company	Public offering of shares by a domestic company
		• None of the promoters or directors of the issuer should be a promoter or director of any other company which is debarred from accessing the capital market. • No promoter or director of the issuer should be a willful defaulter or a fugitive economic offender. • The issuer should not have outstanding convertible instruments or any instrument that gives a right or interest to any party prior to listing (instruments of this nature must be converted before filing the RHP).
Minimum public float	No requirement of a minimum public float.	Minimum public float of 25% of post-issue capital must be maintained either at the time of listing of the shares or within three years of listing, subject to certain conditions.
Lock in	No lock in after listing, except for "anchor investors" who are locked in for 30 days after allotment. However, conversion into the underlying equity shares can happen only one year after listing. Indian entities investing in IDRs can hold the converted shares subject to Indian exchange control restrictions.	The entire pre-issue share capital of the issuer is locked in for a period of one year (subject to certain exceptions). In addition, 20% of the post-issue shareholding of the promoters is locked in for a period of three years after listing and only pre-existing transfers among existing shareholders are allowed.
Minimum number of holders	There is no prescribed minimum number of IDR holders. However, no single individual or entity or group of entities in India can hold, directly or indirectly, more than	The issuer must have at least 1,000 shareholders at the time of listing.

	Issue of IDRs by a foreign company	Public offering of shares by a domestic company
	5% of the issue size—except for QIBs, which can hold up to 15% of the issue size.	
Allocation	QIBs: at least 50% of the issue size. Retail individual investors: at least 30% of the issue size. NIIs and employees: up to 20% of the issue size.	If the eligibility criteria is satisfied: • QIBs: not more than 50% of the issue size, 5% of which must be allocated to mutual funds. • Retail individual investors: not less than 35% of the issue size. • NIIs: not less than 15% of the issue size. If the eligibility criteria is not satisfied: • QIBs: not less than 75% of the issue size, 5% of which must be allocated to mutual funds. • Retail individual investors: not more than 10% of the issue size. • NIIs: not more than 15% of the issue size.

** The provisions relating to ownership requirements, eligible investors, currency denominations, appointment of compliance officer, clearing and settlement system are substantially identical. Provisions relating to corporate governance are summarized separately in section 5.*

3. Listing documentation and process

The documentation required and the listing process for a foreign company proposing to list its IDRs on the Stock Exchanges are substantially similar to that of a domestic company proposing to list its shares. Both the domestic company and the foreign company must appoint one or more BRLMs. The BRLMs, along with the legal counsels and auditors, conduct a due diligence exercise on the issuer to ascertain that true, correct and proper disclosures have been made in the offering documents as required under the ICDR Regulations, the IDR Rules and the Indian Companies Act.

An issuer must submit a draft red herring prospectus (DRHP), which in the case of an IDR offering can be as a confidential filing or a public filing (in both scenarios, the filings must be made through a BRLM). In case of a confidential filing, the BRLMs must subsequently do a public filing of the SEBI-approved red herring prospectus (RHP), which must be made public for 21 days.

In the case of a public filing of a DRHP, the DRHP can be viewed after the filing with the SEBI. After receipt of approval from the SEBI and the Stock Exchanges, the BRLMs must file an RHP with the SEBI and the Registrar of Companies, New Delhi (in the case of a domestic company, the filing would be made with the Registrar of Companies where the company's registered office is situated).

In addition to the prospectus, the issuer has to provide to the Stock Exchanges, SEBI and Registrar of Companies, New Delhi:

- Constitutional documents of the issuer.
- Enactment of law under which the issuer was set up.
- Address of the issuer's principal office in India (if the issuer does not have a principal office in India, then an address where the documents submitted are made available for public inspection).
- A certified copy of the issuer's certificate of incorporation.
- Copies of agreements between the issuer, the overseas custodian bank and the domestic depository which, must among other things, define the rights of the IDR holders.

Regulatory permissions required for listing of IDRs include permissions from the SEBI, Stock Exchanges and from sector regulators in case IDRs are being raised by financial or banking companies with a presence in India (through a branch or subsidiary). An application to the SEBI has to be made at least 90 days before the opening of the issue.

The principal intermediaries, in addition to the BRLMs, in an IDR listing include an overseas custodian bank and a domestic depository. The issuer must deliver the underlying equity shares or cause them to be delivered to the overseas custodian bank, which must authorize the domestic depository to issue the IDRs.

Proceeds of IDRs are required to be repatriated outside India by issuers. Indian foreign exchange control regulations regulate the holding of IDR shares by Indian entities upon redemption of IDRs.

Disclosures in DRHP, RHP and Prospectus for an IDR listing

The DRHP, the RHP and the Prospectus (collectively, the Offer Documents) must include the information prescribed under Schedule VIII Part A of the ICDR Regulations, the Schedule to the IDR Rules and the RFC Rules. It must, as a general principle, contain all information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the issuer, of the shares, and of the rights attaching to the shares.

Below is a summary of the contents of the Offer Documents:

- General information about the issuer.
- A description of the issuer's business and principal activities.
- Terms of the issue, description of the IDR and the rights of the IDR holder.
- Object of the issue.
- Risk factors relating to the issuer and its industry.
- Risk factors in relation to the home country of the issuer.
- Risk factors associated with the IDR/underlying shares.
- Listing of the major shareholders of the issuer.

- Details of the industry in which the issuer operates.
- Significant new products and services and principal markets.
- Details of property, plant and equipment of the issuer.
- Organization structure.
- Corporate governance compliance.
- Details of the issuer's management.
- Recent related party transactions.
- Selected financial information.
- A description in narrative form of the issuer's financial condition, changes in financial condition and results of the operations for the periods covered by the financial statements and any significant factors affecting its operating results.
- Material developments after the date of the last financial results.
- Details of the subsidiaries and associates of the issuer.
- Market price information and other information concerning the shares in the domestic market of the issuer.
- Foreign investment and exchange controls of the country of the incorporation where shares are listed.
- Securities market of the country of incorporation where the issuer's shares are listed.
- Details of the auditors.
- Details of the BRLMs.
- Details of legal counsels.

- Material outstanding litigations and defaults.
- Other miscellaneous information, including transfer of shares and depository receipts, information relating to the depository, approvals of the government/regulatory authorities, dividend policy, basis of issue price, exchange rates, capitalization statement, details of the issuer's share capital, articles of association or charter, rights attached to shares, and a summary of material contracts.

Financial information. The Offer Documents should include audited consolidated or unconsolidated financial statements, prepared in accordance with Indian GAAP or Indian Accounting Standards (Ind AS) until 31 March 2020, and Ind AS thereafter or with the International Financial Reporting Standards (IFRS) or US GAAP for a period of three financial years immediately preceding the date of prospectus. If the financial results are prepared as per IFRS or US GAAP, they must be audited by a professional accountant or certified public accountant or equivalent in the issuer's country in accordance with International Standards of Auditing (ISA), and the Offer Documents must describe the significant differences between US GAAP/IFRS and Indian GAAP and/or Ind AS. The format of disclosure of financial results may be as per the disclosure requirements of the country where the securities of the issuer are listed.

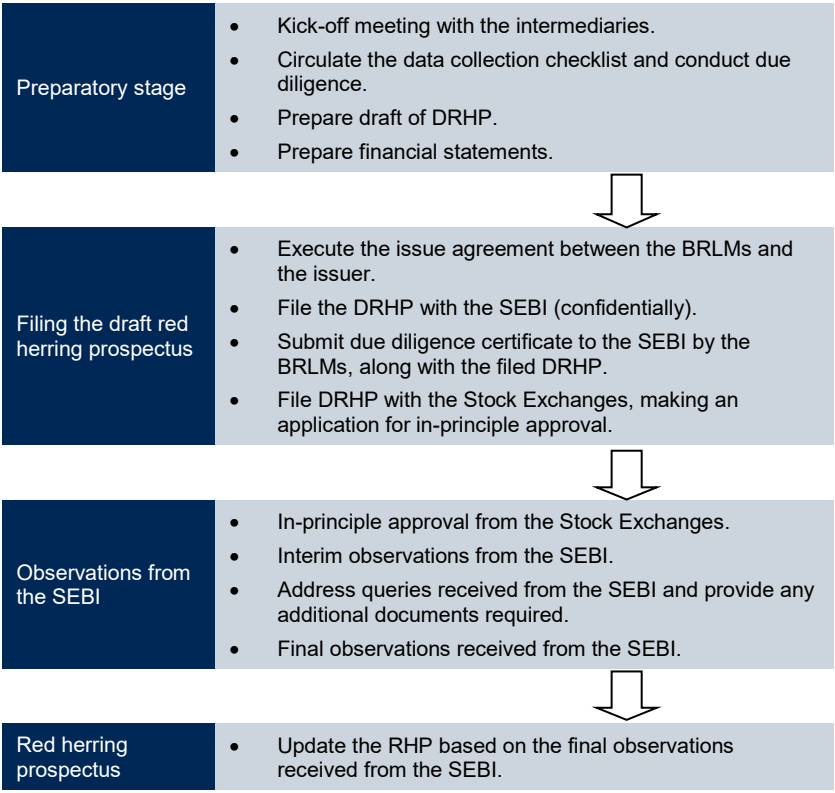
Where an issuer is required by the laws of the jurisdiction of its incorporation to file its annual statutory audit of accounts, a report of the statutory auditor on its audited financial statements for each of the three financial years immediately preceding the date of the prospectus must be included. Where the issuer is under no such requirement, a report on the audited financial statements of the issuer for each of the three financial years immediately preceding the date of the Offer Documents, prepared in consonance with Indian GAAP and/or Ind AS and certified by a certified chartered accountant, must be disclosed in the relevant Offer Document. The Offer Documents should also

contain information relating to the relevant provisions of taxation law, tax treaties and their impact on the IDR holders.

The Offer Documents must contain a detailed analysis of the financial statements, comparing the latest financial year results with the previous three financial years. This includes an overview of the business of the issuer, factors that may affect the results of operation and an analysis of reasons for the changes in significant items of income and expenditure.

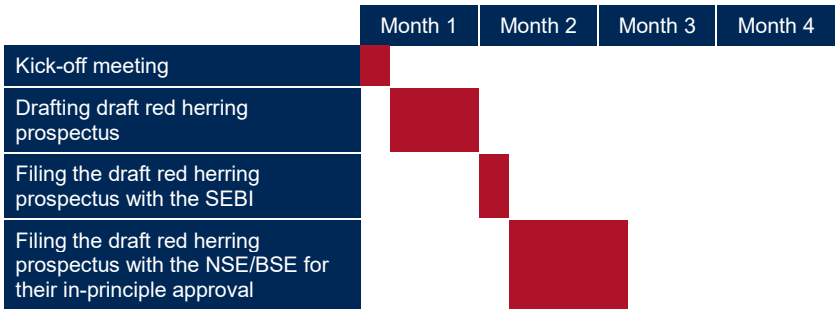
Typical process and timetable for an IDR listing

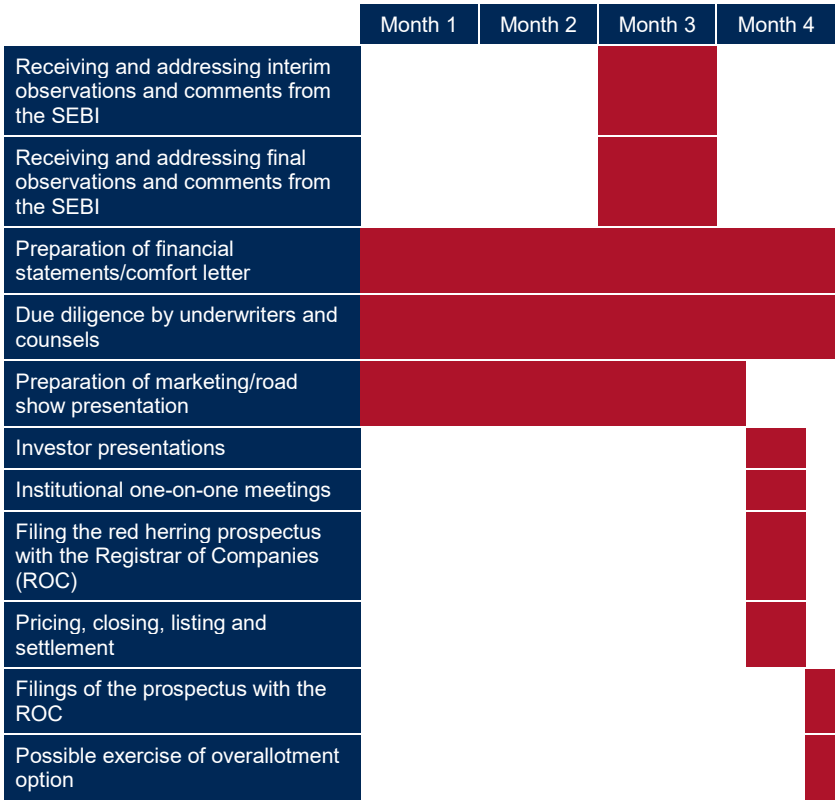
The following flow chart summarizes the listing process:



	• Execute underwriting agreement (if the issue of IDRs is an underwritten issue). • Execute the escrow agreement with the escrow collection banks. • Execute the agreement for appointment of the custodian. • Execute agreement with the domestic depository. • Appoint the registrar and transfer agent. • Confidentially file the RHP with the SEBI for its approval. • File the RHP with the registrar of companies, New Delhi after receipt of approval from the SEBI. • Submit the filed RHP for uploading on the SEBI's website.
Bid opening and closing	• Announcement of the bid opening and bid closing date for the anchor investor(s). • Announcement of the bid opening and bid closing date for all other investors for a period of three days. • Final listing approval from the Stock Exchanges.
Final stage	• Update the Prospectus. • Submit a copy of the Prospectus to the SEBI. • File the prospectus with the registrar of companies.

The following table summarizes the standard timetable for an IDR listing:





Rights issues

The SEBI has set up a detailed framework for rights issue of IDRs. The highlights of this framework are as follows.

Eligibility. At the time of undertaking the rights issue, an issuer must be in compliance with all ongoing material obligations under the relevant listing agreement and the Listing Regulations, as may be applicable to such issuer or material obligations under the deposit agreement entered into between the domestic depository and the issuer at the time of the initial offering of IDRs.

Renunciation. Unless the laws of the home jurisdiction of the issuer otherwise provide, the rights offering is deemed to include a right exercisable by the IDR holder to renounce the IDRs offered in favor of any other person subject to applicable laws and the same shall be disclosed in the offer document.

Pricing. The issue price and the ratio shall be decided simultaneously with the record date in accordance with the home country regulations.

Withdrawal. An issue cannot be withdrawn after the issuer announces the record date without, among other things, informing the SEBI and giving public notice. If an issuer withdraws the rights issue after announcing the record date, it is barred from making an application for offering of IDRs on a rights basis for a period of 12 months from that record date.

Disclosures. The offer document is required to contain disclosures as required under the home country regulations of the issuer. Additionally, a "wrap" (addendum to offer document) containing certain prescribed information must be attached to the offer document to be circulated in India. Both the offer document and the "wrap" must contain all material information to enable potential investors to make (as prescribed in Part C of Schedule VIII of the SEBI ICDR Regulations and other instructions as to the procedures and process to be followed with respect to rights issue of IDRs in India) an informed investment decision.

Approvals. Like in the initial offering of IDRs, approvals of the Stock Exchanges and sector-related approvals, if any, are required. In addition, the offer document undergoes a review process by the SEBI.

4. Continuing obligations/periodic reporting

An issuer that has listed its IDRs must make continuing disclosure of all events to the stock exchange(s) which are material and/or of all information which is price sensitive or has a bearing on its performance/operations. Such disclosure must be made at the same

time and to the same extent as it is provided to the listing authority or any other authority in its home country or other jurisdictions where its securities may be listed or other stock exchange(s) in its home country or other jurisdictions where its securities may be listed. Items warranting disclosure include:

- Any action or investigations initiated by any regulatory or statutory authority and the purpose for which it was initiated.
- Any attachment or prohibitory orders restraining the listed entity from transferring securities out of the names of the registered holders and particulars of the registered holders thereof.
- Details of meetings of the board of directors which have been held to consider or decide on the specified matters, including recommendation and declaration of dividends and/or cash bonuses; the total turnover, gross profit/loss, provision for depreciation, tax provisions and net profits for the year (with comparison with the previous year) and the amounts appropriated from reserves, capital profits, accumulated profits of past years or other special source to provide wholly or partly for any dividend, even if this calls for qualification that such information is provisional or subject to audit; recommendation or declaration of dividend or rights issue or issue of convertible debentures or of debentures carrying a right to subscribe to equity shares or the passing over of the dividend; and any decision on buy back of equity shares of the listed entity.
- Changes in the (a) board of directors of the listed entity by death, resignation, removal or otherwise; (b) managing director; (c) auditors appointed to audit the books and accounts; (d) the compliance officer, or (e) the registrar to an issue and/or share transfer agent, domestic depository or the overseas custodian bank.
- Any change in the rights attaching to any class of equity shares into which the IDRs are exchangeable.

- Short particulars of any increase of capital whether by issue of bonus shares through capitalization, or by rights issue of equity shares, or in any other manner.

- Short particulars of the reissues of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe thereto.

- Short particulars of any other alterations of capital, including calls.

- In the event of the listed entity granting any options to purchase any IDRs, the following particulars: (a) the number of IDRs covered by such options, terms thereof and the time within which they may be exercised, and (b) any subsequent changes or cancellation or exercise of such options.

- Notices, resolutions, circulars, call letters or any other circulars issued or advertised anywhere with respect to: (a) proceedings at all annual and extraordinary general meetings of the listed entity, including notices of meetings and proceedings of meeting; (b) amendments to its constitutional documents as soon as they have been approved by the listed entity in general meeting; (c) compliance with requirements in the home country or in other jurisdictions where such securities are listed, and (d) any merger, amalgamation, re-construction, reduction of capital, scheme or arrangement involving the listed entity including meetings of equity shareholders, IDR holders or any class of them and proceedings at all such meetings.

- Any other information necessary to enable the IDR Holders to appraise the listed entity's position and to avoid the establishment of a false market in IDRs.

The listed entity must, in addition to complying with all of the specific requirements listed above, inform the Stock Exchanges immediately

of events such as strikes, lock outs and closure on account of power cuts and other material events or price sensitive information or events which will have a material bearing on its performance or operations both at the time of occurrence of the event and subsequently after the cessation of the event, in each case simultaneously with and as to the same extent that it makes such disclosure to holders of securities in its home country or in other jurisdictions where such securities are listed.

It must disclose to the Stock Exchanges any information which it discloses to any other overseas stock exchange(s) or makes public in any other overseas securities market on which its securities may be listed or quoted, simultaneously with such disclosure or publication, or as soon thereafter as may be reasonably practicable.

The listed entity must submit to the Stock Exchanges, on request, any other information concerning it as the Stock Exchanges may reasonably require.

5. Corporate governance

An issuer must adhere to the following:

- Compliance with the rules, regulations and laws, including the corporate governance regulations of the issuer's country of origin.
- File a comparative analysis of the corporate governance regulations applicable in its home country and in the other jurisdictions in which its equity shares are listed along with the compliance of the same *vis-à-vis* the corporate governance provisions applicable to Indian listed companies.

The listed entity must disclose/send the following documents to IDR holders, at the same time and to the extent that it discloses to security holders in its home country or in other jurisdictions where its securities are listed: (a) soft copies of the annual report to all the IDR holders who have registered their email address for the purpose; (b) hard copy of the annual report to those IDR holders who request for the same either through the domestic depository or Compliance

Officer; and (c) the pre- and post-arrangement capital structure and shareholding pattern in the case of any corporate restructuring like mergers, amalgamations and other schemes.

Further, the SEBI may from time to time implement further corporate governance standards to ensure greater transparency and protection of the investors.

6. Specific situations

An issue of IDRs does not require any prior approval of any regulator in India, except where the issuer is a bank or a financial institution having a presence in India, operating either through a branch or subsidiary, in which case a prior approval of the Reserve Bank of India would be required.

7. Presence in the jurisdiction

A foreign issuer must appoint:

- A depository in India to issue the receipts to the IDR holders.
- A registrar to be responsible for maintaining the register of IDR holders.
- A compliance officer based in India to be responsible for addressing investor grievances.

There are no other requirements on listed foreign companies to maintain a presence in India, and no further requirements to keep corporate records in India.

8. Fees

In accordance with the IDR Rules, the issuer must pay to the SEBI an issue fee as may be prescribed by the SEBI from time to time.

An issuer must also, as a condition precedent to listing, deposit with the stock exchange an amount equivalent to 1% of the issue size by

way of a refundable deposit to secure its compliance with all laws and regulations prescribed by the stock exchange.

In addition to the initial listing fee, an issuer must pay such annual fees as may be specified by the Stock Exchanges.

9. Additional Information

All correspondence with the IDR holders and filings with the Stock Exchanges as required under the model listing agreements must be in English. SEBI or the Stock Exchanges may require additional information/clarifications with respect to the issuer from time to time, which must be provided by the issuer.

10. Contacts within Baker McKenzie

Ashok Lalwani in the Singapore office is the global head of Baker McKenzie's India practice and is the most appropriate contact within Baker McKenzie for inquiries about prospective listings on the NSE or BSE.

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@bakermckenzie.com
+65 6434 2684

Indonesia Stock Exchange

Initial listing requirements

A company will qualify to list its shares on the Main Board of the Indonesia Stock Exchange (IDX) if it fulfils certain requirements including:

- Its registration statement is declared effective by the Financial Services Authority (*Otoritas Jasa Keuangan* / OJK).
- It has conducted operational activities in the same core business for at least 36 consecutive months, which must be proven by the prospective listed company recording revenue for the last three financial years and profit for the latest financial year.
- It has audited financial statements for the last three financial years, and an unmodified opinion covering the audited financial statements for at least the last two financial years and the last interim audited financial statements (if any).
- It has net tangible assets under the last audited financial statements of at least IDR100 billion (approximately US$7.21 million).
- The total number of shares owned by non-controlling shareholders or non-principal shareholders (minority shareholders that either directly or indirectly own less than 20% of the voting rights of the company's issued shares) of the prospective listed company either:
  - After the public offering.
  - Where the prospective listed company is already a public company (but not yet listed) within the period of five trading days prior to the listing application.

  is at least 300 million.

  And constitute either:
  - At least 20% of the paid-up capital of the company for prospective listed companies whose total equity prior to the public offering is less than IDR500 billion (approximately US$36.05 million).
  - At least 15% of the paid-up capital of the company for prospective listed companies whose total equity prior to the public offering is between IDR500 billion (approximately US$36.05 million) and IDR2 trillion (approximately US$144.20 million).
  - At least 10% of the paid-up capital of the company for prospective listed companies whose total equity prior to the public offering is more than IDR2 trillion (approximately US$144.20 million).

Only Indonesian legal entities in the form of a limited liability company (*Perseroan Terbatas*) that are established and existing under the laws of Indonesia may list their shares on the IDX. Indonesian capital market regulations allow foreign companies to issue and list Indonesian Depositary Receipts (*Sertifikat Penitipan Efek Indonesia*) on the IDX. However, due to the ambiguity of the regulations on the issuance and listing of Indonesian Depositary Receipts by foreign companies, no foreign company has yet to successfully list Indonesian Depositary Receipts on the IDX.

Other initial listing requirements

Share price. Offer price (and not nominal value) for securities to be listed must be at least IDR100 (approx. US$0.01).

Distribution. To list shares on the Main Board of the IDX, the total number of shareholders with securities accounts must be at least 1,000, with the following conditions:

- For a prospective listed company conducting an Initial Public Offering (IPO), the total number of shareholders is the number of total shareholders following the completion of the IPO.
- For a prospective listed company that was originally a non-listed public company, then the total number of shareholders is the total shareholders as of, at the latest, one month prior to the listing application.

Free Float. To maintain listing on the IDX, a listed company must fulfil the following free-float requirements:

- At least 50 million shares and 7.5% of the issued and paid up capital of the company owned by non-controlling shareholders or non-principal shareholders (minority shareholders that either directly or indirectly own less than 20% of the voting rights of the company's issued shares).
- At least 300 shareholders holding securities accounts.

Accounting standards. Financial statements must be audited by an independent auditor registered with OJK in accordance with accounting/auditing standards established by the Indonesian Institute of Certified Public Accountants (*Institut Akuntan Publik Indonesia*).

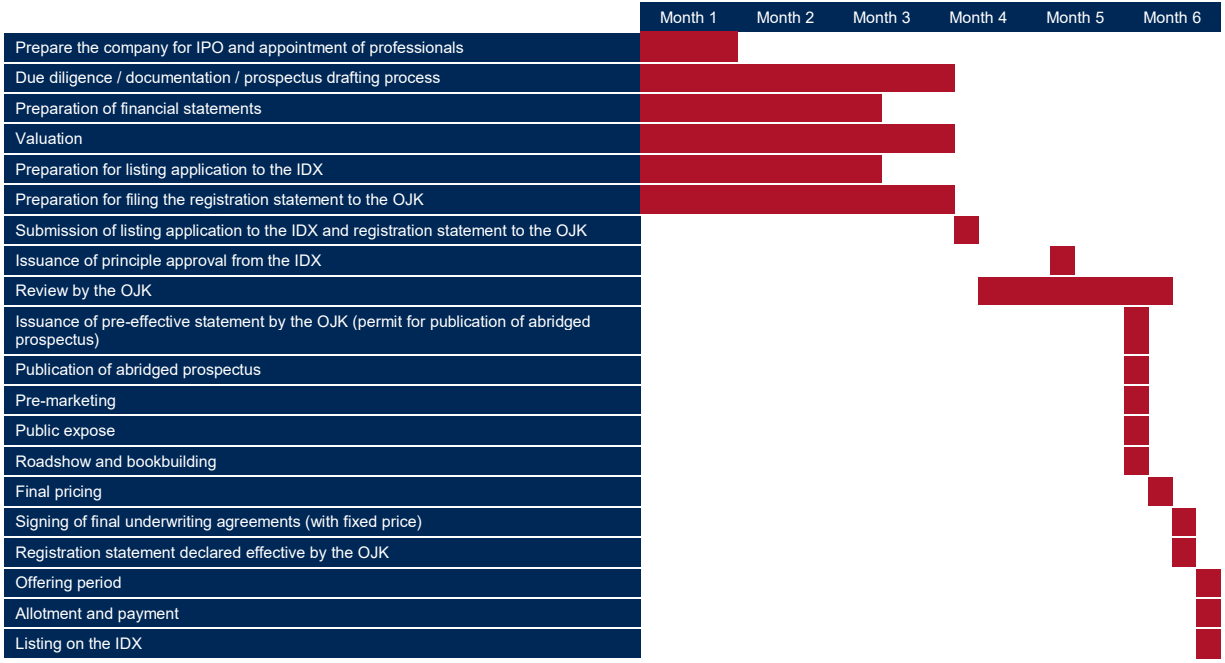
Financial statements. For listing on the Main Board, the registration statement must include three years' audited financial statements.

Corporate history. For listing on the Main Board, commercial operating history of at least 36 consecutive months in the same core business is required, which shall be proven by the prospective listed company having recorded revenue for at least the last three financial years and profit for the latest financial year.

Management continuity. The IDX does not require any specific period of continuity of management.

Listing process

Any proposed listing would be subject to regulation by the appropriate divisions of the IDX and OJK. The following is a fairly typical process and timetable for a listing on the IDX.



Fees

Corporate governance and reporting

A publicly listed company, under OJK regulations, must have:

- A board of commissioners, 30% of which must be independent commissioners.
- A nomination and remuneration function.
- An audit committee.
- A corporate secretary.
- An internal audit unit.

Listed companies are subject to certain reporting obligations, including:

- Submitting periodic reports to the OJK and IDX.
- Disclosing to the public, the OJK and the IDX any material information or facts which may affect the value of the securities or an investment decision of investors.
- Disclosing any material corporate actions and corporate actions that are considered as affiliated party or conflicts of interest transactions.

Prospective listed companies must pay initial listing fees which are calculated based on the share capitalization value of the listed company. For listing on the Main Board, for every IDR1 billion (approximately US$72,100) of share capitalization value, the initial listing fee is IDR1 million (approximately US$72), with the minimum initial listing fee being IDR25 million (approximately US$1,800) and the maximum being IDR250 million (approximately US$18,025).

In addition, listed companies must also pay an annual listing fee and fees for each additional listing of shares. The annual listing fee is calculated based on the share capitalization value of the listed company. For every IDR1 billion (approximately US$72,100) of share capitalization value, the annual listing fee is IDR500,000 (approximately US$36), with the minimum listing fee being IDR50 million (approximately US$3,600) and the maximum being IDR250 million (approximately US$18,025). The fees for additional listing of shares are also calculated based on the share capitalization value of the listed company. For every IDR1 billion (approximately US$72,100) of share capitalization value, the fees for additional listing of shares is IDR1 million (approximately US$72), with the minimum fees for an additional listing of shares being IDR10 million (approximately US$720) and the maximum being IDR150 million (approximately US$10,815).

1. Overview of exchange

Currently, the Indonesia Stock Exchange (*PT Bursa Efek Indonesia,* or the IDX) is the only stock exchange in Indonesia.

Several kinds of securities may be listed on the IDX, such as shares and bonds. This description focuses on the listing of shares. Only Indonesian legal entities in the form of limited liability companies (*Perseroan Terbatas*) that are established and existing under the laws of Indonesia may list shares on the IDX. Indonesian capital market regulations allow foreign companies to issue and list Indonesian Depositary Receipts (*Sertifikat Penitipan Efek Indonesia*, or SPEI) on the IDX.

SPEIs are depositary receipts issued by a local custodian (depositary). Each SPEI represents a proportional ownership interest in a fixed number of underlying shares of the relevant company. The shares underlying the SPEIs are deposited with the local custodian that has been approved by the Financial Services Authority (*Otoritas Jasa Keuangan*, or OJK). A SPEI holder is entitled to the same rights granted to equity shareholders of the relevant company for each of the underlying shares represented by its SPEI. However, in exercising its rights, the SPEI holder must be represented by the relevant depositary. A SPEI holder is not a shareholder, and therefore, it cannot attend and vote in any general meetings of shareholders of the company, except, as earlier stated, through the relevant depositary.

Similar to the listing of shares, in theory, the listing of SPEIs is subject to regulation by the appropriate divisions of the IDX and OJK. The IDX has issued specific rules for the listing of SPEIs whereby the company that issues SPEIs must submit a registration statement to the OJK and the registration statement must be declared effective by the OJK. Notwithstanding the foregoing, in practice, due to the ambiguity of the OJK regulations on the issuance of SPEIs by foreign companies, no foreign company has yet successfully listed SPEIs on the IDX. As such, our description below will not go into details on how to list SPEIs for foreign companies on the IDX.

There are three boards on the IDX where issuers may list their securities:

- The Main Board, which is generally used for listing by companies that meet the core business activities, financial, net tangible asset, shareholders and profit standards required for listing on the Main Board of the IDX.
- The Development Board, which is generally used for listings by companies that cannot meet the core business activities, financial, net tangible asset, shareholders and profit standards required for the Main Board, and could be a steppingstone towards listing on the Main Board.
- The Acceleration Board (only small and medium-sized enterprises are eligible to be listed on this board), which is for listings by companies that cannot meet the requirements for listing on the Development Board or Main Board. The Acceleration Board was established by the IDX to, among other things, capture the emerging start-ups market and facilitate small and medium-sized enterprises/start-ups (which in terms of business and financials are not eligible for listing on the IDX's Development Board or Main Board) to list their shares on the IDX and raise funds through the capital market.

This description focuses on the Main Board.

The aggregate market capitalization of listed securities on the IDX as of 30 November 2019 was IDR6,919 trillion (approximately US$498.86 billion), which represents an increase of approximately 0.9% from the aggregate market capitalization of IDR6,858 billion (approximately US$494.46 billion) as of 30 November 2018. As at 30 November 2019, 661 companies were listed on the Main Board, representing an increase of approximately 7.5% from 30 November 2018 (when 615 companies were listed). The IDX itself does not specialize in or encourage listings by particular types of companies.

The operation of securities trading at the IDX is conducted through the Jakarta Automated Trading System (the trading system of the IDX) (JATS). JATS handles all financial products (stocks, bonds, and derivatives) in one platform. Trading of securities on the IDX is divided into three market segments: regular market, negotiated market and cash market. The regular market is the mechanism for trading stock in standard lots on a continuous auction market during exchange hours. Regular market and cash market trading must be carried out in unit lots of 100 shares. Negotiated market trading is carried out by (i) direct negotiation between members of the IDX, (ii) between clients through one member of the IDX, or (iii) between a client and a member of the IDX. Negotiated market trading does not use round lots.

Any proposed listing would be subject to regulation by the appropriate divisions of the IDX and OJK. The prospective listed company must submit a registration statement to the OJK, consisting of documents such as the prospectus, financial statements that have been audited by an independent auditor, legal due diligence report, legal opinion and other documents as may be required by the OJK. One of the requirements for listing is that the OJK declares the registration statement to be effective.

The OJK and the IDX permit dual listed companies. In such a case, generally, the OJK requires that the listed companies fulfil the listing standards and compliance requirements of the exchange that has the more strict listing standards and compliance requirements (except for filing annual reports as discussed below).

2. Principal listing and maintenance requirements and procedures

The IDX does not consider any jurisdictions of incorporation or industries to be unacceptable for a listed company. However, as highlighted in Section 1 above, foreign companies are prohibited from listing their shares on the IDX. In theory, foreign companies are only

allowed to issue and list SPEIs on the IDX. To date, no foreign company has successfully listed SPEIs on the IDX.

A company will qualify to list its shares on the Main Board of the IDX if it fulfils certain requirements, including the following:

- Its registration statement is declared effective by the OJK.
- It has conducted an operational activity in the same core business for at least 36 consecutive months which must be proven by the prospective listed company recording revenue for the last three financial years and profit for the latest financial year.
- It has audited financial statements for the last three financial years, and an unmodified opinion covering the audited financial statements for at least the last two financial years and the last interim audited financial statements (if any).
- It has net tangible assets under the last audited financial statements of at least IDR100 billion (approximately US$7.21 million).
- The total number of shares owned by non-controlling shareholders or non-principal shareholders (minority shareholders that either directly or indirectly owns less than 20% of the voting rights of the company's issued shares) of the prospective listed company, either:
    - After the public offering; or
    - Where the prospective listed company is already a public company (but not listed yet), within the period of five trading days prior to the listing application,

    is at least 300 million shares and:
    - At least 20% of the paid up capital of the company for prospective listed companies whose total equity prior to the

public offering is less than IDR500 billion (approximately US$37.50 million).

- At least 15% of the paid up capital of the company for prospective listed companies whose total equity prior to the public offering is between IDR500 billion (approximately US$36.05 million) and IDR2 trillion (approximately US$144.20 million).
- At least 10% of the paid up capital of the company for prospective listed companies whose total equity prior to the public offering is more than IDR2 trillion (approximately US$144.20 million).

- The total number of shareholders with securities accounts at the securities exchange members is at least 1,000, provided that:
  - For a prospective listed company conducting an Initial Public Offering (IPO), the total number of shareholders is the number of total shareholders following the completion of the IPO.
  - For a prospective listed company that was originally a non-listed public company, then the total number of shareholders is the total shareholders as of, at the latest, one month prior to the listing application.

The IDX requires all companies wishing to list their shares on the IDX to list all of the company's shares, except for certain companies such as banks where 1% of its paid up capital may not be listed on the IDX. The offer price (and not nominal value) for the shares to be listed must be at least IDR100 (approx. US$0.01).

The IDX does not require any specific period of continuity of management.

Listing of additional shares

Apart from an initial listing, the IDX also allows for the listing of additional shares on the Main Board as a result of issuance of new shares by the listed company, such as would result from a rights issue, an increase of capital without preemptive rights, a reverse stock split, bonus shares, dividend shares, conversion of indebtedness, an employee/management stock option program and an exercise of warrants. There are particular requirements that need to be fulfilled in order to be able to list these additional shares on the IDX (these include a guideline formula for determining the pricing). There are different requirements to be fulfilled for listing additional shares depending on how the new shares are issued.

The requirements for listing additional shares on the IDX are generally as follows:

- The listed company has obtained the approval of its general meeting of shareholders for the issuance of new shares.
- The listed company has submitted an application for the approval of the IDX on the listing of the additional shares.
- The listed company has obtained the approval of the IDX (including the effective letter issued by the OJK to the extent the new shares are issued pursuant to a public offering).

Corporate governance

A listed company, under the OJK regulations, must have:

- A board of commissioners, 30% of the members of which must be independent commissioner.
- A nomination and remuneration function.
- An audit committee.
- A corporate secretary.

- An internal audit unit.

A more detailed explanation on the corporate governance requirements of a listed company is provided in Section 5 below.

Free float requirements

Under IDX Rule No. I-A on Listed Stock and Equity Securities other than Shares Issued by Listed Companies (IDX Listing Rule), there are certain free float requirements to be met after the initial listing in order to maintain a listing on the IDX. These free float requirements are:

- Non-controlling shareholders and non-principal shareholders must hold (i) at least 50 million shares and (ii) at least 7.5% of the total paid up capital of the listed company.
- At least 300 shareholders with securities accounts.

The IDX Listing Rule provides that if there is a breach of the minimum free float requirement caused by a corporate action of the listed company and the breach was outside of the control of the listed company, it has to submit an action plan to comply with the above requirements at the latest two trading days after the company becomes aware of the non-compliance. The IDX may approve or reject the proposed plan, especially in relation to the proposed timeline.

If non-compliance with the requirement for non-controlling shareholders and non-principal shareholders to hold (i) at least 50 million shares and (ii) at least 7.5% of the total paid up capital of the listed company is due to a mandatory tender offer as a result of a takeover by a new controller, the IDX Listing Rule provides a two-year deadline to comply with the requirement.

Delisting

A listed company can be delisted from the IDX, either voluntarily by the relevant listed company or forcibly by the IDX due to certain conditions. The IDX allows a listed company to undertake voluntary

delisting upon meeting certain requirements, such as: (i) the relevant company has been listed on the IDX at least for five years; (ii) the delisting plan has been approved by a general meeting of shareholders, and (iii) there are standby buyer(s) who will purchase the shares of the shareholders who disagree with the delisting plan on the price in accordance with the IDX rule.

The IDX can force a listed company to delist if that company fulfils one of the following conditions: (i) the company suffers certain conditions which adversely affect the going concern nature of the company, financially or legally, or adversely affect the continuing status of the company as a publicly listed company and the company is unable to demonstrate a sufficient indication of a recovery; or (ii) the shares are suspended from the regular market and the cash market, and have only been traded in the negotiated market for the last 24 months.

Once delisted, the company will remain a public company but its shares will no longer be listed on the IDX. The company can be taken private upon meeting certain requirements as per ruling/guidance issued by the OJK.

Lock-up

If a party obtains shares of a prospective listed company within six months before the submission of the relevant IPO registration statement to the OJK at a price lower than the IPO price of the company's shares, all shares (and not only the newly obtained shares by that party) will be subject to eight months lock-up. The eight months lock-up will start from the date the registration statement is declared effective by the OJK.

3. Listing documentation and process

The procedures for listing of shares, as stated in the IDX Listing Rules are divided into those for (i) companies that intend to list shares on the IDX, and (ii) public companies or companies that have already been listed on another stock exchange. The explanation below will focus on

the first procedure, that is, the procedure for companies that intend to list shares on the IDX (listing after IPO).

A company that intends to list its shares on the IDX has to file a request for the listing of shares to the IDX (Request) at the same time as the submission of the registration statement to the OJK and pay an initial listing fee (see Section 7 for further details). The Request from the company should comply with the form attached to the IDX Listing Rule. The application is done electronically, where the soft copy of the following documents must be submitted:

- Prospectus or Initial Prospectus, if the prospective listed company undertakes a bookbuilding (*penawaran awal*).
- Taxpayer registration number (*Nomor Pokok Wajib Pajak (NPWP*)).
- Financial projection for at least three years including the assumptions that are used.
- Evidence of payment for listing application.

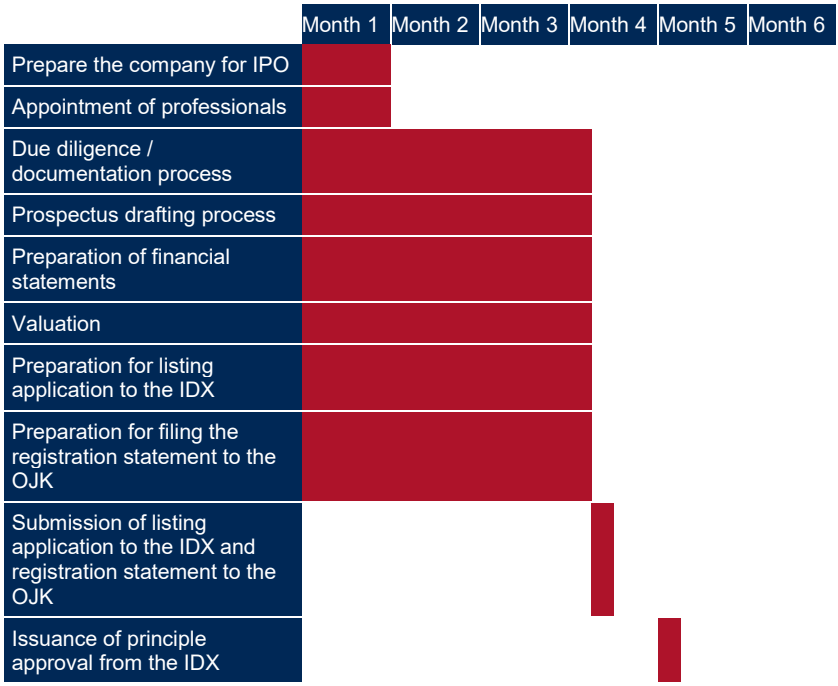
Prospective listed companies whose business is specifically regulated by the IDX must also submit the following documents, as required by specific IDX regulation:

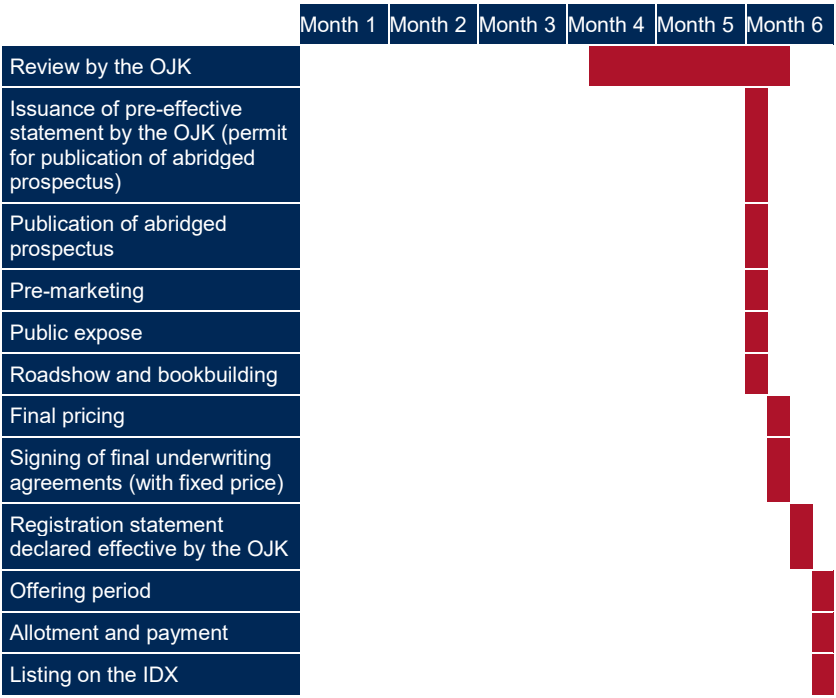
- A copy of the concession or management permit from the relevant institution, if it is required (for example in the case of forestry or toll road businesses).
- A statement letter from the board of directors stating that: (i) it will be responsible for the accuracy of information submitted to the IDX and (ii) it will comply with the applicable laws and regulations in the capital market including the IDX rules.

In reviewing the application, the IDX may:

- Request additional documents, information, and/or explanations, both oral or written, from prospective listed companies and/or other parties related to the proposed shares listing.
- Ask the listed company and all of its advisors to make a "mini public expose" in the form of a presentation to the IDX about the company and its operations, activities, financial conditions, the purpose of undertaking an IPO, its intention to undertake an IPO, and findings of the advisors.
- Carry out a site visit.

The following is a fairly typical process and timetable for a listing on the IDX.





4. Continuing obligations/periodic reporting

Periodic reporting obligations

Listed companies are required to submit periodic reports to the OJK and IDX, including the following:

- An annual report, to be submitted no later than four months after the end of the financial year of the listed company. If the annual report is made available to shareholders before the deadline, the annual report must be submitted to the OJK on the day it becomes available to the shareholders. The annual report must be prepared in two languages, one being the Indonesian language and the other one being English.

- Consolidated financial statements consisting of:
    - An annual financial report audited by an accountant registered with the OJK, to be submitted not later than three months after the date of the report.
    - Any of the following mid-year reports: (a) a mid-year report (unaudited), to be submitted not later than one month after the date of the report; (b) a mid-year report with limited review by an accountant registered with the OJK, to be submitted not later than two months after the date of the report; or (c) a mid-year report audited by an accountant registered with the OJK containing a full opinion on the fairness of the report, to be submitted not later than three months after the date of such report.
    - Quarterly reports, the preparation of which is required by the rules of the IDX, to be submitted to the IDX not later than one month after the date of the report for a non-audited report, two months after the date of the report for a limited audit report, and three months after the date of the report for a fully audited report.
- The use of net proceeds from the initial public offering.

Non-periodic reporting obligations

Listed companies are also required to disclose to the public and report to the OJK and the IDX any material information or facts (Material Information or Facts), as soon as possible but in any event no later than two business days after the Material Information or Facts occurs. Material Information or Facts is defined as any important and relevant information or facts regarding events, incidents or facts that may affect the price of securities on the IDX and/or the decisions of any investor, potential investor or other party who has an interest in that information or fact.

Material Information or Facts may consist of, among other things, merger, acquisition, consolidation, stock split, stock dividend, change in management, labor disputes, replacement of a public accountant or replacements of a trustee and material legal claims.

Reporting obligations related to corporate actions

Listed companies that undertake material corporate actions (unless specifically exempted by the OJK rules) must do one of the following:

- Where the material transaction has a value of more than 50% of the company's equity, issue a circular to their shareholders and make a disclosure of information on the corporate actions in such a circular as well as obtain the approval of a general meeting of shareholders.

- Where the material transaction has a value of between 20% and 50% of the company's equity, announce such corporate actions to the public, depending on the value of the proposed corporate actions.

Listed companies that undertake corporate actions that are considered as affiliated party transactions (transactions with an affiliated party) must do one of the following:

- Issue a circular to their shareholders and make a disclosure of information on the corporate actions in such a circular.

- To the extent a corporate action is a conflict of interest transaction (whether such transaction is done with the affiliated party or not), obtain the approval of the independent shareholders in a general meeting of shareholders in addition to issuing the aforementioned circular and making the aforementioned disclosure.

In addition, if listed companies were to issue new shares, either with or without pre-emptive rights, the companies must issue a circular to their shareholders and make a disclosure of information on the

corporate actions in that circular and obtain the approval of a general meeting of shareholders.

Shareholding reporting obligations

Under the Indonesian Capital Market Law (Law No. 8 of 1995) and the OJK Rule No.11/POJK.04/2017 on Reporting of Share Ownership in Public Companies (OJK Rule 11/2017), (i) each director or commissioner of a public company holding any shares, directly or indirectly, in that public company; or (ii) each Party that has direct or indirect ownership of a minimum of 5% of the paid up capital in the public company (Reporting Party), must report to the OJK within 10 calendar days the ownership and the changes of ownership of shares in the public company after the transaction date. The report must also be submitted after there is a change by at least 0.5% of the paid up capital of the public company in the Reporting Party's share ownership in that public company.

Under OJK Rule 11/2017, the report can also be submitted by another party who is authorized in writing by the Reporting Party through a Power of Attorney (POA). OJK Rule 11/2017 does not set a limitation on the parties that can be appointed as the proxy. Thus, an individual or a legal entity, as long as they are appointed based on a POA, can be authorized as the attorney of the Reporting Party. The report made by the proxy must be submitted to OJK at the latest five calendar days after the Reporting Party comes to hold the shares or after there is a change by at least 0.5% of the paid up capital of the public company in the Reporting Party's share ownership.

Under OJK Rule 11/2017, if a direct/registered shareholder is not the ultimate beneficial owner (UBO) of the shares, both the direct/registered shareholder and the UBO of the shares must submit reports to the OJK. The submission of the report by the registered owner will not eliminate the obligation of the UBO to submit its report (and vice versa). In addition, if the UBO holds the shares through various layers of entities, each entity must also submit reports

to the OJK (noting that all of these reports are duplicative as they are disclosing the same share ownership).

OJK Rule 11/2017 provides a template to be used for the shareholding reporting to the OJK. The report should, at a minimum, contain the following information:

- Name, address and nationality of the Reporting Party.
- Name of the public company whose shares are owned by the Reporting Party.
- Number of shares and percentage of shares, both before and after the transaction.
- Number of shares purchased or sold.
- Purchase or sale price per share.
- Date of transaction.
- Purpose of transaction.
- shares ownership status (direct or indirect)

Insider trading

Insider trading, fraud and market manipulation of securities are prohibited under Indonesian capital markets laws. Any transaction found to have involved insider trading, fraud or market manipulation may be cancelled or suspended by the IDX, or the OJK may suspend or revoke the license of the capital market supporting institutions and supporting professionals involved. A party engaging in (i) conduct that is misleading, fraud or manipulation in connection with the sale of securities; (ii) other actions which mislead the public regarding trading activities, market conditions or price, or (iii) insider trading, is liable for the loss incurred and faces a fine of up to IDR15 billion (approximately US$1.08 million) and imprisonment for up to ten years.

5. Corporate governance

Indonesian companies are required to have a two-tier management structure. The executive functions are managed by a board of directors, which is supervised by a board of commissioners. The board of commissioners does not have an executive function or authority, except where all members of the board of directors have a conflict of interest in certain transactions or in the absence of all members of the board of directors (*Direksi*).

Under the Indonesian Company Law (Law No. 40 of 2007), the board of directors is tasked with managing the company in the best interests of the company and in accordance with the purpose and objectives of the company. The board of commissioners is tasked with supervising and advising the board of directors in the best interests of the company and in accordance with the purpose and objectives of the company. Generally, the board of directors and board of commissioners have defined rules to guide their conduct. The company is a separate legal entity to which the board of directors and the board of commissioners owe a loyalty above both their own personal interests and the interests of the shareholders. The board of directors and board of commissioners therefore are obligated to run the company in the best interests of the company, even if those interests conflict with their own personal interests or shareholders' interests.

As referred to in Section 2 above, under the OJK regulations, a listed company must have:

- Independent commissioners comprising at least 30% of the total number of members of the board of commissioners.
- A nomination and remuneration function.
- An audit committee.
- A corporate secretary.

- An internal audit unit.

Independent commissioners

To become an independent commissioner in a listed company, a person must:

- Not be a person that has had the authority and responsibility to plan, lead, control or supervise the activity of the listed company in the six months prior to their appointment as an independent commissioner.
- Not own any shares of the listed company, directly or indirectly.
- Not have an affiliated relationship with the listed company, or with any commissioner, director or principal shareholder of the listed company.
- Have no business relationship that is directly or indirectly related to the listed company's business activity.

An independent commissioner that has served for two consecutive terms of office can be elected for a third consecutive term so long as he/she declares and proves to a general meeting of shareholders that he/she remains independent.

Audit committee

A listed company's audit committee must comprise at least three members, one of whom must be an independent commissioner who will serve as chairman of the audit committee. The other members must also be independent persons (usually originating from outside the company), at least one of whom must be an expert in the field of accounting and/or finance.

The following persons are prohibited from becoming members of the audit committee of a listed company:

- Any inside person of a public accountant, legal consultant or other party who gives audit, non-audit and or other appraisal services and/or consultation services to the company or that has personally audited the financial statements of the listed company in six months prior to their appointment as a member of the audit committee.
- Any person that has had the authority and responsibility to plan, lead, control or supervise the activity of the listed company in the six months prior to their appointment as a member of the audit committee, except an independent commissioner.
- Any person who owns shares, either directly or indirectly, in the listed company.
- Any person who has an affiliated relationship with commissioners, directors or a principal shareholders of the listed company.
- Any person who has a business relationship that is directly or indirectly related to the listed company's business activity.

In addition to the above, each member of the audit committee must:

- Have high integrity, ability, knowledge and adequate experience (including any relevant educational qualifications) and be able to communicate properly.
- Be capable of reading and understanding financial reports, and at least one of the members of the audit committee must have an educational qualification in accountancy or finance.
- Have adequate knowledge of all relevant capital market regulations.
- Understand financial statements, the business of the listed company concerned, audit process, risk management and capital market regulations and other related regulations.

- Comply with the audit committee's code of conduct which is stipulated by the listed company.
- Agree to increase his/her competency continuously through education and training.

For the appointment and dismissal of audit committee members, the reporting to the OJK and upload on the listed company's website must be done at the latest two business days after the appointment or dismissal.

A listed company must set up an audit committee charter. The charter must, as a minimum, detail the following:

- The duties, responsibilities and the authority of the audit committee.
- The composition, structure and requirements of members of the audit committee.
- Guidelines and working procedure.
- The requirements for audit committee meetings.
- Reporting mechanism.
- Provisions on complaints or reports received in connection with any suspicion as to whether there is any violation on financial reporting.
- The term of the audit committee.

The charter must be published on the listed company's website as soon as the information is available.

Corporate secretary

The function of the corporate secretary may be performed by one of the directors of the listed company, or an official of the listed company designated to carry out such function. However, a corporate

secretary cannot have a dual position as director in other listed companies. The corporate secretary acts as a liaison or contact person between the listed company, government authorities, including the OJK, and the public. The corporate secretary must have access to material and relevant information relating to the listed company and must be familiar with all statutory regulations relating to capital markets, particularly on disclosure matters.

The appointment and termination of the corporate secretary are decided by the board of directors. If there is no corporate secretary, the listed company must appoint a replacement at the latest 60 calendar days after the corporate secretary position becomes vacant. Such appointment and termination must be: (i) reported to the OJK and (ii) published on the relevant listed company's website, at the latest two business days after the appointment or the termination.

Internal audit unit

The internal audit unit plays a visible leadership role in promoting compliance and performing an internal audit function within the listed company. Each listed company must have an internal audit unit and the number of internal auditors in the internal audit unit will be adjusted based on the scale and the complexity level of the listed company's business.

An internal auditor is required to fulfil, at a minimum, the following requirements:

- He/She must have integrity, and be professional, independent, honest and objective.
- He/She must have knowledge and experience in relation to undertaking an audit and other knowledge relevant to his/her duties.
- He/She must have knowledge of capital market regulations and other related regulations.

- He/She must have the ability to interact and communicate effectively.
- He/She must comply with the professional standards issued by the Internal Audit Association.
- He/She must comply with the code of ethics for internal audits.
- He/She must protect the confidentiality of all information and/or company data related to the implementation of his/her duties (an exception to this may be granted only if the prevailing laws and regulations stipulate otherwise, or if it is based on a court decision).
- He/She must understand good corporate governance principles and risk management.
- He/She must continuously improve his/her knowledge, ability and professionalism.

The duties and responsibilities of an Internal Audit Unit include:

- Preparing and implementing an annual internal audit plan.
- Examining and evaluating the implementation of an internal control and risk management system in accordance with the company's policy.
- Reviewing and evaluating efficiency and effectiveness in the areas of finance, accounting, operations, human resources, marketing, information technology and other activities.
- Providing objective suggestions and information on activities that have been audited at all management levels.
- Making an audit report and submitting the report to the president director and the board of commissioners of the company.

- Overseeing, analyzing and reporting on the implementation of the suggestions.
- Working together with the Audit Committee.
- Preparing programs to evaluate the quality of the internal audit activities he/she has conducted.
- Conducting special reviews/investigations, if required.

All appointments, replacements, and dismissals of the chief of an internal audit committee must be reported to the OJK immediately.

Nomination and Remuneration Function

A listed company is required to have its nomination and remuneration function conducted by the board of commissioners. The board of commissioners may establish a nomination and remuneration committee to implement this function.

A nomination and remuneration committee must have at least three members and must fulfil these requirements:

- The chairman of the nomination and remuneration committee must be an independent commissioner of the listed company.
- Other members of the nomination and remuneration committee can be either:
    - Members of the board of commissioners.
    - Persons from outside the listed company, who: (i) have no affiliate relationship with that company, or the members of the board of directors, members of the board of commissioners or the principal shareholders of the listed company; (ii) have experience related to nomination and remuneration; and (iii) do not hold any position in any other committees of that company.

  - Persons who hold a managerial position under the board of directors member that handles human resources affairs.

  The latter should not be the majority member(s) of the nomination and remuneration committee.

- Members of the board of directors of the relevant company are prohibited from serving as members of the committee.

The tenure of the nomination and remuneration committee must not be longer than the tenure of the board of commissioners, as stipulated in the articles of association of the listed company. Members of a nomination and remuneration committee are appointed and dismissed by resolutions of a board of commissioners meeting and can be reappointed without any term limitation.

The committee must act independently at all times, is responsible to the board of commissioners of the relevant company, and has the following duties:

- Nomination function:
  - Make recommendations to the board of commissioners on:
    - Composition of membership of the board of directors and/or board of commissioners.
    - Nomination policies for the board of directors and/or board of commissioners.
    - Performance evaluation policies for the board of directors and/or board of commissioners.
  - Assist the board of commissioners in evaluating the performance of the board of directors and/or board of commissioners based on the prepared benchmarks.

- Make recommendations to the board of commissioners on programs for developing the capabilities of the board of directors and/or board of commissioners.
- Propose to the board of commissioners any candidate who might qualify as a member of the board of directors and/or board of commissioners to be submitted to a GMS of the company.

- Remuneration function:
  - Make recommendations to the board of commissioners on remuneration structure, policy on remuneration, and amount of remuneration.
  - Assist the board of commissioners in evaluating the performance of the board of directors and/or board of commissioners in accordance with their remunerations.

    In implementing the remuneration function above, the committee must consider:

    - The remunerations applicable in other public companies in a similar industry, and the business scale of the relevant company within its industry.
    - The duties, responsibilities, and authorities of members of the board of directors and board of commissioners in relation to the relevant company's fulfilment of its performance and goals.
    - The goals or performance targets of each member of the board of directors and board of commissioners.
    - The balance between fixed and variable allowances.

Listed companies must disclose the implementation of the nomination and remuneration function in:

- Their annual reports, consisting of:
    - A statement of the company that it has established the nomination and remuneration committee's guidelines.
    - A brief explanation of the implementation of the nomination and remuneration committee's duties and responsibilities during that financial year.
- Its website, consisting of:
    - The nomination and remuneration committee's guidelines.
    - A brief explanation of the implementation of the nomination and remuneration committee's duties and responsibilities during that financial year.

6. No differentiation in treatment and requirement

For the purposes of listing on the IDX, there is no difference in the treatment and requirements imposed on companies, regardless of, among other things, their size or industry. Further, there is only one process for listing shares on the IDX (there is no "fast track" or expedited process).

7. Fees

A prospective listed company must pay initial listing fees that are calculated based on the share capitalization value of the listed company. For listing on the Main Board, for every IDR1 billion (approximately US$72,100) of share capitalization value, the initial listing fee is IDR1 million (approximately US$72), with the minimum initial listing fee being IDR25 million (approximately US$1,80) and the maximum being IDR250 million (approximately US$18,025).

Further, under the IDX Listing Rule, listed companies must pay an annual listing fee and fees for each additional listing shares (that is, for new shares issued through a rights issue). The annual listing fee is calculated based on the latest share capitalization value of the listed company. For every IDR1 billion (approximately US$72,100) of share capitalization value, the annual listing fee is IDR500,000 (approximately US$36), with the minimum listing fee being IDR50 million (approximately US$3,600) and the maximum being IDR250 million (approximately US$18,025). We are not aware if in practice the IDX imposes a higher annual listing fee. The annual listing fee must be paid in advance by the listed company for a period of 12 months from January to December and, subject to certain exceptions, must be received by the IDX at the latest at the end of the last working day in January.

The fees for additional listing of shares are calculated based on the share capitalization value of the publicly listed company. For every IDR1 billion (approximately US$72,100) of share capitalization value, the fees for an additional listing of shares is IDR1 million (approximately US$72), with the minimum fees for an additional listing of shares being IDR10 million (approximately US$720) and the maximum being IDR150 million (approximately US$10,815). The fees for an additional listing of shares must be paid to the IDX at the latest one working day prior to the date of the intended listing.

8. Additional information

Any documents submitted to the OJK and the IDX must generally be submitted in Bahasa Indonesia. If the documents are submitted in a language other than Bahasa Indonesia, generally, a Bahasa Indonesia translation must also be submitted.

9. Contacts within Baker McKenzie

Iqbal Darmawan and Indah N. Respati of Hadiputranto, Hadinoto & Partners, a member firm of Baker McKenzie International, are the most appropriate contacts in Jakarta for inquiries with respect to prospective listings on the IDX.

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Johannesburg—
JSE Limited

Since 2017, several new securities exchanges (apart from the JSE Limited) have been granted a licence to operate in South Africa, including Africa Exchange (4AX), A2X Markets (A2X), Equity Express Securities Exchange (EESE) and ZAR X. These exchanges presently have a relatively small number of securities listed on them and accordingly this document deals only with the JSE Limited.

Initial financial listing requirements

To qualify for listing on the Main Board of the JSE, the applicant company typically must satisfy the following criteria:

Subscribed capital	Subscribed capital, including reserves but excluding minority interests, revaluations of assets and intangible assets that are not supported by a valuation by an independent professional expert acceptable to the JSE prepared within the last six months, of at least R50 million (approx. US$3.57 million).
Audited profit history	The applicant must have audited financial statements for the preceding three financial years and either: • The most recent financial statements reported an audited profit of at least R15 million (approx. US$1.07 million) before taxation and after taking account of the headline earnings adjustment on a pre-tax basis. • It has a subscribed capital, including reserves but excluding minority interests, revaluations of assets and intangible assets that are not supported by a valuation by an independent professional expert acceptable to the JSE prepared within the last six months, of at least R500 million (approx. US$35.65 million). The JSE may in its absolute discretion list a company which is in its development stage (other than a mineral company) and which does not have the required profit history, provided that the applicant has, prior to listing, (1) subscribed capital as determined in terms of the JSE's listing requirements of at least R500 million (approx. US$35.65 million), and (2) existed for at least 12 months.
Carrying on of main activity	During the preceding three financial years, an applicant must have either: • Been conducting, either by itself or through one or more of its subsidiaries, an independent business as its main activity, which is supported by its historic revenue earning history and which gives it control (which for this purpose is defined as at least 50% plus 1% of the voting shares) over the majority of its assets. • Had a reasonable spread of direct interests in the majority of its assets and the right to actively participate in the management of such assets, whether by voting or through other rights that give it influence in the decisions relating to the assets. The JSE may in its absolute discretion list a company which has only controlled or had a direct interest in the majority of its assets for 12 months, provided that such applicant: (1) has, per its audited financial statements, produced reporting profit of at least R15 million (approx. US$1.07 million) before taxation and after taking account of the headline earnings adjustment on a pre-tax basis, for the period during which it has exercised control; (2) can illustrate that the underlying assets/companies are in a similar line of business and are

Other initial listing requirements

Share price. The JSE does not require a minimum trading price.

Distribution. A company must have at least 25 million equity securities in issue and at all times at least 20% of each class of such securities must be held by the public.

Foreign companies. There are no additional ownership requirements specifically applicable to a listing of a foreign company's shares.

Audited Financial Statements. Financial information relied upon to satisfy the listing requirements must comply with the prescribed standards and must have been reported on by an auditor or reporting accountant without qualification, disclaimer, adverse audit opinion, the inclusion of a paragraph on material uncertainty relating to going concern or reference to an emphasis of matter.

In addition, a foreign applicant applying for a secondary listing on the JSE Main Board must:

- Confirm that it has a primary listing on another exchange and that either: (a) such exchange is a member of the World Federation of Exchanges or, if not, (b) the company has subscribed capital, including reserves but excluding minority interests, revaluations of assets and intangible assets that are not supported by a valuation by an independent professional expert acceptable to the JSE prepared within the last six months, of at least R500 million (approx. US$35.65 million).
- Confirm that the primary listing is on a board or an exchange at least equivalent to that for which the application is being made on the JSE. The JSE will therefore not grant a secondary listing on the Main Board for an applicant that has a primary listing on a junior or secondary market of another exchange.
- Not have traded in its securities on the JSE in respect of which a secondary listing is sought of more than 50% of both the total volume and total value traded in those securities on all markets in which it is listed over the preceding 12 months.

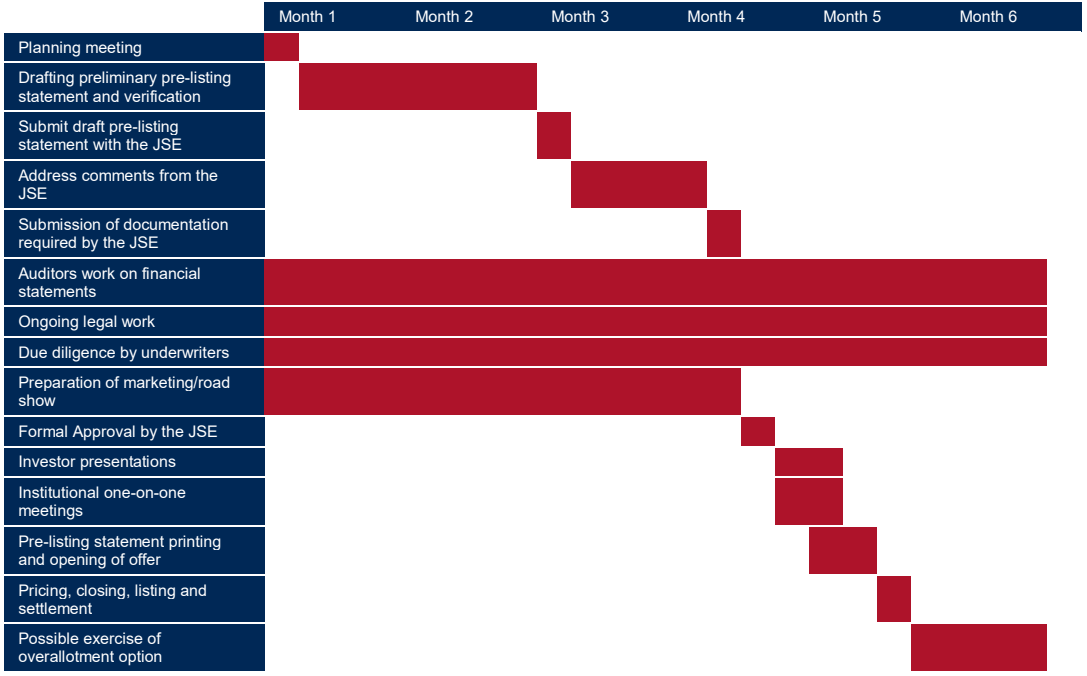
Accounting standards. In respect of a company with a primary listing, audited financial statements must be prepared in compliance with IFRS and AC 500 Standards as issued by the South African Accounting Practices Board. In respect of a company with a secondary listing, the JSE will accept financial information prepared in accordance with IFRS, IFRS as adopted by the European Union, and UK, US, Australian or Canadian GAAP.

Financial statements. The listing document must generally include a report of historical financial information which includes statements of comprehensive income, financial position, changes in equity and cashflows, accounting policies and segmental information in a consolidated form in respect of the last three years. In addition, the directors must provide a statement that in their opinion the working capital available to the applicant and its subsidiaries is sufficient for the group's present requirements. Pro forma financial information is also to be included in a pre-listing statement.

dependent on one another or are complementary, and (3) at least one of the underlying assets/companies would qualify for a listing on the Main Board in its own right.

Listing process

The JSE will review the prospectus, application forms and relevant announcements. If the offer is to be made to the South African public, the prospectus must, in addition to compliance with the requirements of the JSE, be registered with the Companies and Intellectual Property Commission, which will expand the timeline. The following is a fairly typical process and timetable for a listing of a company on the JSE via an underwritten non-public offering in South Africa.



Other markets. The JSE also offers listings on the Alternative Exchange Board (AltX) (which has less stringent listing requirements). Information about this AltX market is available upon request.

Modified industry-specific rules. Companies in certain industries are subject to modified listing and maintenance rules. For example, mineral companies, property entities, pyramid companies and investment entities have separate sections in the JSE's listing requirements dedicated to each of them.

Corporate governance and reporting

Requirements for public companies include:

- Policy detailing procedures for appointments to the board of directors.
- Policy evidencing a clear balance of power and authority at board of directors level.
- Audit committee, remuneration committee and social and ethics committee and their composition.
- Appointment of a prescribed number of independent non-executive directors.
- Appointment and annual evaluation of the competence, qualifications and experience of the executive financial director and company secretary.
- Policy on the promotion of broader diversity at board level.
- Appointment of a chief executive officer, a chairman and a company secretary.
- Remuneration policy and implementation report to be tabled at AGM.

A listed company has continuing disclosure and reporting obligations under the JSE's listing requirements.

Fast-track listing

The JSE does allow for a fast-track listing process for a company which has had a primary listing on an accredited exchange (currently the Australian, London, New York and Toronto Stock Exchanges) for at least 18 months. This allows the accredited applicant to publish a pre-listing announcement (rather than a full pre-listing statement) subject to a shorter list of requirements.

Fees

A company seeking to list must pay both initial listing fees and annual fees. The initial listing fee ranges from approx. R1,496 to R3,114,574 (approx. US$107 to US$222,069). Additional shares listed subsequently will require additional payments. The annual fees range from a minimum fee of approx. R52,424 (including VAT) (approx. US$3,738) to a maximum fee of approx. R461,317 (including VAT) (approx. US$32,892). Where specific securities have only a secondary listing on the JSE, 50% of the annual listing fee, calculated as described above, is payable.

A foreign company listing on the JSE may be required to register as an external company in South Africa.

Foreign companies seeking a listing on the JSE must obtain the approval of the exchange control department of the South African Reserve Bank.

1. Overview of exchange

JSE Limited (previously known as the JSE Securities Exchange and the Johannesburg Stock Exchange), which is commonly referred to as the JSE, was established in 1887 and is Africa's premier and largest exchange. The JSE has been a member of the World Federation of Exchanges since 1963.

Since 2017 several new exchanges have been granted a licence to operate a securities exchange in South Africa, including 4 Africa Exchange (commonly referred to as the 4AX), ZAR X, A2X Markets (commonly referred to as the A2X) and Equity Express Securities Exchange (EESE). However, these exchanges presently have a relatively small number of securities listed on them. Accordingly, this document does not deal with 4AX, ZAR X, A2X or EESE but rather only with the JSE.

The JSE is a full service exchange and offers a variety of investment products (including equities, depository receipts and a broader range of exchange-traded funds and debt instruments) in a range of markets issued by South African and international issuers. The JSE equity market is currently comprised of two boards, the Main Board and the Alternative Exchange Board (AltX).

There are two boards on the JSE on which an issuer may list its securities:

- The Main Board is a market for companies that meet the profit and other financial criteria of the JSE. Companies can list their shares or debt instruments as a primary or secondary listing on the Main Board.
- AltX is a parallel market focused on good quality, small- and medium-sized high growth companies and provides these smaller companies not yet able to list on the Main Board with a clear growth path and access to capital.

This summary focuses only on the Main Board.

As of October 2019, the aggregate market capitalization of securities listed on the JSE was approximately R13.7 trillion (approximately US$976.81 billion). As of November 2019, 355 companies had securities listed on the JSE, of which 285 were domestic companies and 70 were foreign companies.

Under the Financial Markets Act, 2012 the Financial Sector Conduct Authority is the licensing authority in relation to the establishment of securities exchanges and overall supervisory authority in relation to securities services in South Africa. However, for listings on the Main Board, the primary regulator is the JSE. The board of directors of the JSE is the competent authority with primary responsibility for applications by applicant issuers for the listing of securities on the JSE and an annual revision of the list. The board of directors has delegated its authority in relation to the Listing Requirements of the JSE to the management of the Issuer Services Division of the JSE. In certain instances, such as where an offer of securities is made to the South African general public, the Companies and Intellectual Property Commission, established under the Companies Act (Commission), would also be involved in a proposed listing on the Main Board.

The JSE allows foreign companies with a primary listing elsewhere to list their securities on the JSE as secondary listings, provided that the foreign company registers as an external company in South Africa, if required. In addition, the company must confirm that it has a primary listing on an exchange that is a member of the World Federation of Exchanges and must comply with the listing requirements on the exchange on which it has a primary listing.

2. Principal listing and maintenance requirements and procedures

The JSE has one set of listing requirements that applies to both primary and secondary listings and to both foreign and domestic companies, subject to some minor differences.

A listing applicant must meet the requirements to qualify for a listing on the Main Board. The JSE may grant waivers from strict compliance with the requirements, and it assesses each waiver application on a case-by-case basis depending on the merits of each case. However, meeting the JSE's listing requirements does not guarantee a listing on the Main Board. The JSE may, in its overriding discretion, refuse a listing to an applicant even if it complies with the listing requirements on the grounds that, in the JSE's opinion, the grant or refusal of the listing is in the interest of the investing public.

There are no jurisdictions of incorporation or industries considered unacceptable to be listed on the JSE. In addition, the JSE has alternative listing and disclosure requirements for property companies, mineral companies and investment companies.

Applicants seeking a listing on the Main Board must satisfy the following criteria:

- An applicant must be able to demonstrate that it has a subscribed capital, including reserves but excluding minority interests, revaluations of assets and intangible assets that are not supported by a valuation by an independent professional expert acceptable to the JSE prepared within the last six months, of at least R50 million (approximately US$3.57 million).

- An applicant must have not less than 25 million equity shares in issue, and at least 20% of each class of such issued equity securities must be held by members of the public. Securities will not be regarded as being held by the public if they are beneficially held, directly or indirectly, by (a) the directors (or an associate of a director) of the company or of any of its subsidiaries, (b) the trustees of any employees' share scheme or pension fund, (c) any person that is interested in 10% or more of the securities of the relevant class (unless the JSE determines that, after taking account of relevant circumstances, such person can be included as a member of the public for this purpose), or (d) employees of the issuer, where restrictions on trading in the issuer's listed

securities, in any manner or form, are imposed by the issuer on such employees.

- During the three financial years preceding its application, an applicant must either:
    - Have been conducting, either by itself or through one or more of its subsidiaries, an independent business as its main activity which is supported by its historic revenue earning history and which gives it control (which for this purpose is defined as at least 50% plus 1% of the voting shares) over the majority of its assets.
    - Have had a reasonable spread of direct interests in the majority of its assets and the right to actively participate in the management of such assets, whether by voting or through other rights which give it influence in the decisions relating to the assets.

  However, the JSE may in its absolute discretion list a company which has only controlled or had a direct interest in the majority of its assets for 12 months provided that such applicant company:
    - Has produced audited financial statements reporting a profit of at least R15 million (approximately US$1.07 million) before taxation and after taking account of the headline earnings adjustment on a pre-tax basis, for the period during which it has exercised control.
    - Can illustrate that the underlying assets/companies/subsidiaries are in a similar line of business and are dependent on one another or are complimentary for the production of the company's products.
    - Can demonstrate at least one of the underlying assets/companies/subsidiaries would qualify for a listing on the Main Board in its own right.

- An applicant must have audited financial statements for the preceding three financial years and either:
    - The most recent audited financial statements reported an audited profit of at least R15 million (approximately US$1.07 million) before taxation and after taking account of the headline earnings adjustment on a pre-tax basis.
    - It has a subscribed capital, including reserves but excluding minority interests, revaluations of assets and intangible assets that are not supported by a valuation by an independent professional expert acceptable to the JSE prepared within the last six months, of at least R500 million (approximately US$35.65 million).

In addition, the JSE may in its absolute discretion list a company which is in its development stage (other than a mineral company) and which does not have the required profit history provided that the applicant has, prior to listing, (a) subscribed capital of at least R500 million (approximately US$35.65 million) as determined in terms of the JSE's listing requirements, and (b) existed for at least 12 months.

The financial information relied upon to satisfy the requirements set out above must comply with the prescribed standards and must have been reported on by an auditor and/or reporting accountant without qualification, disclaimer, adverse audit opinion, the inclusion of a paragraph on material uncertainty relating to going concern or reference to an emphasis of matter.

In addition to the requirements listed above, where the company seeking a listing is a mineral company, that is a company whose principal activity is that of mining and/or exploration or has substantial mineral assets (i) measured against the purchase or disposal consideration, as the case may be, of the asset in respect of a transaction, and (ii) measured against the market capitalization of the applicant in respect of a new listing, the JSE must be satisfied that the directors and senior management of the applicant, collectively, have

appropriate expertise and experience for the governance and management of the applicant and the group's business. Details of such expertise and experience must be disclosed in any listing particulars prepared by the applicant.

Where the company seeking a listing on the JSE is a property entity, that is a company primarily engaged in property activities including: (i) the holding of properties and development of properties for letting and retention as investments; or (ii) the purchase of land for development, it must satisfy the JSE that the asset manager/management company and/or the executive directors responsible for managing the property portfolio have adequate, appropriate and satisfactory experience in the management of investments of the type in which the property entity proposes to invest.

A foreign company seeking a secondary listing on the Main Board of the JSE must generally comply with all the above requirements, however, the JSE will review the requirements having regard to the jurisdiction in which the applicant is incorporated. In addition, such a foreign applicant must:

- Confirm that it has a primary listing on another exchange and that either (a) such exchange is a member of the World Federation of Exchanges or, if not, (b) the company has subscribed capital (including reserves but excluding minority interests, revaluations of assets and intangible assets that are not supported by a valuation by an independent professional expert acceptable to the JSE prepared within the last six months) of at least R500 million (approximately US$35.65 million).

- Confirm that the primary listing is on a board or an exchange at least equivalent to that for which the application is being made on the JSE. The JSE will therefore not grant a secondary listing on the Main Board for an applicant that has a primary listing on a junior or secondary market of another exchange.

- Not have traded on the JSE in its securities, in respect of which a secondary listing is sought, more than 50% of both the total volume and total value traded in those securities on all markets in which it is listed over the preceding 12 months.

There are no additional ownership requirements specifically applicable to a listing of a foreign company's shares. There is no requirement for a listed foreign company to maintain a minimum trading price for its securities.

Each company listed or applying for a listing on the JSE (irrespective of whether it has a primary listing or secondary listing in the Main Board) is required to appoint and maintain a sponsor. All necessary correspondence between the company and the JSE must be communicated through the sponsor. Sponsors typically are corporate brokers, banks and other professional advisors, including accountants and attorneys. A newly listed company need not appoint a compliance advisor.

A company that is listed on the JSE must, following its listing and in order to maintain its listing on the JSE, use its best endeavors to ensure that a minimum of 20% of each class of its securities continues to be held by the public.

In connection with the listing of securities on the JSE, there is no requirement that shares be placed into escrow or otherwise be restrained from being traded, such as through "lock-in" or "lock-up" arrangements.

Securities listed on the JSE must be traded and settled in South African Rand, even though they may be denominated in other currencies.

All companies listed on the JSE are required to:

- Maintain a transfer office or a receiving and certification office if it has securities in issue that are evidenced by a certificate or other written instrument.

- Be approved by Strate Proprietary Limited in respect of the clearing and settlement of uncertificated securities and comply with the rules of the Central Securities Depository.

3. Listing documentation and process

Prior to any application being made or documents being drafted, a company that is seeking a listing on the Main Board should first establish if it is going to make an offer of securities to the South African public or if it wishes to list by way of private placement.

Prospectus requirements

Should an applicant decide to list on the Main Board by way of a public offer, within the meaning of the South African Companies Act, 2008 (Companies Act), that offer must be accompanied by a registered prospectus complying with the requirements set out in the Companies Act, in addition to complying with the JSE's listing requirements (as detailed below). In order for a prospectus to be considered as registered, the prospectus must comply with the requirements of the Companies Act, and must have been filed for registration together with any prescribed documents within 10 business days after the date of the prospectus and thereafter must have been registered with the Commission.

If an offer is required to be accompanied by a prospectus, the prospectus must contain all information that an investor may reasonably require to assess the assets and liabilities, financial position, profits and losses, cash flow and prospects of the company in which a right or interest is to be acquired and the securities being offered and rights attached to them. In addition, the prospectus must adhere to the prescribed specifications as set out in the Companies Act and the regulations promulgated thereunder, which prescribe certain requirements with regard to the form and content of a prospectus.

No securities of an entity incorporated in a jurisdiction outside South Africa may be offered to the public unless a copy of such entity's

constitutional documents and a list of the names and addresses of its directors have been filed with the Commission within 90 business days before the offer to the public is made.

When issuing a prospectus, the applicant must ensure that the prospectus includes all the material information concerning the offer set out in separate sections and paragraphs in the following order and must include at least the information set out beneath such section:

- Section 1 – Information about the company whose securities are being offered, including:
    - Name, address and incorporation.
    - Directors, other office holders or material third parties.
    - History, state of affairs and prospects of the company.
    - Share capital of the company.
    - Options or preferential rights in respect of securities.
    - Commissions paid or payable in respect of underwriting.
    - Material contracts.
    - Interests of directors and promoter.
    - Loans.
    - Shares issued or to be issued otherwise than for cash.
    - Property acquired or to be acquired.
    - Amounts paid or payable to promoters.
    - Preliminary expenses and issue expenses.
- Section 2 – Information about the offered securities, including:
    - Purpose of the offer.

  - Time and date of the opening and closing of the offer.
  - Particulars of the offer.
  - Minimum subscription.
- Section 3 – Statements and reports related to the offer, including:
  - Statement as to adequacy of capital.
  - Report by directors as to material changes.
  - Statement as to listing on the stock exchange.
  - Report by auditor where a business undertaking is to be acquired.
  - Report by auditor where the company will acquire a subsidiary.
  - Report by auditor of the company.
- Section 4 – Additional material information, which is material information relating to the offer not contemplated above.
- Section 5 – Inapplicable or immaterial matters, which is a list of information that is required in in accordance with the above but is not applicable in the circumstances of the offer.

In circumstances where an offer is not an offer to the public, the applicant will not be required to issue a prospectus in compliance with the Companies Act. However, the applicant is still required to issue a pre-listing statement in compliance with the JSE's listing requirements.

Pre-listing statement requirements

A pre-listing statement must contain the information as set out in the JSE's listing requirements according to the nature and circumstances of the applicant and the type of security being listed. In addition, the

applicant must provide such additional information as the JSE may consider investors reasonably require for the purposes of making an informed assessment of the prospects and status of the applicant.

The JSE's listing requirements do not set out a prescribed format for a pre-listing statement, except that:

- The JSE may require that prominence be given to important information in such a manner as it considers appropriate.
- A pre-listing statement must provide factual information in words and figures, in as easily analysable and comprehensive a form as possible.
- The following information must appear on the cover page together with the names of, where applicable, the issuer, sponsor, investment/merchant bank, auditors, reporting accountants, financial advisers, attorneys and any other specialist advisers:
    - Share capital of the company.
    - Directors' responsibility statement (details set out below).
    - Particulars of the issue.
    - To the extent that the pre-listing statement is a prospectus, a statement that it has been registered with the Commission.

Applicants are required to provide all the information required to be disclosed in a pre-listing statement in terms of the listing requirements. Where required information is inappropriate to the applicant's sphere of activity or legal form, the information must be adequately adapted so that the equivalent information is provided and negative statements are required in all instances except where the JSE agrees otherwise.

A pre-listing statement is required to include the following information:

- Details of the applicant and its capital, including:
    - The name and incorporation details of the applicant as well as the address of its registered office and transfer office.
    - The applicant's share capital, including details relating to different classes of shares, number of shares, value of each class of shares and the total number of treasury shares as well as a description of the rights attaching to the respective securities and information regarding the consents necessary for the variation of those rights.
    - A summary of any issues or offers of securities of the applicant and/or its major subsidiaries (being a subsidiary that represents 25% or more of total assets or revenue of the consolidated group based on a company's latest published interim or year-end financial results) and by any subsidiary where such issues or offers were material to the applicant during the preceding three years.
    - A statement advising who controls the issue or disposal of the authorized but unissued securities, such as directors or shareholders in general meeting.
    - A summary of any consolidations or subdivisions of securities during the preceding three years.
    - A statement as to what other classes of securities are listed and on which stock exchanges.
    - Information regarding the borrowing powers of the applicant, its major subsidiaries and any subsidiary, where such borrowing powers are material to the applicant, exercisable by the directors and the manner in which such borrowing powers may be varied, as well as any exchange control or other

restrictions on the borrowing powers of the applicant or any of its major subsidiaries.

- Details of material loans, including issued debentures, made to the applicant and/or any of its subsidiaries.
- Details of all material commitments, lease payments and contingent liabilities.
- Details of material loans made by the applicant, its major subsidiaries and any subsidiary where such loans are material to the applicant.
- Names of the controlling shareholders of the applicant and, insofar as it is known to the applicant, the name of any shareholder other than a director, that, directly or indirectly, is beneficially interested in 5% or more of a class of securities, issued by the applicant, together with the amount of each such shareholders interest.
- A statement confirming that the required level of public shareholders has been achieved.

- Details of the directors, managers, company secretary and advisors (including auditors, bankers, sponsor and attorneys) of the applicant, specifying, among other things, the principal activities performed by directors (including any activities performed outside the group where these are significant with respect to the group), remuneration and benefits paid or accrued and details of the interests of any director or promoter in securities and/or transactions of the applicant (as contained in the directors' declarations to be submitted together with the applicant's listing application).
- Details of the securities for which application is being made, including a statement specifying the purpose of the offer giving reasons why it is considered necessary for the applicant to raise capital in terms of such offer and details of the minimum amount

that in the opinion of the directors must be raised by the issue or offer of securities in order to provide the amounts required for payment of fees and expenses and any amounts required in order to achieve the purpose of the offer.

- Details of group activities, including:
  - A general history of the applicant and its major subsidiaries.
  - A general description of the business carried on or to be carried on by the applicant and its major subsidiaries, detailing the degree of any government protection and of any investment encouragement law affecting the business.
  - Details of any material changes in the business of the applicant during the past five years.
  - The opinion of the directors, stating the grounds therefore, as to the prospects of the business of the applicant and its major subsidiaries and of any subsidiary or business undertaking to be acquired, together with any relevant material information.
  - Any change in controlling shareholders and trading objects of the applicant and its major subsidiaries during the previous five years.
  - Details of material acquisitions and disposals of securities in or the business of any other company or immovable properties during the past three years or proposed acquisition by the applicant or any of its major subsidiaries, or any subsidiary where the acquisition or proposed acquisition is material to the applicant.
  - Information of any legal or arbitration proceedings pending or threatened in the last 12 months that may have a material adverse effect on the group's financial position.

- Information regarding every material contract entered into by the applicant, or any of its major subsidiaries or by any subsidiary where it is material to the applicant, being restrictive funding arrangements and/or a contract entered into otherwise than in the ordinary course of the business carried on, or proposed to be carried on, by the applicant or any of its subsidiaries which was entered into within the two years prior to the date of the pre-listing statement or which contains an obligation or settlement that is material to the issuer or its subsidiaries at the date of the pre-listing statement.

- A statement regarding the issuer's implementation of the King Code through the application of the King Code disclosure and application regime (refer to 5 below).

- A statement by (i) the social and ethics committee of the applicant issuer that it has fulfilled its mandate as prescribed by the regulations to the Companies Act, 2008 and that there are no instances of material non-compliance to disclose (if instances of material non-compliance exist, these items must be disclosed) and (ii) the directors confirming that the applicant issuer is in compliance with the provisions of the Companies Act or relevant laws of establishment and operating in conformity with its constitutional documents.

- A description of all material risks which are specific to the issuer, its industry and/or its securities.

- Financial information in relation to the applicant, including:

    - Accountant's report on the applicant and the assets that are the subject of the transaction, if any.

    - A report on the historical financial information.

    - A statement by the directors of the applicant that in their opinion the working capital available to the applicant and its subsidiaries, if any, is sufficient for the group's present

requirements for at least the next 12 months from the date of issue of the listing particulars, or, if not, and the applicant has securities already listed, how it is proposed to provide the additional working capital thought by the applicant to be necessary.

- A description of any material change in the financial or trading position of the applicant and its subsidiaries that has occurred since the end of the last financial period for which either audited financial statements or unaudited interim reports have been published.
- Profit forecasts and pro forma statements.

A directors' responsibility statement must be made by the directors whereby they collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the prospectus or pre-listing statement contains all information required by law and the JSE Listings Requirements. A pre-listing statement must be signed by every director of the applicant or by his agent or attorney, with a copy of the authority of such agent or attorney provided to the JSE and must be formally approved by the JSE before publication.

Additional requirements for mineral companies

Where the company seeking a listing on the JSE is a mineral company, the pre-listing statement must also include the following:

- A public report (either in full or a detailed executive summary) prepared on the mineral assets and projects of the company, which complies with the listing requirements as well as the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC Code) and the South

African Code for reporting of Mineral Asset Valuation (SAMVAL Code) and is signed by the lead Competent Person or defined in the SAMREC Code.

- Details of any beneficial interest of each director, Competent Person, Competent Valuator or related party has (or, within two years of the date of the pre-listing statement, had) in the share capital of the applicant or in any relevant asset.
- A statement by the directors of the applicant regarding any legal proceedings that may have an influence on the rights to explore or mine, or an appropriate negative statement.
- Confirmation that the applicant, or its group is in possession of the necessary legal title or ownership rights to explore, mine or explore and mine the relevant minerals.

Alternative and additional requirements for property entities

Requirements relating to the provision of audited historical financial information in relation to the applicant are limited to the extent that there are no historical operations. A property entity must include the following additional information in its pre-listing statement:

- A pro forma statement of financial position and a forecast statement of comprehensive income, including separate disclosure of (i) rental and non-rental revenue, (ii) contracted, near-contracted and uncontracted rental revenue, (iii) rental and non-rental revenue, together with a special property forecast report from a reporting accountant on such statements prepared in accordance with the Listing Requirements.
- Specified information in relation to the property portfolio and in respect of each specific property in the portfolio.
- A valuation report prepared by an independent registered valuer on the entire property portfolio.

Documents for inspection

Each applicant is required to ensure that certain documents relating to the applicant and its major subsidiaries (including copies of the applicant's constitutional documents, all material contracts, audited financial statements since the date of incorporation or for the last three years, whichever is the lesser, reports referred to in the prospectus or pre-listing statement and service agreements with directors, managers or secretaries, underwriters, vendors and promoters entered into during the last three years, the latest sworn appraisals or valuations relative to movable or immovable property, any trust deed or agreement affecting the governance of the applicant or the interests of shareholders) are made available for inspection at the place where the applicant has its registered office and in Johannesburg for a reasonable period of time (not less than 14 days) prior to listing.

Secondary listings

An applicant seeking a secondary listing on the JSE must produce a pre-listing statement in compliance with the JSE's listing requirements save as otherwise specifically stated in the Listings Requirements. The applicant must disclose in its pre-listing statement headline earnings per share and diluted headline earnings per share together with an itemized reconciliation between headline earnings and the earnings used in the calculation. The JSE will accept financial information prepared in accordance with IFRS, IFRS as adopted by the European Union, and UK, US, Australian, or Canadian GAAP. In addition, the JSE may accept extracts of financial information which have been prepared in accordance with such accounting frameworks, provided that the information was published subsequent to the applicant being granted a listing on the exchange where it has a primary listing and in accordance with that exchange's listing requirements.

Typical process and timetable for listing of a company

The length of time required to list a company from the kick-off meeting to the actual listing depends on a number of factors, such as the quality of the internal records of the company, the due diligence process and whether all requisite documents and approvals are available or have been obtained. In addition, whether or not the offer of securities is an offer to the public will have a bearing on the timeline. As mentioned above, where an offer to the public is concerned, a prospectus conforming to certain additional requirements as set out in the Companies Act and registered with the Commission is required, which will expand the timeline.

The following diagram summarizes the process for a listing application on the Main Board.

	Preparatory stage	• Appoint sponsor • Kick-off meeting • Due diligence • Drafting of pre-listing statement • Drafting of underwriting agreement (if required) • Prepare financial statements • Prepare property valuation report and other reports (if required) • Obtain necessary exchange control approval (if required) • Obtain any other necessary regulatory and other approvals to the extent required
	↓	
Submission made prior to 10am on a business day	First submission to JSE	• Documentation required to be approved by JSE in terms of listing requirements to be submitted for informal comments • Pay the document inspection fee • Submit checklist of documentation submitted and/or required specifying

		applicability of documents to listing and compliance
	↓	
120 hours from First Submission, provided submission made before 10am on a business day	Informal comment received from JSE	• JSE may insist on further submission for informal comment, depending on the extent of the comments on the first submission documents
	↓	
Submission made prior to 10am on a business day	Respond to comments received from the JSE (and make further submissions for informal comment to the extent required)	
	↓	
Submission made prior to 10am on a business day	Submit for informal approval	
	↓	
Within 72 hours of submission provided submission made before 10am on a business day	Informal approval granted or refused	• If informal approval refused, respond to comments from the JSE and re-submit for informal approval as above • If still refused informal approval after three submissions, additional inspection fees will be payable
	↓	
	If informal approval granted, submission for formal approval	• Five copies of documents to be submitted to the JSE
	↓	
Within 48 hours of submission	Informal approval granted or refused	• If formal approval refused, respond to comments from the JSE and re-submit for formal approval as above.

		• If still refused formal approval after three submissions, additional inspection fees will be payable
	↓	
D-16	Formal approval granted	
	↓	
D-15	Offer opens	• Publication of announcement and distribution of prospectus or pre-listing statement
	↓	
	Roadshow	
	↓	
D-3	Latest closing of offer at 12h00	• Shares allotted upon closing of offer
	↓	
D-2	Submission of required listing document to the JSE	• Documents to be submitted include various certifications required from the sponsor, information on shareholders and shareholder spread, statutory declarations from chairman and company secretary, affidavits from underwriters, signed underwriting agreement and auditors certificates.
	↓	
D	Listing date	• If the JSE is not satisfied with documents submitted as set out above, listing date may be postponed. • Shares issued as per allotments • Trading commences

The documentation requirements described in this section assume that no offer to the public is made and an issue price for the listed securities is fixed in the pre-listing statement. To the extent that no fixed price is specified in the pre-listing statement, but rather a range for the issue price, announcement of the final issue price will be made after close of the offer.

4. Continuing obligations/periodic reporting

Once a company has been listed with a primary listing on the JSE, it must publish its interim and, if applicable, quarterly reports and its annual statements within prescribed timeframes. In addition, further continuing disclosure requirements for listed companies are prescribed by the JSE's listing requirements, including general obligations of disclosure in respect of material price sensitive information, trading statements and transactions which are of a certain value or may have a certain result.

Price sensitive information: A listed company must, without delay, unless this information is kept confidential for a limited period of time, release an announcement providing details relating directly or indirectly to that company that constitutes price sensitive information. If the necessary degree of confidentiality cannot be maintained, or the issuer suspects that confidentiality has or may have been breached, in respect of price sensitive information then the company must immediately publish a cautionary announcement.

Trading statements: A listed company must publish a trading statement as soon as it is satisfied that a reasonable degree of certainty exists that the financial results for the following reporting period will differ by at least 20% from the most recent of any profit forecast previously provided to the market in relation to such period or the financial results for the previous corresponding period. Trading statements must provide specific guidance by the inclusion of the period to which it relates and the comparative numbers for the previous published period as well as a specific percentage and number (or range of percentage and numbers) to describe the differences.

Dividends and interest: The declaration of dividends, interest and other similar payments by listed companies should be announced immediately. If the company decides not to declare any dividends, interest or other similar payments and that decision is deemed to be price sensitive, the decision not to declare or make any such payment must be announced immediately after the decision has been taken.

Restatement of previously published results: where an applicant issuer restates previously published results, for whatever reason, they must submit a restatement notification to the JSE (within 24 hours from the restated results being published) containing details of the restatement and the reasons therefor.

Interim and quarterly reports: A listed company must ensure that interim half-yearly reports are published by no later than three months after the end of the relevant financial half-year. In the case of listed companies that report to shareholders on a quarterly basis, the quarterly reports must be published as soon as possible after the expiration of each quarter.

Provisional reports: If a listed company has not distributed annual financial statements to all shareholders within three months of its financial year end, it must publish provisional annual financial statements within that three month period, even if the financial information is unaudited at that time.

Annual financial statements: Every listed company must distribute its annual financial statements to shareholders within three months of the end of each financial year. Where annual financial statements have not been distributed to holders of securities within three months of its financial year-end, the issuer must publish a provisional report as detailed above. Every listed company must, within four months of the end of each financial year, and at least 15 business days before the date of the annual general meeting, distribute to all shareholders and submit to the JSE a notice of the annual general meeting as well as the annual financial statements for the relevant financial year, which financial statements must have been reported on by such company's auditor. The annual financial statements must be distributed to shareholders, an electronic copy thereof must be submitted to the JSE for publication on the JSE's website and, at the same time, an abridged version of the annual financial statements must be published on the JSE's Stock Exchange News Service.

*Director*s: A listed company, through its sponsor, without delay and no later than the end of the business day following the decision or receipt of notice detailing the changes, must notify the JSE of any change to its board of directors or company secretary, including:

- The appointment of a new director or company secretary.
- The resignation, removal, retirement or death of a director or of the company secretary.
- Changes to any important functions or executive responsibilities of a director.
- Any change in sponsor.

The changes must be announced as soon as possible and must also be included in the company's next publication of listing particulars, interim report or annual financial statements.

A listed company must, through its sponsor, announce details of all transactions in securities relating to the company by or on behalf of:

- The directors, company secretary or a prescribed officer of the company.
- The directors and company secretary of a major subsidiary of the listed company.
- Each associate of such listed company and each major subsidiary company of that listed company.

Transactions: A listed company is required to publish an announcement, or publish an announcement together with a circular, detailing the terms of any proposed acquisitions and disposals by that listed company or its subsidiaries, depending on the value of the transaction (determined by assessing the size of the transaction relative to the market capitalization of the listed company proposing to make it).

Mineral companies: Announcements by mineral companies must comply with the SAMREC Code and the SAMVAL Code, where applicable, and must state the name of the Competent Person/Competent Valuator and that the Competent Person/Competent Valuator has approved the information in writing prior to publication. Mineral companies are required to make certain additional annual disclosures which are specified in the JSE listing requirements in relation to exploration companies, mining companies and oil and gas companies, respectively.

Secondary listings: For a company that has a secondary listing on the JSE, the JSE will allow the disclosure requirements of the exchange where it has a primary listing to take precedence, subject to the following exceptions:

- The annual financial statements and any other communication with shareholders must state where the primary and secondary listing of the company's securities are.
- When the company wishes to release any information on another exchange it must ensure that the information is also released on the JSE and that the release takes place no later than the equivalent release on any other exchange.
- The company must publish, in its interim and year-end results, headline earnings per share and diluted headline earnings per share together with an itemized reconciliation between headline earnings and the earnings used in the calculation.
- The company must advise and obtain approval from the JSE with regard to the timetables for corporate actions stipulated in the relevant schedule to the listing requirements. Issuers must ensure that the JSE is notified in advance in order to ensure that the JSE can accommodate the processing of these corporate actions for shareholders on the South African share register.

In addition, a company with a secondary listing must submit to the JSE, together with its annual financial statements, details of the volume and value of securities traded on all exchanges where it has a listing (over the previous 12 months) in order for the JSE to consider the company's continued secondary listing status. If both the value and volume of securities traded on the JSE exceeded 50% of the total volume and total value of those securities traded on all exchanges where such company has a listing over the previous 12 months, then the company's listing status on the JSE in respect of those securities may be converted to a primary listing. The converse applies where both the volume and value of securities traded on the JSE over the preceding 12 months is equal to or less than 50% of those securities traded on all exchanges on which the company has a listing.

5. Corporate governance

In 1992, the King Committee on Corporate Governance was formed in South Africa, and, in line with international thinking, considered corporate governance from a South African perspective. The first King Code on corporate governance for South Africa was established in 1994 and has been subsequently amended and updated. Although the code is not enforced through legislation, it co-exists with a number of laws that apply to companies and directors including the Companies Act. Compliance with the King Code is a requirement for companies listed on the JSE. The most recent update to the King Code, known as King IV, came into effect during May 2017.

A company listed on the JSE is required to disclose the following information in its annual report and in its annual financial statements with respect to the King Code:

- A statement addressing the company's implementation of the King Code through the application of the King Code disclosure and application regime.

A listed company must comply with the following specific requirements of the King Code:

- There must be a policy evidencing a clear balance of power and authority at board of directors level to ensure that no one director has unfettered powers of decision-making.

- The company must have an appointed chief executive officer and chairman and these positions must not be held by the same person. Either the chairman must be an independent non-executive director, or the company must appoint a lead independent director, in accordance with the King Code.

- The company must appoint an audit committee, a remuneration committee and a social and ethics committee. The composition of such committees must comply with the Companies Act (as applicable) and should be considered in accordance with the recommended practices in the King Code on an apply and explain basis. A brief description of their mandates, the number of meetings held and other relevant information must be disclosed in the annual report.

- A brief curriculum vitae of each director must be provided in respect of a new listing. Further, a brief CV for each director standing for election or re-election at a general meeting or annual general meeting should accompany the notice of the general meeting or annual general meeting.

- The capacity of each director must be categorized as executive, non-executive or independent, using the following as guidelines to determine which category is most applicable to each director:

    - Executive directors are directors that are involved in the management of the company and/or in full-time salaried employment of the company and/or any of its subsidiaries.

    - Non-executive directors are directors that are not involved in the day to day management of the business, or are not full-time salaried employees of the company and/or any of its subsidiaries.

  - Independent directors should be determined holistically, and on a substance over form basis in accordance with the indicators provided in Section 94(4)(a) and (b) of the Companies Act and the King Code. In addition, it must be noted that any director that participates in a share incentive/option scheme, will not be regarded as independent.

- The company must have an executive financial director. The JSE may, at its discretion, when requested to do so by such company, and due to the existence of special circumstances, allow the financial director to be employed on a part-time basis only. This request must be accompanied by a detailed motivation by the company and the audit committee.

- The audit committee must (i) consider, on an annual basis, and satisfy itself of the appropriateness of the expertise and experience of the financial director, (ii) ensure that the issuer has established appropriate financial reporting procedures and that those procedures are operating, and (iii) assess the suitability for appointment or reappointment of the company's current or prospective audit firm. The company must confirm to its shareholders that the audit committee has executed these responsibilities.

- The company must have a company secretary and should apply the recommended practices in the King Code. The board of directors must consider and satisfy itself of the competence, qualifications and experience of the company secretary. The company must confirm this by reporting to its shareholders, including providing details of the steps taken and information relied upon by the board in making the assessment.

- The board of directors or the nomination committee, as the case may be, must have a policy on the promotion of broader diversity at board level, specifically focusing on the promotion of the diversity attributes of gender, race, culture, age, field of knowledge, skills and experience. The issuer must confirm this by

reporting to shareholders in its annual report on how the board or the nomination committee, as the case may be, have considered and applied the policy in the nomination and appointment of directors.

- The remuneration policy and the implementation report must be tabled every year for separate non-binding advisory votes by shareholders of the issuer at the annual general meeting. The remuneration policy must record the measures that the board of directors of the company commit to take in the event that either the remuneration policy or the implementation report, or both, are voted against by 25% or more of the votes exercised. In order to give effect to the minimum measures referred to in the King Code, in the event that either the remuneration policy or the implementation report, or both, are voted against by shareholders exercising 25% or more of the voting rights exercised, the issuer must in its voting results announcement provide for (a) an invitation to dissenting shareholders to engage with the issuer; and (b) the manner and timing of such engagement.

6. Specific situations

There are no additional requirements, or any changes in the normal requirements, that apply to very large multinational companies or smaller companies.

Companies in certain industries are subject to modified listing and maintenance rules. For example, mineral companies, property entities, pyramid companies and investment entities have separate chapters in the JSE's listing requirements which are dedicated to each of these types of companies.

Fast-track Listing Process

A company which has had a primary listing on an accredited exchange (currently the Australian Stock Exchange, London Stock Exchange, New York Stock Exchange and Toronto Stock Exchange) for at least

18 months (an accredited applicant) can apply for a secondary listing on the JSE using the fast-track process. The process allows the accredited applicant to publish a pre-listing announcement, subject to a shorter list of requirements, instead of complying with the requirements for a pre-listing statement. In the event that capital will be raised in conjunction with the fast-track listing process, the JSE must be consulted and the accredited company must confirm that such capital raising will comply with the requirements of the accredited exchange.

7. Presence in the jurisdiction

Where appropriate, a foreign company listing on the JSE must, prior to any application for listing being submitted, register as an external company in South Africa. Each applicant issuer must obtain a legal opinion as to whether it is required to register as an external company. An external company must continuously maintain at least one office in South Africa and register the address of its office by providing the required information when filing its registration as an external company with the Commission.

An external company with a listing on the JSE must appoint and maintain, while it remains listed on the JSE, a person authorised to accept service of due process and notices on its behalf in South Africa, and must notify the JSE of such appointment (or termination, providing that in the event of termination another person must be immediately appointed and their details provided to the JSE).

8. Fees

Initial listing fees: The fees charged for a listing of securities are currently determined as follows:

Initial Listing Fees			
Maximum monetary value of securities issued		Approximate listing fees (excluding VAT)	
In Rand	Approximate US$ equivalent	In Rand	Approximate US$ equivalent
500,000	35,650	1,496	107
2.5 million	178,250	7,975	569
5 million	356,500	15,521	1,107
25 million	1.78 million	48,072	3,428
50 million	3.57 million	65,530	4,672
125 million	8.91 million	98,511	7,024
250 million	17.83 million	144,212	10,282
375 million	26.74 million	179,135	12,772
500 million	35.65 million	223,756	15,954
750 million	53.48 million	277,217	19,766
1 billion	71.30 million	335,851	23,946
1.25 billion	89.13 million	401,814	28,649
2.5 billion	178.25 million	482,005	34,367
3.75 billion	267.38 million	569,525	40,607
5 billion	356.50 million	657,258	46,862
7.5 billion	534.75 million	700,371	49,936
10 billion	713.00 million	832,731	59,374
20 billion	1.43 billion	1,508,143	107,531
30 billion	2.14 billion	2,055,957	146,590
40 billion	2.85 billion	2,500,278	178,270
50 billion	3.57 billion	2,860,659	203,965
Over 50 billion	over 3.57 billion	3,114,574	222,069

The monetary value of securities for which application for listing is made is determined by the number of securities for which application for listing is made multiplied by the issue price per security. In respect

of introductions of existing issued securities where no price is attributable to the securities, the securities are deemed to have a value calculated by multiplying the number of securities listed by the closing price on the first day of trading.

The fees are payable at the time of application except in the case of an introduction, where they are due on the day following the first day of trading after listing.

Annual listing fees: The annual fees are calculated by taking the average market capitalization of the securities over the previous year and finding the corresponding market capitalization tier for the securities. Once the tier has been determined, multiplying the residual amount of market capitalization that exceeds the lower limit of the tier by the variable charge (remember that the variable charge is per million), and adding the result of the above calculation to the minimum fee for the appropriate tier (see the table below). However, the results are subject to a minimum fee of approximately R44,500 (including VAT) (approximately US$3,173) and a maximum fee of approximately R392,200 (including VAT) (approximately US$27,964) in each year.

Market Capitalization (ZAR millions)*		Fee Structure		
Tiers (ZAR millions)		Minimum	Variable on Remainder (per million)	Maximum
0	100	52,424	-	52,424
100	500	52,424	400	266,251
500	1,500	266,251	50	330,402
1500	and above	330,402	5	461,317

**As at 1 January 2020 ZAR 1 million = (approx.) US$71,300.*

Where specific securities have only a secondary listing on the JSE, 50% of the annual listing fee, calculated as described above, is payable.

Documentation fees: Documentation inspection fees are payable to the JSE in addition to the listing fees payable in respect of the listing of securities.

9. Additional information

All information and materials submitted to the JSE to disclose in the market in South Africa must be in English.

An additional requirement for foreign companies seeking a listing on the JSE is that the foreign company must obtain approval for exchange control purposes from the Financial Surveillance Department of the South African Reserve Bank. The JSE's approval of an issue and listing will not be given until copies of the requisite authority from the South African Reserve Bank, giving a ruling regarding the use of the funds introduced through normal banking channels from abroad or from a non-resident account or from an emigrant's block Rand account relating to the issue, is received.

There are many items that a foreign company should examine when considering a cross-border listing. Whether the foreign company is already listed on any stock exchange or not, when considering a listing on the JSE, the company, its directors and senior management should familiarize themselves with the continuing compliance obligations imposed by the JSE and other relevant South African securities law and regulations.

10. Contacts within Baker McKenzie

Wildu du Plessis in the Johannesburg office is the most appropriate contact within Baker McKenzie for inquiries about prospective listings on the JSE.

Wildu du Plessis
Johannesburg
wildu.duplessis
@bakermckenzie.com
+27 11 911 4301

Lima Stock Exchange

Initial listing requirements

A foreign company whose securities are already listed on an Approved Stock Exchange (currently, Australian Securities Exchange, BM&FBovespa, Bolsa de Madrid, Bombay Stock Exchange, Borsa Italiana, Euronext Amsterdam, Euronext Paris, Frankfurt Stock Exchange, Hong Kong Stock Exchange, London Stock Exchange, Nasdaq Stock Market, New York Stock Exchange, Oslo Bors, Shanghai Stock Exchange, SIX Swiss Exchange, Tokyo Stock Exchange and Toronto Stock Exchange) must file certain documentation with the Lima Stock Exchange (the BVL) and *Superintendencia del Mercado de Valores* (the SMV), including:

- Application letter.
- Main characteristics of the issuer.
- Main characteristics of the securities to be registered.
- The type of economic rights represented by the security and payment dates.
- Copies of resolutions adopted by the competent corporate body related to the listing.
- Copies of certain powers of attorney.
- Copies of agreements relating to SMV filings.

Also, securities of foreign companies that are filed by a sponsor for listing in the BVL, that have a class of securities listed with certain stock exchanges approved by the SMV, and are included in an Approved Stock Index (currently, Dow Jones, Industrial Average (DJI), Standard & Poor's 500 Index (S&P 500), NYSE 100, Nasdaq 100, CAC 40 Index, AEX Index, FTSE 100 and TSX 60) are subject to special listing requirements (in terms of submission of documents and information) and are automatically listed in the BVL.

A foreign company that does not have a class of securities listed on a stock exchange in any Approved Stock Exchange must comply with the same requirements as a Peruvian company, except that the foreign company must file certain additional documentation with the BVL and the SMV, including:

- A copy of its financial statements, prepared in accordance with the disclosure requirements of the primary market endorsed by an internationally recognized foreign audit firm.
- A brief description of the regulatory environment of the country of incorporation of the issuer and the main differences with Peruvian legislation.
- A brief description of the differences between the accounting standards used by the issuer and those applicable in Peru.
- Restrictions and control mechanisms to which the issuer may be subject in its country of incorporation.
- An affidavit signed by the legal representative of the issuer agreeing to sign certain contracts.

Additional requirements

In addition, if a foreign company is listed on an exchange, the following information must also be submitted to the BVL and the SMV:

- Name of the foreign institution in charge of the custody and settlement of the securities to be listed.
- Brief description of the public information systems implemented by the exchanges where the securities are listed.
- Brief description of the foreign exchanges where the securities are listed.
- Brief description of the trading history of the securities in the primary exchange.
- Copy of resolutions adopted by the relevant corporate body (i) to comply with all reporting obligations for the exchange where the securities are listed, (ii) appointing a person who will be the representative in charge of the listing process, who must be domiciled in Peru; and (iii) appointing the person who will act as representative of the company before the BVL and SMV (*Representante Bursátil*), who must be domiciled in Peru. An affidavit agreeing to submit to the BVL and the SMV all of the information filed with the foreign exchange where the securities are listed.

Accounting standards. If the securities are already listed on an Approved Stock Exchange, the foreign company is not required to provide financial statements at the time of initial listing. Subsequently, foreign companies with securities listed in an Approved Stock Exchange must file financial statements with the SMV and the BVL in accordance with the disclosure requirements of the primary market.

Domestic companies and foreign companies with securities not listed in an Approved Stock Exchange must report the following financial information:

- Annual report, no later than 30 March of each year.
- Annual audited financial statements, no later than 30 March of each year.
- Quarterly financial statements as of 31 March, 30 June, 30 September and 30 November of each year, no later than 30 April, 31 July, 31 October and 15 February, respectively.

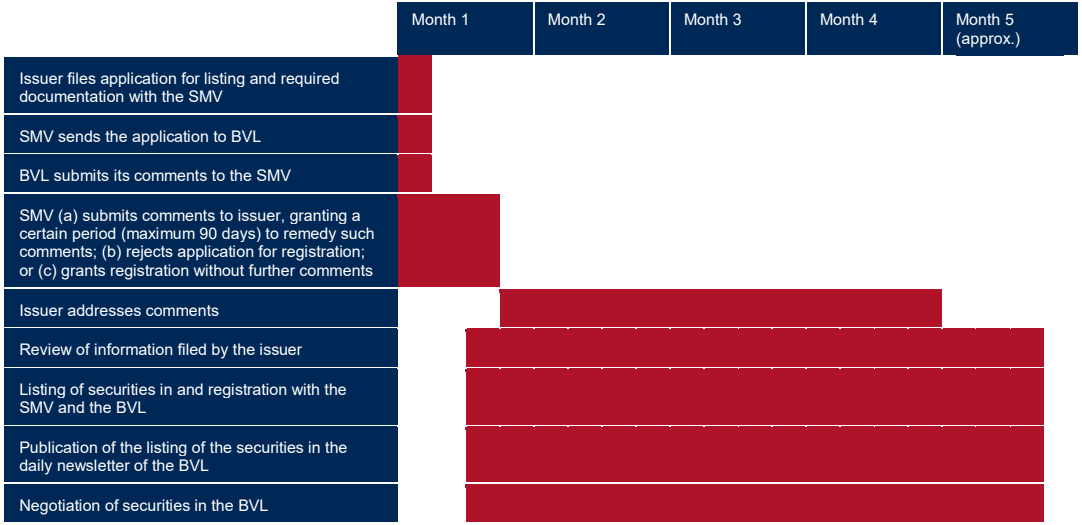
These financial statements must be prepared in accordance with International Financial Reporting Standards (*Normas Internacionales de Información Financiera*).

Operating history. The BVL does not require any specific time period.

Management continuity. The BVL does not require any specific period of continuity of management.

Listing process

Listing involves registering the class of securities with the SMV and the BVL. The SMV and the BVL will review the documentation presented upon registration. The following is a fairly typical process and timetable for a listing of a foreign private issuer on the BVL:



Corporate governance and reporting

The SMV publishes a corporate governance code that contains basic governance principles for Peruvian companies, especially for those with securities registered in the BVL. Implementation of the corporate governance principles is not mandatory but is recommended for Peruvian companies with securities listed in the BVL.

The Corporate Governance Code covers 31 topics, including shareholders' rights, shareholder meetings, board of directors and senior management, risk and compliance, and transparency of information.

Peruvian companies with securities listed on the BVL are required to file an annual self-assessment regarding the level of compliance or adherence to the corporate governance principles published by the SMV.

Foreign companies with securities listed on an Approved Stock Exchange are required to file with the SMV and the BVL all information that is required to be filed in their primary listing market, including in regard to corporate governance compliance.

Fees

A company seeking to list must pay both initial listing fees and annual fees. The initial listing fee is a percentage of total share capital, ranging from 0.040% for large companies to 0.048% for small companies, with a minimum fee of approximately PEN12,000 (approx. US$3,622). After the initial listing, annual fees must be paid applying 0.002% on the total share capital, with a minimum fee of approximately PEN601.92 (approx. US$182). Minimum fees are adjusted monthly for inflation.

1. Overview of exchange

The Lima Stock Exchange - *Bolsa de Valores de Lima* (BVL), was organized in September 1970 as a non-profit organization and subsequently became a corporation on 31 December 2002.

The BVL has two main segments on which securities may be traded:

- The **Principal Market** segment. A foreign company may apply under this category, regardless of whether it is already listed on another stock exchange. The BVL does not distinguish between primary listings and secondary listings, and except for the securities issued and listed on the exchange of any of the other countries that are members of MILA (that is, Chile, Colombia and Mexico) as described below, there is no fast track for a company already listed on a foreign exchange, but rather a reduced list of documentation to file in connection with the listing process.

- The **Venture Capital** segment (*Segmento de Capital de Riesgo*). This is a specialized market implemented by the BVL to provide junior mining companies the opportunity to obtain funding for their exploration and development activities through the Peruvian capital markets. This segment was created considering the experience and standards implemented by major foreign markets specializing in venture capital in order to minimize the risk of fraud, so that investors should only face the risks inherent to the mining industry. The listing of the security is automatic if it is already listed on the TSX Venture Exchange, Toronto Stock Exchange, Alternative Investment Market of the London Stock Exchange, or the Australian Securities Exchange.

This summary relates only to the requirements for listing in the Principal Market segment of the BVL.

Historically, companies in the mining, electricity, cement, and agriculture industries have listed on the BVL. Financial institutions such as banks, insurance companies, pension fund managers are also

required by law to be listed on the BVL. The BVL does not specialize or encourage listings by any particular types of companies.

The aggregate market capitalization of the BVL as of 30 November 2019 was US$153.19 billion. The market capitalization of the BVL rose from US$133.97 billion in 2017 to US$142.37 billion in 2018, with an increase of 6% over the previous year. As of 31 December 2018, there were 273 companies listed in the BVL, of which 110 were foreign.

The listing process is conducted before the Peruvian securities regulatory entity (the *Superintendencia del Mercado de Valores*, or SMV) and the Lima Stock Exchange, which are the entities that manage the Peruvian Capital Markets Registry (*Registro Público del Mercado de Valores*, or RPMV) and the Securities Registry (*Registro de Valores*), respectively, in which foreign and domestic securities are registered to be admitted to trading. In order for a security to be registered in the Securities Registry, such security must first be registered in the Peruvian Capital Markets Registry.

This chapter aims at identifying the principal listing and maintenance requirements and procedures for foreign listings, specifying in each case the main differences between the requirements and procedures applicable to domestic listings and those applicable to foreign listings.

2. Principal listing and maintenance requirements and procedures

Restricted securities

Securities issued by entities organized in jurisdictions with low or no taxation (in accordance with the provisions of the Peruvian tax regulations), and securities either issued by the legal entities mentioned in the OFAC list of the US Treasury Department or issued in the jurisdictions set out in such list are generally not admitted for listing in the BVL. These securities can, however, be listed in the BVL if they are already listed on a stock exchange of one of the

following countries: Australia, Brazil, Canada, Chile, China, Colombia, France, Germany, India, Japan, Mexico, the Netherlands, Spain, Switzerland, United Kingdom or United States.

Sponsors, brokers and advisers

It is not necessary to engage a sponsor, broker or financial adviser in Peru in order to list securities with the BVL. However, a foreign company may engage a local broker dealer to act as sponsor for listing its securities, in which case it is the sponsor that applies for registering the securities with the SMV and listing them on the BVL.

Furthermore, securities of foreign companies that are filed by a sponsor or the BVL for listing on the BVL, that have a class of securities listed with certain stock exchanges approved by the SMV, and which are included in an Approved Stock Index (Approved Stock Indexes are detailed in section 3 below), are subject to reduced requirements in terms of submission of documents and information and are automatically listed on the BVL.

Interviews with the exchange are not required or customary in order to list securities.

Shareholder spread and ownership

The BVL does not contain shareholder spread requirements, and there are no other ownership requirements applicable to the listing of a foreign company's shares. Also, shares do not need to be placed in escrow in connection with the listing. There is no requirement to have a minimum public float at the time of listing or after listing.

Minimum trading price

There is no requirement for a listed foreign company to maintain a minimum trading price for its securities. Moreover, there is no trading history or a particular length of time in operation that a company must demonstrate in order to list its securities.

Corporate governance

The SMV publishes a corporate governance code that contains basic governance principles for Peruvian companies, especially for those with securities registered on the BVL. Implementation of the corporate governance principles is not mandatory but is recommended for Peruvian companies with securities listed on the BVL.

Peruvian companies with securities listed on the BVL and foreign companies that do not have securities listed in an Approved Stock Exchange (Approved Stock Exchanges are detailed in section 3 below) are required to file an annual self-assessment regarding their level of compliance or adherence to the corporate governance principles published by the SMV. Foreign companies with securities listed on an Approved Stock Exchange are required to file with the SMV and the BVL all information that is required to be filed in their primary listing market, including in regard to corporate governance compliance. Corporate governance principles are further detailed in section 5 below.

Further requirements

- There are no minimum financial requirements that a company must meet in order to list its securities or to maintain a listing on the BVL.
- The trading price of securities can be either in US dollars or Peruvian sol, regardless of the denomination of the securities.
- In order to be listed and traded, securities must be registered with and settle with CAVALI, the Peruvian settlement institution.
- There is no need for a foreign company to obtain a compliance adviser established with the exchange in order to maintain its listing.

- Principal listing and maintenance requirements and procedures are generally the same for domestic and foreign companies. Any differences are described below.

3. Listing documentation and process

Overview

The listing requirements for foreign companies seeking admission to the BVL are different depending on whether the company already has securities listed on a stock exchange that is recognized by the SMV as a stock exchange with similar or better reporting standards in comparison with the standards required in Peru (an Approved Stock Exchange). Companies listed on an Approved Stock Exchange have reduced listing requirements for being admitted to the BVL. The SMV has recognized the following Approved Stock Exchanges:

Australian Securities Exchange	London Stock Exchange
BM&FBovespa S.A.	Nasdaq Stock Market
Bolsa de Madrid	New York Stock Exchange
Bombay Stock Exchange	Oslo Bors
Borsa Italiana	Shanghai Stock Exchange
Euronext Amsterdam	SIX Swiss Exchange
Euronext Paris	Tokyo Stock Exchange
Frankfurt Stock Exchange	Toronto Stock Exchange
Hong Kong Stock Exchange	

Furthermore, securities of foreign companies that have a class of securities: (i) listed with any of the stock exchanges listed above; (ii) that are also included in one of the stock indexes detailed below (an

Approved Stock Index); and (iii) that are filed by a sponsor for listing in the BVL, are subject to reduced requirements (in terms of submission of documents and information) and are automatically listed in the BVL.

(Condition No. 1) Stock Exchange	(Condition No. 2) Price Index
New York Stock Exchange Nasdaq Stock Market Cboe BZX Exchange, Inc. Cboe BYX Exchange, Inc. Cboe EDGA Exchange, Inc. Cboe EDGX Exchange, Inc.	Dow Jones Industrial Average (DJI) Standard & Poor's 500 Index (S&P 500) NYSE 100 Nasdaq 100
Euronext Paris	CAC 40 Index
Euronext Amsterdam	AEX Index
London Stock Exchange	FTSE 100
Toronto Stock Exchange	TSX 60

Foreign companies with securities listed on an Approved Stock Exchange

In order to list a class of securities with the BVL, a foreign company with a class of securities listed on an Approved Stock Exchange must file the following documentation and information with the BVL and the SMV:

- Application letter.
- Details on the main characteristics of the issuer (corporate name, date of incorporation, address, country of incorporation, taxpayer identification code, economic activity, main business lines or products, and the amount of share capital paid in local currency and US dollars).
- Details on the main characteristics of the securities to be registered (denomination, class, series, currency, number of securities in circulation, nominal value, rights conferred, ISIN and

mnemonic identification numbers or stock exchange code, and markets where the securities are negotiated).

- Affidavit executed by the legal representative of the issuer agreeing to sign a contract with: (i) the BVL; and (ii) CAVALI, for the representation of the securities in book-entry form.

- Name of the foreign institution in charge of the custody, compensation and settlement of the securities to be registered, with which the local clearing/compensation and settlement institution has an agreement; or if this is not available, a report detailing the available mechanisms for the custody, compensation and settlement of securities.

- Copy of the resolution adopted by the competent corporate body for (i) the registration of the securities in the BVL and the SMV; (ii) the designation of the representative in charge of the listing process, who must be domiciled in Peru; and (iii) the designation of the person who will act as representative of the company before the BVL and SMV (*Representante Bursátil*), who must be domiciled in Peru.

- Copy of: (i) the power of attorney of the foreign company's designated representative in charge of the registration of the securities on the BVL and the SMV; and (ii) the power of attorney of the foreign company's designated stock representative, both duly recorded in the Peruvian Public Registry.

- Copy of the agreement with the entity that provides the software allowing the foreign company to file electronically all information with the SMV required for it to comply with its reporting obligations.

- Any additional information deemed appropriate by the foreign company.

- Copy of the payment receipt of the applicable registration fees.

Foreign companies with no securities listed on an Approved Stock Exchange

In order to list a class of securities with the BVL, a foreign company that does not have a class of securities listed on any Approved Stock Exchange must comply with the same requirements as a Peruvian company, except that the foreign company must file the following additional documentation with the BVL and the SMV:

- A copy of the foreign company's financial statements, prepared in accordance with the disclosure requirements of the primary market and endorsed by an internationally recognized foreign audit firm.
- A brief description of the regulatory environment of the country of incorporation of the issuer and the main differences with Peruvian legislation (including corporate, tax and securities matters, dividends, interest, commissions among other relevant matters).
- A brief description of the differences between the accounting standards applicable in the country of incorporation of the issuer or the country where its securities are traded and the accounting standard applicable in Peru.
- Restrictions and control mechanisms to which the issuer may be subject in its country of incorporation.
- Affidavit signed by the legal representative of the issuer agreeing to sign a contract with: (i) the BVL, and (ii) CAVALI, for the representation of the securities in book-entry form.

In addition, to the extent that the foreign company is listed on an exchange, the following information must also be submitted to the BVL and the SMV:

- Name of the foreign institution in charge of the custody and settlement of the securities to be listed, with which the local clearing and settlement institution has an agreement.
- Brief description of the public information systems implemented by the exchanges where the securities are listed.
- Brief description of the foreign exchanges where the securities are listed, including quantitative information of such markets (such as market capitalization, traded volumes and amounts, and number of issuers and intermediaries registered in such exchange).
- Brief description of the trading history of the securities in its primary exchange (such as price average, traded volume, number of securities in circulation, capitalization value, and number of securities).
- Copy of the record of the resolution adopted by the relevant corporate body (i) to comply with all the reporting obligations with respect to the exchange where the securities are registered, (ii) appointing a person who will be the representative in charge of the listing process, who must be domiciled in Peru, and (iii) appointing the person who will act as representative of the company before the BVL and SMV (*Representante Bursátil*), who must be domiciled in Peru.
- An affidavit agreeing to submit to the BVL and the SMV all of the information filed with the foreign exchange where the securities are listed.

Foreign companies with securities that belong to an Approved Stock Index

In order to list securities of a foreign company that belong to an Approved Stock Index, the sponsor or the BVL must file the

following documentation and information with the BVL and the SMV:

- Application letter.
- Affidavit executed by the legal representative of the sponsor or the BVL, stating that it has verified: (i) that the securities are listed on an Approved Stock Index; (ii) the availability of information regarding the daily negotiation of the securities on the corresponding stock exchange, and (iii) the availability of an electronic link to the public information system through which the issuer makes available information regarding its securities on its local market.
- Details on the main characteristics of the issuer (corporate name, date of incorporation, address, country of incorporation, taxpayer identification code, economic activity, main business lines or products, and the amount of share capital paid in local currency and US dollars).
- Details on the main characteristics of the securities to be registered (denomination, class, series, currency, number of securities in circulation, nominal value, rights conferred, ISIN and mnemonic identification numbers or stock exchange code, and markets where the securities are negotiated).
- The regulations and time frames under which issuers must present financial information and comply with disclosure obligations.
- Affidavit executed by the legal representative of the sponsor or the BVL agreeing to sign a contract with CAVALI, for the representation of the securities in book-entry form.
- Name of the foreign institution in charge of the custody, compensation and settlement of the securities to be registered, with which the local clearing/compensation and settlement institution has an agreement; or if this is not available, a report

detailing the available mechanisms for the custody, compensation and settlement of securities.

- Copy of the agreement with the entity that provides the software allowing the sponsor or the BVL to file electronically all information with the SMV required for it to comply with its reporting obligations.
- Any additional information deemed appropriate by the applicant.
- Copy of the payment receipt of the applicable registration fees

Interviews with the exchange are not required or customary in order to list securities.

Documentation required for domestic companies

In order to list a class of securities with the BVL, a Peruvian company must file the following documentation with the BVL and the SMV:

- Application letter
- Affidavit executed by the issuer's main administrative, legal, accounting and financial officers declaring that the information being submitted is accurate and sufficient.
- Affidavit confirming the accounting standards used in preparing the financial statements.
- Prospectus as described below.
- The following financial statements, in each case duly approved by the relevant corporate body: (a) annual audited individual and consolidated (to the extent applicable) financial statements for the two most recent annual periods, (b) individual and consolidated (to the extent applicable) financial statements for the most recent quarter.
- Annual report for the two most recent annual periods.

- Copy of the resolution adopted by the relevant corporate body for (a) the registration of the securities in the BVL and the SMV, (b) the submission to the SMV's and the BVL's rules and regulations; (c) the designation of the representative in charge of the listing process (who must be domiciled in Peru) and (d) the designation of the person who will act as representative of the company before the BVL and SMV (*Representante Bursátil*) (who must also be domiciled in Peru).

- Copy of the company's approved dividend policy.

- Information relating to the degree of the company's compliance with the corporate governance principles.

- Copy of the internal conduct policy (*Normas Internas de Conducta*) approved by the company. Such code must contain the rules that must be followed by the company and its employees regarding compliance with the securities market law generally, including reporting obligations and use of privileged information.

- Information relating to the economic group (a group of companies under the control of a person or the common control of related persons) to which the company belongs, including primarily the following information: (a) a brief description of the group; (b) a list of countries in which affiliates conduct business; (c) principal lines of business in which the affiliates engage; (d) organizational chart of the group; (e) list of all companies that comprise the group, including their respective total assets and net equity; (f) a list of all shareholders holding more than 5% of the share capital of the company; (g) a list of the members of the board of directors and executive officers of the company and of each of the corporations belonging to the same group and of each of the corporations belonging to the same group, and (h) to the extent the company is aware, a list of the persons who exercise control over the company.

- If the company's shares are partially paid, a copy of the shareholders' meeting resolutions stating that: (a) all of the company's shares are paid in the same percentage in relation to their nominal value; (b) payments will be made on specific dates, and attach the payment schedule; (c) the company is required to inform the SMV and CAVALI of any failure to comply with respect to payment, and (d) the company is responsible for the consequences derived from failure to comply with respect to payment.

- Form of share certificate, when applicable.

- Copy of the agreement with the entity that provides the software allowing the foreign company to file electronically all information with the SMV required for it to comply with its reporting obligations.

- Copy of the payment voucher with respect to the SMV fees.

Prospectus

A prospectus is required to be provided for securities that are listed on a stock exchange other than an Approved Stock Exchange, or if the securities are not listed on any foreign stock exchange.

The prospectus must follow the model set out in Exhibit 6 to *Resolución* SMV Nº 031-2012, which must contain the following information:

- In relation to the issuer, information related to the identification of the issuer, its share capital, its shareholder structure, its corporate purpose, its industry, its recent material corporate developments, its income, the number of people employed by the company, its management and board of directors, and a summary of the company's financial information.

- In relation to the securities, their characteristics, a description of the rights and obligations conferred by them, detailed information relative to dividends paid on the most recent two annual periods

(if applicable), and detailed information on the interest rate, interest payment and principal, security and risk rating (if applicable).

Financial information

If the securities are already listed on an Approved Stock Exchange, the foreign company is not required to provide financial statements at the time of initial listing. If the securities are not listed on an Approved Stock Exchange, the company must provide its financial statements in accordance with the disclosure requirements of the primary market. The financial statements must be endorsed by an internationally recognized foreign audit firm and include a brief description of the differences between the accounting standards applicable in the country of incorporation of the issuer or the country where its securities are traded and the accounting standards applicable in Peru.

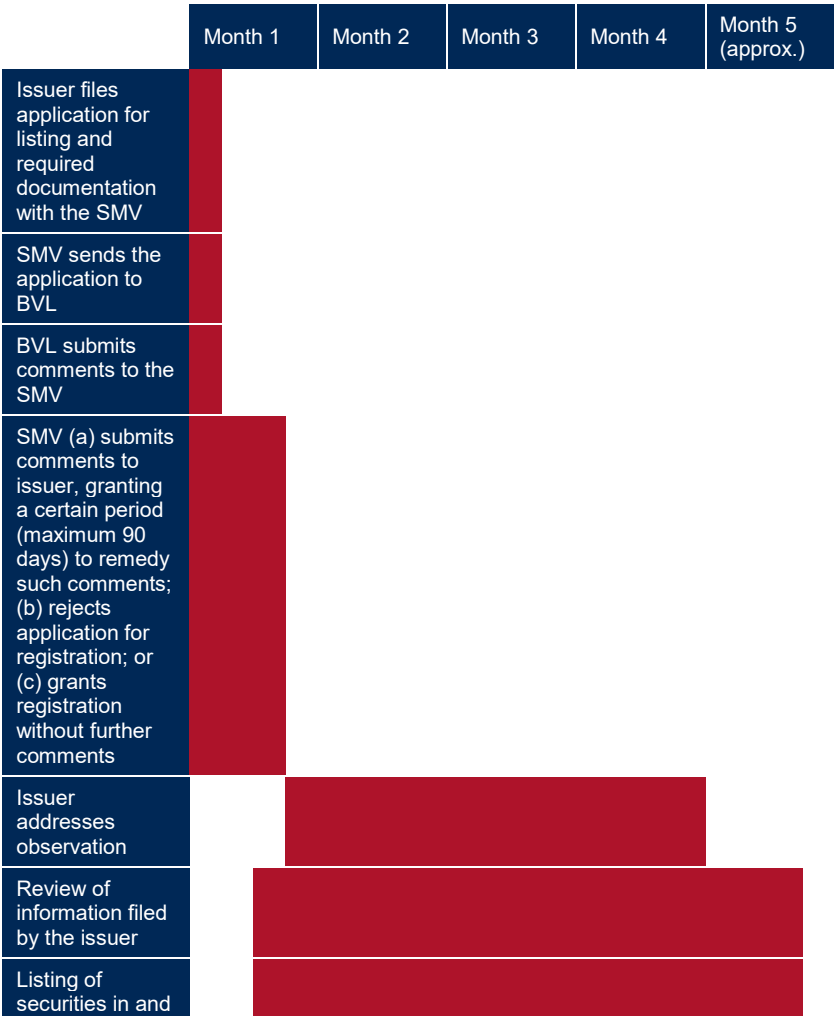
Listing application

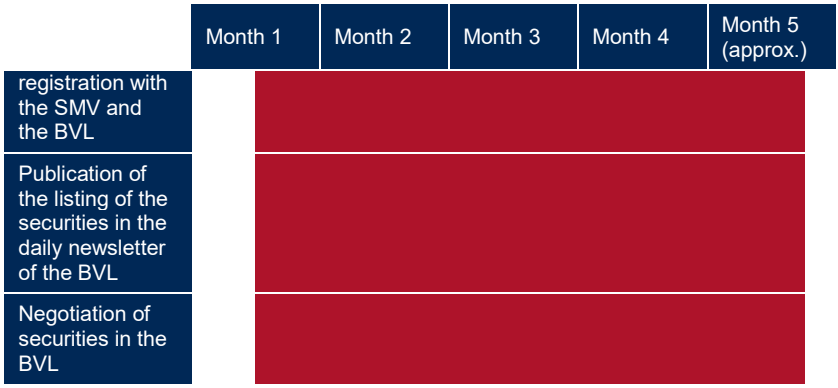
After application is made to list a class of securities, the filing is reviewed by the BVL and SMV according to the following registration process:

- The BVL is required to send the SMV any comments on the filed documents within five business days from the date the documents were received.
- The SMV is required to provide a comment letter or issue a registration letter within 20 business days from the date of the filing.
- Upon completion of the review process, the securities are registered with the SMV (*Registro Público del Mercado de Valores*) and with the BVL. The resolution is made public in the official gazette and the securities can commence trading on the next business day.

Typical process and indicative timetable for a listing of a foreign company

The following is a fairly typical process and timetable for a foreign company listing on the BVL (both foreign companies that have securities listed in an Approved Stock Exchange and those that do not).





The SMV has 20 days to analyze the documentation filed by the issuer. However, the process of the SMV submitting comments to the issuer, followed by the issuer responding, can occur several times and result in an overall longer review period.

4. Continuing obligations/periodic reporting

Continuous disclosure

Foreign companies with securities listed on an Approved Stock Exchange or that belong to an Approved Stock Index are required to file with the SMV and the BVL all information that is required to be filed in their primary listing market. Local tender offer (*oferta pública de adquisición*) and public purchase offer (*oferta pública de compra*) regulations are not applicable to securities listed on an Approved Stock Exchange or that belong to an Approved Stock Index.

Foreign companies that do not have securities listed on an Approved Stock Exchange or that do not belong to an Approved Stock Index are required to comply with the BVL's disclosure requirements for domestic companies. Therefore, subsequent to the initial listing, such companies must file with the BVL and SMV the following information relating to the company, as soon as such information becomes available or a relevant matter or fact occurs (and under no circumstance, after the closing of the business day on which the

information becomes available or relevant matter or fact occurs), in accordance with *Resolución SMV* Nº 005-2014-SMV/01: actions, facts, decisions, agreements or ongoing negotiations that may affect a company, or its securities, or its business, or such other company in its economic group, with the capacity to influence significantly: (i) the decision of a reasonable investor to buy, sell or hold securities; or (ii) the liquidity, price or quotation of the securities issued.

Companies are also required to provide the SMV with a list of all shareholders who own more than 0.5% of the company's voting shares within 15 calendar days counted from the end of each month. Affiliate Information must be updated no later than five business days from the time the information requires updating.

Where a sponsor applies for the listing of securities, the sponsor (rather than the issuer) is liable to the SMV and the BVL with respect to any disclosure requirements. In these cases, sponsors must inform the SMV and the BVL of any material fact related to the security, the instrument or the issuer as soon as they become aware of it or the issuer makes information public in its primary market.

Financial statements

Foreign companies with securities listed on an Approved Stock Exchange must file financial statements with the SMV and the BVL in accordance with the disclosure requirements of the primary market.

Domestic companies and foreign companies with securities not listed on an Approved Stock Exchange must file the following financial information with the SMV and the BVL:

- Annual report, no later than 30 March of each year.
- Annual audited financial statements, no later than 30 March of each year.
- Quarterly financial statements (containing balance sheet, statement of income, statement of changes in equity, cash flow statement and financial indicators), as of 31 March, 30 June, 30

September and 30 November of each year, no later than 30 April, 31 July, 31 October and 15 February, respectively.

These financial statements must be prepared in concordance with International Financial Reporting Standards (*Normas Internacionales de Información Financiera*).

Insider trading

The listing of a company's securities on the BVL results in requirements for strict compliance with insider-trading regulations. Accordingly, any individual who has privileged information may not:

- Disclose privileged information to any other person until the information is publicly available.
- Recommend the purchase or sale of securities when in possession of privileged information.
- Make use of any privileged information.

Directors, executive officers and beneficial owners of 10% of a company's equity are presumed to have access to privileged information for purposes of insider trading regulations.

Takeover bids

Peruvian securities market law and the tender offer regulations require any person that directly or indirectly acquires in one or a series of transactions a "substantial interest" in a company that has at least a class of shares with voting rights registered with the SMV to launch a tender offer (*oferta pública de adquisición*) for a number of securities according to a formula.

In addition, a person who directly or indirectly intends to acquire in one or a series of transactions a "substantial interest" is also required to launch a tender offer prior to acquiring the "substantial interest" unless that person acquires the substantial interest indirectly, in a public secondary offering of securities, in a single transaction, or in no

more than a series of four consecutive transactions in a period of three years.

A "substantial interest" in a company is acquired when a person acquires or intends to acquire a number of common shares that will result in the person beneficially (directly or indirectly) owning a 25%, 50% or 60% of the outstanding shares with voting rights of a company in one or a series of transactions, or allows the person to appoint a majority of the directors of a company or amend the by-laws of a company.

5. Corporate governance

The Corporate Governance Code contains corporate governance principles for domestic companies. However, adoption of the Corporate Governance Code is voluntary, and companies with listed securities are not required to comply with these principles.

The Corporate Governance Code covers 31 topics, including shareholders' rights, shareholder meetings, board of directors and senior management, risk and compliance, and transparency of information.

6. Specific situations

There are no additional requirements, or any changes in the general requirements, that apply to very large multinational companies or smaller foreign companies.

However, small and medium-sized domestic companies aiming to list their securities on the Alternative Securities Market segment (*Mercado Alternativo de Valores*), which is designed to facilitate access to short-term financing on the stock market at lower costs, are subject to less stringent requirements and reporting obligations.

Securities issued by foreign financial legal entities of public law, whose existence originates from international agreements binding for Peru, are automatically listed in the BVL, upon filing of the application for registration and other required documents. Except for

the securities issued and listed on the exchange of any of the others countries that are members of MILA (that is, Chile, Colombia and Mexico) as described below, there are no other situations in which a "fast track" or expedited listing can be procured.

Furthermore, there are no industries for which additional listing or maintenance requirements apply.

MILA

The Latin America Integrated Market (MILA) is the result of the economic integration efforts among the Pacific Alliance member countries (that is, Chile, Colombia, Mexico and Peru). MILA integrates the stock exchange markets of these countries, allowing investors access to the common trading platform for buying and selling securities in any of the stock exchange markets, without having to depend on an intermediary in another jurisdiction.

In terms of the number of listed companies, MILA has become the largest market in Latin America, and the second largest in terms of market capitalization and trading volume.

As a consequence of the Pacific Alliance integration initiative, MILA has continued strengthening the integration of the capital markets of the four country members. For example, the capital markets regulators of the MILA countries have approved certain regulations in order to allow securities offerings in all MILA countries simultaneously:

- First, securities regulators have approved a measure allowing secondary public offerings of equity securities and debt securities to be launched simultaneously in all MILA countries, provided that the relevant security has been previously registered or approved by the securities regulator of one of the MILA countries.

- More recently, some MILA countries have approved regulations which allow initial public offerings, either in connection with equity or debt securities, to be conducted simultaneously in all MILA countries, provided that the offer is registered with the

securities regulator of the country in which the issuer carries out its main activities.

7. Presence in the jurisdiction

A foreign company must designate a person domiciled in Peru to act as representative of the company before the BVL and the SMV (*Representante Bursátil*).

8. Fees

The initial listing fee for foreign and domestic companies is a percentage of total share capital registered and listed in the BVL as follows:

Share Capital	Percentage
Less than PEN101 million (approximately US$31.09 million)	0.048% with a minimum fee of approximately PEN12,000 (approximately US$3,622), adjusted monthly for inflation
From PEN101 million (approximately US$30.48 million), but less than PEN301 million (approximately US$90.84 million)	0.045%
From PEN301 million (approximately US$90.84 million), but less than PEN501 million (approximately US$151.20 million)	0.042%
From PEN501 million (approximately US$151.20 million)	0.040%

After the initial listing, annual fees must be paid applying 0.002% on the total share capital registered and listed in the BVL, with a minimum fee of approximately PEN601.92 as of December 2019 (approximately US$182), adjusted monthly for inflation.

9. Additional Information

If the original documents filed with the SMV and BVL are in a language other than Spanish, they must be presented with a simple

translation to Spanish, with the indication of the name of the translator.

10. Contacts within Baker McKenzie

Pablo Berckholtz, Rafael Picasso, Alonso Miranda and Rafael Berckholtz of Estudio Echecopar, a member firm of Baker McKenzie International, are the most appropriate contacts in Lima for inquiries about prospective listings on the BVL.

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London Stock Exchange (AIM)

Initial financial listing requirements

There are no minimum size or market capitalization requirements, except for "investing companies," which are required to raise at least £6 million (approx. US$7.53 million) in cash via an equity fundraising on or immediately before admission to trading on AIM. All companies must have sufficient working capital for their present requirements (that is, at least 12 months from the date of admission of the shares).

Other initial listing requirements

Share price. There is no minimum closing or offering price for shares to be admitted to AIM.

Distribution. There is no minimum public float requirement.

Accounting standards. For a company incorporated in a European Economic Area (EEA) member state, the accounts must be prepared in accordance with IFRS — unless the company is not a parent company, in which case it may prepare its accounts either in accordance with IFRS or the accounting and company legislation and regulations applicable to the company in its country of incorporation.

For AIM companies incorporated outside the EEA, the financial information may be presented in accordance with IFRS, US GAAP, Canadian GAAP, Australian IFRS or Japanese GAAP. The last two years of historical financial information must be presented in a form consistent with that which will be adopted in the company's next published annual accounts.

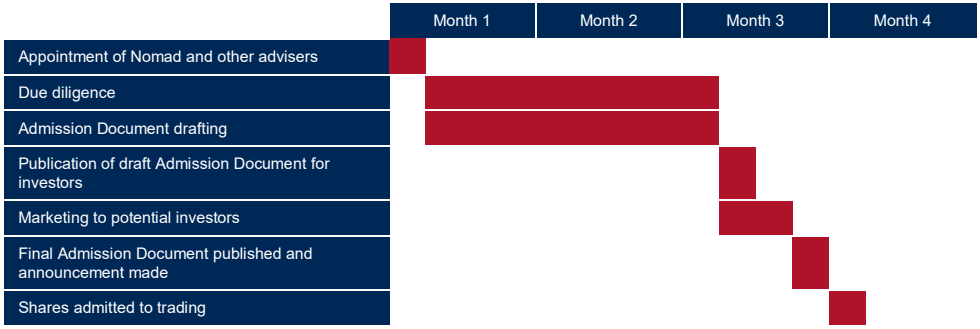
Financial statements. The Admission Document must generally include audited accounts for the last three financial years (or less if the company has been in existence for less than three years) and an audit report in respect of each year.

Operating history. There are no requirements to demonstrate any length of operating history.

Management continuity. No specific period of continuity of management is required.

Listing process

The following is a fairly typical process and timetable for an admission of the shares of a foreign issuer to AIM.



Corporate governance and reporting

AIM companies must state in their Admission Document and on their website the recognized corporate governance code that the board of directors has decided to apply, how the company complies with that code, and where it departs from its chosen corporate governance code, an explanation of the reasons for doing so.

The Quoted Companies Alliance (QCA) publishes a set of voluntary Corporate Governance Guidelines for Small and Mid-Size Quoted Companies (including AIM companies) which includes 10 corporate governance principles that companies should follow, and step-by-step guidance on how to effectively apply these principles. These principles are drawn from the UK Corporate Governance Code, which gives guidance on:

- Board Leadership and Company Purpose.
- Division of Responsibilities.
- Composition, Succession and Evaluation.
- Audit, Risk and Internal Control.
- Remuneration.

Fees

A company seeking a quotation on AIM must pay both initial admission fees and annual fees to the London Stock Exchange. Initial fees are calculated according to market capitalization, and for a company with a market capitalization of £50 million (approximately US$66.27 million) would be £39,500 (approximately US$52,353). Additional shares listed subsequently, which raise at least £1.5 million (approximately US$1.99 million), will require additional payments. Annual fees are calculated according to market capitalization at the close of trading on the last business day of September in the preceding year, and for a company with a market capitalization of £50 million (approximately US$66.27 million) would be £8,700 (approximately US$11,531).

1. Overview of exchange

The London Stock Exchange (more commonly referred to as the LSE) operates the following markets:

- The Main Market (an EU regulated market) comprising:
    - The premium listing segment.
    - The standard listing segment.
    - The Specialist Fund Segment (SFS).
    - The High Growth Segment (HGS).
    - The Sustainable Bond Market (SBM).
    - The Shanghai-London Stock Connect.
- AIM (formerly known as the Alternative Investment Market) (an exchange regulated market).
- The Professional Securities Market (PSM) (an exchange regulated market).
- The International Securities Market (ISM) (an exchange regulated market).

This summary relates only to AIM, a designated SME Growth Market, which is the LSE's international market for smaller, growing companies. AIM was founded in 1995 and is known for its balanced approach to regulation, which is well-suited to smaller companies. The AIM rules are concise and principles-based. Generally, the business of a non-UK incorporated company seeking a quotation on AIM should be international and not limited to its local market. Certain types of companies, such as natural resources and technology companies, are by their nature international. Other types of companies should at least have international markets or seek to expand internationally.

The principal advantage of an admission to AIM is its balanced regulatory environment, which is designed to meet the needs of smaller and growing companies while offering appropriate investor protection. The entry criteria are tailored to growing companies and, as described in more detail below, there are generally no minimum requirements as to trading record, public float and market capitalization. In addition, under certain circumstances, applicants may not need to have a prospectus approved by the UK Financial Conduct Authority (FCA) to conduct their offering.

Other advantages for a company joining AIM include: access to an international investor base; the diversity and regional coverage on AIM, which has companies operating across around 40 industries in over 100 countries; the existence of a large and experienced community of advisers to help companies join AIM and support them after admission; and the associated visibility and profile raising with customers, suppliers, investors and other stakeholders.

The LSE does not make any distinction between primary and secondary listings or quotations in respect of admission to AIM. Companies are admitted to trading on AIM rather than listed.

In December 2019, the aggregate market capitalization of companies admitted to trading on AIM was approximately £104.23 billion (approximately US$138.15 billion). This represents an increase of approximately 14.2% since December 2018, when aggregate market capitalization was approximately £91.25 billion (approximately US$120.94 billion). AIM is an international market for smaller and growing companies. Admission to trading on AIM is available to companies from all sectors and from all over the world, and a diverse range of such companies have been admitted to trading.

As of December 2019, there were 863 companies (December 2018: 922) admitted to trading on AIM. Of these, 740 (December 2018: 780) were domestic and 123 (December 2018: 142) foreign. However, some of the domestic companies are UK holding companies of foreign

companies with foreign operations formed for the purpose of facilitating AIM admission.

Application will need to be made to the LSE for any proposed admission to trading on AIM. As AIM is not a regulated market for the purposes of the Prospectus Regulation, no prospectus will be required to be drawn up or approved by the FCA provided that the admission involves an offer to fewer than 150 persons in each member state of the European Economic Area (EEA) where the offer is made (excluding any qualified investors who are essentially professional investors (unless they have requested to be treated as non-professional investors) and eligible counterparties, including entities which are required to be authorized or regulated to operate in the financial markets, large undertakings, governments and central banks and other institutional investors whose main activity is to invest in financial instruments). The FCA is therefore not typically involved in an AIM admission.

2. Principal listing and maintenance requirements and procedures

A company may not be admitted to AIM unless it is appropriate for admission to trading on AIM. An AIM company should usually have a similar structure to a UK plc, and where it is an investing company, must be a closed-end fund and not require a restricted investor base. An AIM company should not be complex in terms of structure and securities and should issue primarily ordinary shares (or the equivalent). Subject to this, there are no jurisdictions of incorporation or industries that would not be acceptable for an AIM company. There is also no difference in financial requirements between a foreign company and a domestic company and, as discussed above, AIM does not distinguish between a primary and secondary admission to trading. There are no minimum size or market capitalization requirements except for investing companies (as described in section 6 below). There are no ongoing financial requirements a company must meet after the initial admission to maintain admission to trading on AIM.

There are no requirements to demonstrate a particular length of trading history, time in operation or track record. Nor are there any ownership requirements relating to large stockholdings or holders of a particular nationality.

Corporate governance. For its securities to be admitted to trading on AIM, a company must state in its Admission Document and on its website the recognized corporate governance code that the board of directors has decided to apply, how the company complies with that code, and where it departs from its chosen corporate governance code, an explanation of the reasons for doing so. For more details, please see section 5 below.

Nomads. All companies applying for admission to AIM must appoint and retain a nominated adviser (Nomad) at all times. Nomads are corporate finance firms, accountants or brokers. They must be approved by the LSE. The register of approved Nomads is available on the LSE's website at *http://www.londonstockexchange.com/exchange/companies-and-advisors/aim/for-companies/nomad-search.html*. In relation to any application for admission to AIM, a Nomad must submit an early notification form to the LSE as soon as reasonably practicable. The form requires, among other matters, certain general information about the applicant's business, shares, directors and shareholders. Irrespective of the requirement for early notification, where the circumstances of the applicant could affect its appropriateness for AIM, the Nomad is expected to have early discussions with the LSE ahead of the application submission. The Nomad is required to consider a non-exhaustive list of factors, including the applicant's rationale for seeking admission, its business model and business operations, as well as any formal criticism of the applicant or any of its directors by a regulator, government or other bodies, These factors either on their own or when combined with others may impact an applicant's appropriateness for admission to AIM.

Further, the Nomad is required to confirm that:

- The directors of the company seeking admission to AIM have been advised as to the nature of the company's obligations under the AIM Rules for Companies (the AIM Rules).
- The company and its securities are appropriate to be admitted to AIM.
- All of the requirements of the AIM Rules for Companies and the AIM Rules for Nominated Advisers (including those requiring information to be disclosed in the Admission Document/pre-admission announcement) have been complied with and will continue to be complied with.

Brokers. An AIM company must also appoint and retain an AIM broker at all times. This broker may be the same entity as the Nomad, and will be responsible for facilitating dealings in the company's shares. The broker is required to use its best endeavors to match buy and sell orders for the company's shares, if there is no other broker who has committed to do so.

Interviews; minimums. There is no requirement for an applicant company to conduct interviews with the AIM team at the LSE as part of the admission process. Neither is there any requirement for foreign companies to have or maintain a minimum number of security holders or a minimum trading price for their securities. There is also no requirement to have a minimum public float at the time of admission or from time to time after admission.

Lock-in. The AIM Rules provide that 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 is commonly referred to as the lock-in. Underwriters will also typically require that directors and any major

shareholders agree to a lock-in and orderly market restrictions. Related parties include directors and also shareholders who hold any legal or beneficial interest directly or indirectly in 10% or more of any class of AIM security or 10% or more of the voting rights of an AIM company, and their respective family members. Applicable employees include those, together with their family, with a holding or interest, directly or indirectly, in 0.5% or more of any class of AIM security. There are no other requirements for any shares to be placed into escrow (or otherwise be restrained from being traded, such as through lock-in or lock-up arrangements) in connection with the admission.

Currency; settlement. There are no restrictions on the currency denomination of securities. There is no requirement for securities to be settled within a particular clearing system or registered with a particular share transfer agent. However, all shares admitted must be capable of electronic settlement. Typically, shares are settled through the CREST electronic settlement system (CREST) operated by Euroclear UK and Ireland. Only the shares of companies incorporated in the United Kingdom, the Republic of Ireland, Jersey, Guernsey and the Isle of Man are eligible for direct participation in CREST. Companies incorporated in other jurisdictions therefore usually establish a depository arrangement with a UK bank or other provider which will issue depository interests representing the company's underlying shares as depository interests are eligible for settlement within CREST. Depository interests are a settlement mechanism, and are not the same as depositary receipts.

Other requirements. There is no requirement for an AIM company to retain a compliance adviser, other than a Nomad (as described above).

The shares for which admission to trading on AIM is sought must be freely transferable, except where either:

- In a particular jurisdiction, statute or regulation places restrictions upon transferability.

- The 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 in that jurisdiction.

There are no significant further admission or maintenance requirements applicable to a foreign company not described above.

The requirements described in this section 2 do not vary from what would be expected of a domestic company, save in relation to settlement in CREST, as described above.

3. Listing documentation and process

The company will need to prepare an Admission Document (similar in form to a prospectus and containing, among other things, the information described below) to be sent to investors, assuming the admission to trading does not constitute an offer to the public requiring the publication of a prospectus (as discussed in section 1 above). The LSE will need to receive basic information about the company, including details of its directors, significant shareholders and the shares to be admitted.

Prior to admission of the company's securities to trading on AIM, the company must publish an Admission Document containing the information required by the AIM Rules. The function of the Admission Document is to convey to its recipients factual information about the business, management and shares of the company. Typically, the Admission Document will contain information on the history and background of the company, details of its business and assets, information on the markets it operates in, financial information (including a short form report on the audited accounts of the company for the last three years), information on directors and the company's current trading and prospects and information on corporate governance, taxation and settlement arrangements.

The Admission Document must include details of all persons responsible for the information contained within it. In the case of

natural persons, the Admission Document must indicate the name and function of the relevant person, and in the case of legal persons, the name and registered office must be provided. In addition, there must be included in the document a declaration by the persons responsible for the Admission Document (including the directors) that, having taken all reasonable care to ensure that such is the case, the information contained in the Admission Document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

In particular, the Admission Document must contain:

- Audited accounts for the last three financial years (or less, if the company has been in existence for less than three years) and an audit report in respect of each year.
- A statement that the company has sufficient working capital for its present requirements (at least twelve months from the date of admission).
- The name of any person who has received from the company within the previous twelve months, or entered into contractual arrangements to receive, any fees, securities or other benefits with a value of £10,000 (approximately US$13,254) or more.
- Details of any lock-ins (please see section 2 above for more details).
- Details of any significant shareholders (defined as any person holding 3% or more in any class of AIM security, including by way of a position in a financial instrument).
- Certain specific information in relation to each director.

For a company incorporated in the EEA, the financial information must be presented in accordance with International Financial Reporting Standards (IFRS) unless the company is not a parent company, in which case it may prepare such financial information

either in accordance with IFRS or the accounting and company legislation and regulations applicable to the company in its country of incorporation.

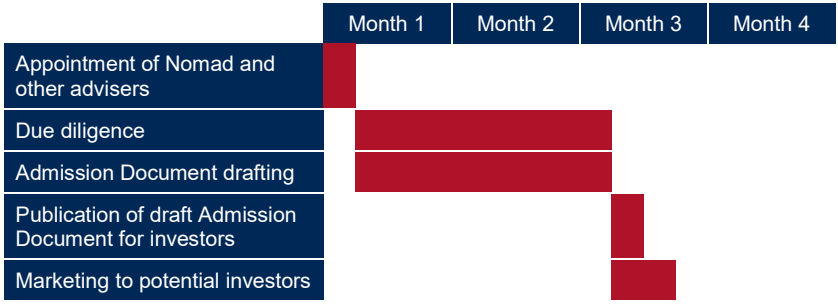
For AIM companies incorporated outside the EEA, the financial information may be presented in accordance with IFRS, US GAAP, Canadian GAAP, Australian IFRS or Japanese GAAP. The last two years of historical financial information must be presented in a form consistent with that which will be adopted in the company's next published annual accounts.

The Admission Document must also contain any other information that the company reasonably considers necessary to enable investors to form a full understanding of:

- The assets and liabilities, financial position, profits and losses and prospects of the applicant and its securities for which admission is being sought.
- The rights attaching to those securities.
- Any other matter contained in the Admission Document.

No regulatory review of the Admission Document is required.

Typical process and timetable for the admission to trading of a foreign company on AIM



The documentation and process requirements described in this section do not vary from what would be expected of a domestic company, except as described above with reference to financial information. However, a Nomad will typically undertake a more extensive due diligence process for foreign companies to ensure that they are appropriate for admission to AIM.

4. Continuing obligations/periodic reporting

The EU Market Abuse Regulation (596/2014) (MAR), which took effect in the UK on 3 July 2016, applies to financial instruments traded on a multilateral trading facility (MTF). AIM is an MTF and AIM companies must therefore comply with the provisions of MAR as well as the AIM Rules for Companies. AIM companies are subject to a dual regulatory regime and compliance with one set of rules does not ensure compliance with the other, even though there is considerable overlap between the two sets of rules. AIM Regulation enforces the AIM Rules for Companies and the FCA enforces MAR. It is expected that AIM Regulation and the FCA will cooperate in enforcing the respective sets of rules.

AIM rules for companies

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

- Its financial condition.

- Its sphere of activity.
- The performance of its business.
- Its expectation of its performance.

Information that would be likely to lead to a significant movement in the price of an AIM company's securities includes, but is not limited to, information which is of a kind which a reasonable investor would be likely to use as part of the basis of his or her investment decisions. There are some limited exceptions to the announcement obligations for impending developments or matters in the course of negotiation. An AIM company is permitted to disclose such information in confidence to various categories of persons (such as advisers or employees involved in the development or matter and transaction counterparties) provided the recipients are made aware of the requirement to refrain from dealing upon receipt of the information. In addition, the AIM company must ensure that it has in place effective procedures and controls designed to ensure the confidentiality of such information in order to minimize the risk of a leak.

Deliberate or reckless failure to comply with these disclosure obligations would constitute a breach of the AIM Rules and may constitute an offense under the Financial Services and Markets Act 2000 (FSMA), insider dealing or market abuse laws.

Other disclosure requirements. An AIM company must also publicly disclose, among other things:

- Certain information relating to directors' and their family members' holdings and dealings in the company's shares or related financial products.
- Details of any proposed substantial transactions.
- Details of any proposed transactions to be undertaken with related parties (widely defined to include directors, recent directors, 10% shareholders and associates of any of them) of a significant size.

- Details of any transaction classified as a reverse takeover (broadly, a transaction which would lead to a fundamental change in the business, or in board or voting control, of the company), which transaction must be conditional upon shareholder approval.
- Details of any disposals resulting in a fundamental change of business, which disposal must be conditional upon shareholder approval.
- Any changes passing through a percentage point, so far as is known to the company, to any person's holding of 3% or more of the company's shares (excluding any treasury shares).
- Changes in the board of directors, to the company's legal name or the registered office of the company.
- Any change in accounting reference date.
- Any material change between actual trading performance or financial condition and any public forecast, projection or estimate.
- Any change in the Nomad or broker.
- The reason for an application for admission or cancellation of any shares of a class admitted to AIM.
- The occurrence and number of shares taken into and out of treasury.
- Any change in the website address at which certain information (including that listed below) must be made available.
- Certain information relating to dividends on shares admitted to trading on AIM.

Website. From the date of its AIM admission, an AIM company must maintain a website on which certain information, including the following, is available free of charge:

- A description of its business (including its investing policy and details of any investment manager and/or key personnel if the AIM company is an investing company).
- Its country of incorporation and main country of operations.
- Its current constitutional documents (such as its by-laws or articles of association).
- Details of any other exchanges or trading platforms on which the 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 six months and the website should include the date on which this information was last updated.
- Details of any restrictions on the transfer of the company's securities.
- The annual accounts published for the last three years or since admission, whichever is the lesser, and all half-yearly, quarterly or similar reports published since the last annual accounts, and from 3 January 2018 the annual accounts published (on or after that date) and all half-yearly, quarterly or similar reports published (on or after that date) must be posted and maintained on the web site for a period of at least five years.
- All notifications the company has made in the past 12 months. The company must also post and maintain on its website for a period of at least five years all inside information it is required to disclose publically by MAR on or after 3 January 2018.

- Its most recent Admission Document together with any circulars or similar publications sent to shareholders within the past 12 months and for a period of at least five years any prospectus it has published on or after 3 January 2018.
- Details of a recognized corporate governance code that that the board of directors has decided to apply, how the company complies with that code, and where it departs from its chosen corporate governance code an explanation of the reasons for doing so. This information must be reviewed annually and the website should include the date on which this information was last reviewed.
- The names of its directors and brief biographical details of each.
- 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.
- Where the company is not incorporated in the United Kingdom, a statement that the rights of shareholders may be different from the rights of shareholders in a UK incorporated company.
- Whether it is subject to the UK City Code on Takeovers and Mergers or any other similar legislation or code in its country of incorporation or operation, or any other similar provisions it has voluntarily adopted.
- Details of its Nomad and other key advisers.

Market Abuse Regulation

Inside information. An AIM company is subject to a continuous disclosure requirement designed to prevent the creation of a false market in the company's securities. The company will be required to publicly disclose any inside information that directly concerns the company.

Broadly, inside information is information which:

- Is of a precise nature (meaning it indicates a set of circumstances which exist or may reasonably be expected to come into existence and is specific enough to make conclusions as to the possible effect on price).
- Relates, directly or indirectly, to one or more companies or to one or more financial instruments.
- Has not been made public.
- Would be likely to have a significant effect on the price of those financial instruments.

In determining the likely price significance of information, an AIM company should assess whether the information in question would be likely to be used by a reasonable investor as part of the basis of his or her investment decisions and would therefore be likely to have a non-trivial effect on the price of the company's financial instruments.

When inside information is disclosed, the company must make the information available on its website by the close of the business day following its release and keep it there for a period of at least five years. Where a public disclosure includes inside information, the company must clearly identify: that the information communicated is inside information (usually satisfied by including a prominent legend to that effect); the identity of the person making the public disclosure; and the date and time of the public disclosure.

Delay of disclosure of inside information. An AIM company may delay the disclosure of inside information in certain circumstances. This is permissible where a company is faced with an unexpected and significant event, in which case a short delay may be acceptable if necessary to clarify the situation. In such circumstances, a holding announcement should be released if there is a danger of the inside information leaking out before the facts and their impact can be confirmed. In addition, in circumstances where the issuer considers

that immediate disclosure of inside information is likely to prejudice the issuer's legitimate interests, an issuer may delay the disclosure provided that to do so would not be likely to mislead the public and the issuer is able to ensure the confidentiality of the information. Where an AIM company delays the disclosure of inside information, it must inform the FCA that disclosure of the information was delayed immediately after the information is disclosed to the public. The FCA may request that the issuer provides a written explanation of how the conditions outlined above were met.

Insider lists. In order to control access to inside information, AIM companies and any person acting on their behalf or on their account are required to draw up a list of persons who have access to inside information. Insider lists must be prepared in accordance with a prescribed template identifying each person having access to inside information and be updated promptly to reflect new people gaining, or existing insiders ceasing to have, access to inside information. Insider lists must be kept for a period of at least five years from being drawn up or updated and must be provided to the FCA upon request. AIM companies must also ensure that every person on an insider list acknowledges their obligations under the insider dealing and market abuse legislation and is aware of the sanctions that might be imposed for breaches of such legislation.

PDMR reporting. Directors, other senior managers and persons closely associated with them, including spouses, children, relatives sharing their household and certain controlled entities (directors and other senior managers, together, known as PDMRs) must notify the AIM company and the relevant regulator (commonly, the FCA) of the occurrence of all transactions conducted on their own account relating to the shares or debt instruments of the company or to derivatives or other financial instruments linked thereto. Notification must be made in a prescribed format and within three business days of the day on which the transaction occurred. The company must also publicly disclose this information within three business days of the day on which the transaction occurred.

PDMR trading restrictions. PDMRs of AIM companies must not conduct transactions on their own account (or for the account of a third party) relating to the shares or debt instruments of the AIM company or to derivatives or other financial instruments linked to such shares or debt instruments during any closed period. A closed period is a period of 30 calendar days before the announcement of the annual or interim financial results or any period where there exists any matter which constitutes "inside information" in relation to the company. A transaction is widely defined to include not only acquisitions, disposals, short sales, subscriptions and exchanges, but also gifts, donations and inheritances. These restrictions are in addition to the statutory prohibitions on insider dealing and market abuse which are discussed at the end of this section 4.

Market soundings. If an AIM company wishes to conduct a market sounding, that is, communicate information (especially where this includes inside information) to one or more potential investors prior to the announcement of a transaction in order to gauge their interest in a possible transaction and the conditions relating to it (such as its potential size or pricing), the company must comply with certain disclosure and record-keeping requirements if it wishes to take advantage of a safe harbor permitting the disclosure of inside information during a market sounding.

Financial statements

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

EEA companies. An AIM company incorporated in an EEA country must prepare and present its annual accounts in accordance with IFRS. If an AIM company is not a parent company at the end of the relevant financial period, it can, alternatively, prepare and present its annual accounts in accordance with the accounting and company legislation and regulations applicable in its country of incorporation.

Non-EEA companies. For an AIM company incorporated in a non-EEA country, the annual accounts must be prepared and presented in accordance with one of: IFRS, US GAAP, Canadian GAAP, Australian IFRS or Japanese GAAP. As stated above, the last two years of historical financial information contained in an AIM company's Admission Document must be presented in a form consistent to that which will be adopted in the company's next published annual accounts.

Related party disclosure. The annual accounts must disclose:

- Any transaction with a related party (whether or not previously disclosed), above a certain size, specifying the identity of the related party and the consideration for the transaction.
- Details of the remuneration of each director of the AIM company.

Half-yearly report. An AIM company must prepare a half-yearly report for 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 six month period preceding its accounting reference date for its annual audited accounts). As a minimum, the half-yearly report must include a balance sheet, an income statement and a cash flow statement. It also must contain comparative figures for the corresponding period in the preceding financial year (apart from the balance sheet which may contain comparative figures from the last balance sheet notified). The information must be presented and prepared in a form consistent with that which will be adopted in the annual accounts. Half-yearly reports must be published without delay and, in any event, not later than three months after the end of the relevant period.

Regulatory Information Service. Public disclosure for London listed/traded companies (including AIM companies) is typically made through a Regulatory Information Service (RIS). These organizations receive announcements from issuers and then disseminate the full text

of these to secondary information providers such as Bloomberg and Reuters. Disclosure to a RIS that is a primary information provider (PIP) approved by the FCA will fulfill a company's requirement for public disclosure. In some circumstances, a listed/traded company is also obliged to make information available on its website (such as inside information, its annual report and results of shareholder meetings; please also see requirements for AIM companies discussed above). All AIM companies with securities admitted to trading on AIM are required to have a Legal Entity Identifier or LEI (a unique 20-character reference code identifying the company).

Systems, procedures and controls. The systems, procedures and controls an AIM company puts in place should take into account the use of social media and other forms of electronic communication used by the company in order to manage its disclosure obligations under the AIM Rules. Communication policies should be considered in a meaningful way, taking into account the needs of the particular company, including whether the company has a clear policy on the use of social media and how effective this policy is in practice.

Insider dealing

The Criminal Justice Act 1993 provides that it is a criminal offense for an individual who has inside information, and has that information as an insider, to deal in securities on the LSE or another regulated market (which includes AIM), or through a professional intermediary. For an offense to be committed, the individual must know that the information is inside information and he/she must have knowingly acquired it from an inside source. There are also offenses of encouraging dealing and disclosure by persons who have inside information.

For these purposes, inside information is, broadly speaking, specific or precise unpublished information relating to a particular issuer or particular securities which, if made public, would have a significant effect on the price of any securities. It should be noted that a director who knowingly has inside information about their company, or any

other company with which their company has dealings, would be an insider for the purposes of the insider dealing legislation.

The penalty for an offense under the Criminal Justice Act 1993 is an unlimited fine or imprisonment for a maximum of seven years. There are a number of defenses, but it should be noted that these are normally restrictively interpreted and the burden of proof lies with the defendant.

Market abuse

The civil prohibition on market abuse is contained in the EU Market Abuse Regulation (596/2014) (MAR). MAR works in tandem with the criminal sanctions against insider dealing and market manipulation. Broadly speaking, market abuse under MAR consists of insider dealing, unlawful disclosure of inside information and market manipulation in relation to financial instruments admitted to trading on a regulated market.

Insider dealing arises where a person possesses inside information and uses that information by acquiring or disposing of, for its own account or for the account of a third party, directly or indirectly, financial instruments to which that information relates. The use of inside information by cancelling or amending an order concerning a financial instrument to which the information relates where the order was placed before the person concerned possessed the inside information is also considered to be insider dealing. Recommending or inducing another person to engage in insider dealing may also constitute insider dealing.

Unlawful disclosure of inside information arises where a person possesses inside information and discloses that information to any other person, except where the disclosure is made in the normal exercise of an employment, a profession or duties.

Market manipulation comprises various specified activities which have the effect of misleading and/or distorting the market for financial instruments or benchmarks.

In addition, the FCA have published a set of provisions called MAR 1 which give guidance to assist in establishing what type of conduct would be permitted and what type of conduct would be prohibited as market abuse for the purposes of MAR.

Under the FSMA, the FCA, as regulator of the financial markets, can impose unlimited fines, public censure, a temporary or permanent prohibition on an individual holding certain positions in an investment firm, a temporary prohibition on an individual acquiring or disposing of financial instruments and/or other penalties for engaging in market abuse. The FCA also has the power to require a company to publish specified information or a specified statement in certain circumstances, including where the company has published false or misleading information or given a false or misleading impression to the public. The FCA may institute proceedings not only for direct engagement in market abuse but also for acts or omissions which require or encourage another to engage in behavior which would constitute market abuse if engaged in by the person who encouraged the other.

It should be noted that proof of intent to engage in market abuse is not required: it is sufficient that the behavior satisfies the criteria for market abuse.

The requirements in this section 4 do not vary significantly from what would be expected of a domestic company.

5. Corporate governance

For its securities to be admitted to trading on AIM, a company must state in its Admission Document and on its website the recognized corporate governance code that the board of directors has decided to apply, how the company complies with that code, and where it departs

from its chosen corporate governance code, an explanation of the reasons for doing so. The Quoted Companies Alliance (QCA) publishes a set of voluntary Corporate Governance Guidelines for Small and Mid-Size Quoted Companies (including AIM companies), the latest of which was published in April 2018 (the QCA Code). The QCA Code includes 10 corporate governance principles that companies should follow, and step-by-step guidance on how to effectively apply these principles. The principles are indirectly based on parts of the UK Corporate Governance Code with which Main Market premium-listed companies are required to comply or explain and justify their reasons for non-compliance.

The UK Corporate Governance Code consists of principles of good governance, most of which have their own set of more detailed provisions which amplify the principles. The principles deal with the following areas:

- Board Leadership and Company Purpose.
- Division of Responsibilities.
- Composition, Succession and Evaluation.
- Audit, Risk and Internal Control.
- Remuneration.

The Pensions and Lifetime Savings Association (PLSA) (formerly the National Association of Pension Funds) also published a set of Corporate Governance and Voting Guidelines for Smaller Quoted Companies in December 2012. These Guidelines are also broadly based on the principles of the UK Corporate Governance Code.

According to a survey of 927 companies with securities admitted to AIM at the end of 2018, 89% had chosen to follow the QCA Code, 6% had chosen to follow the UK Corporate Governance Code and 5% had chosen to follow a variety of other codes, such as the code of another country or territory.

6. Specific situations

There are no additional requirements, or any changes in the normal requirements, that apply to very large multinational companies or smaller companies.

Investing companies. Investing companies are subject to additional admission and maintenance requirements set out in further rules and guidance issued by the AIM team at the LSE. An investing company is defined as any AIM company which has as its primary business or objective, the investing of its funds in securities, businesses or assets of any description. Such companies are required to raise at least £6 million (approximately US$7.95 million) in cash via an equity fundraising on or immediately before admission to trading on AIM. In addition, an investing company must state and follow an investing policy. If the investing company has not substantially implemented its investing policy within 18 months of admission, it must seek the consent of shareholders for its investing policy at its next annual general meeting and subsequent annual general meetings until the policy has been substantially implemented.

Oil, gas and natural resources. Oil, gas and natural resource companies are required to adhere to specific further rules and guidance issued by the AIM team at the LSE. The most significant requirement is that their Admission Document contain an independently produced report by a competent person into the assets and liabilities of the company (such as an expert's report). The AIM Rules describe the minimum qualifications and experience required of the author of such a report.

Fast track admission procedure. A fast track admission procedure is available for companies already listed on an AIM Designated Market. The AIM Designated Markets are currently the Australian Securities Exchange, Johannesburg Stock Exchange, Nasdaq, NYSE, SIX Swiss Exchange, TMX Group, the UKLA Official List and certain EU regulated markets and SME Growth Markets.

This fast track route is available to any company which has had its securities traded on the top tier or main board of a Designated Market for at least 18 months prior to the date of admission to AIM. It enables the company to seek admission to AIM without needing to produce an Admission Document. Instead, the company must comply with the early notification requirement and produce a pre-admission announcement at least 20 clear business days prior to the proposed date of admission containing:

- Certain specified information (such as settlement arrangements and details of any lock-ins).
- The address of a website containing all publicly disclosed information on the company (including financial information).

To the extent that this previously publicly disclosed information does not provide equivalent information to that required in an Admission Document, further disclosure in the pre-admission announcement will be necessary.

If the company is admitted to an EU regulated market or a SME Growth Market only, it must also have a market capitalization of at least £20 million (approximately US$26.51 million) upon admission to AIM and have its admission documentation on its home market and all disclosure required under MAR published in English.

Any company seeking an admission through the fast track procedure is still required to retain a Nomad at all times. The Nomad is required to confirm that:

- The directors have been advised as to the nature of their obligations under the AIM Rules.
- The company and its securities are appropriate to be admitted to AIM.

- The Nomad has carried out due and careful enquiry to ensure that the information required by the AIM Rules is disclosed in the announcement.

7. Presence in the jurisdiction

There is no requirement for foreign companies that are admitted to trading on AIM to maintain a presence in the United Kingdom, save the appointment and retention of a Nomad as described above. There is no requirement for any corporate records to be kept in the United Kingdom.

8. Fees

As there is only one type of AIM admission, there is no difference between fees payable for admissions and secondary admissions. All fees below are quoted excluding VAT.

Initial admission

The LSE charges fees on admission through a formula based on the market capitalization of the company. For example, a company with a market capitalization of £50 million (approximately US$66.27 million) would pay fees on admission of £39,500 (approximately US$52,353). A company with a market capitalization of £750 million (approximately US$994.05 million) would pay fees on admission of £126,000 (approximately US$167,000).

The LSE calculates market capitalization for these fees with reference to the number of shares for which application is being made and the opening price on the day of admission.

For further issues raising at least £1.5 million (approximately US$1.99 million), an admission fee is charged based on the value of the new securities admitted. No admission fee is payable by AIM companies for further issues where the capital raised is less than £1.5 million.

Ongoing fees

The LSE charges annual fees through a formula based on the market capitalization of the company at the close of trading on the last business day of September in the preceding year. For example, a company with a market capitalization of £50 million (approximately US$66.27 million) would pay annual fees of £8,700 (approximately US$11,531). A company with a market capitalization of £750 million (approximately US$994.05 million) would pay annual fees of £23,700 (approximately US$31,412).

9. Additional information

Please note that, in addition to the markets operated by the LSE in London, a number of other entities, including NEX Exchange (the successor to ISDX, PLUS Markets and OFEX), Euronext London and Cboe Europe Equities Regulated Market, also operate trading markets for securities in London.

All information and materials submitted to the AIM team at the LSE or disclosed to the market in London must be in the English language.

Key differences in requirements for domestic companies

The key differences in requirements between domestic and foreign companies seeking AIM admission relate to financial statements and settlement.

An AIM company incorporated in the United Kingdom must present its financial information in accordance with IFRS.

All shares admitted to AIM must be capable of electronic settlement. One of the main differences for a company incorporated in the United Kingdom trading its shares on AIM compared to a non-UK company is that a UK company's shares (as well as the shares of a company incorporated in the Republic of Ireland, Jersey, Guernsey or the Isle of Man) are eligible for direct participation in CREST, the UK electronic settlement system. By contrast, companies incorporated in other

jurisdictions need to establish a depository arrangement with a UK bank or other provider which will issue depository interests representing the company's underlying shares as depository interests are eligible for settlement within CREST. The UK bank or other provider will typically charge fees for: (i) setting up the depository interest structure; (ii) annual maintenance; and (iii) each transaction in the company's shares. Depository interests are a settlement mechanism and are not the same as depositary receipts.

10. Contacts within Baker McKenzie

Helen Bradley, Adam Farlow, Nick O'Donnell, Roy Pearce, James Thompson and Megan Schellinger in the London office are the most appropriate contacts within Baker McKenzie for inquiries about prospective AIM admissions.

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London Stock Exchange (Main Market)

Initial financial listing requirements

For all companies seeking a listing:

- The expected aggregate market value of all securities to be listed must be at least £700,000 (approx. US$927,780).
- The company must have sufficient working capital for the group's requirements for at least 12 months from the date on which the prospectus relating to the listing is published.

The Main Market includes securities admitted to the Official List ("premium" and "standard" listings), the Specialist Fund Segment, the High Growth Segment, the Sustainable Bond Market and the Shanghai-London Stock Connect. The premium listing segment imposes higher compliance and disclosure requirements than the EU-minimum standards necessary for a standard listed company. In addition to the above listing requirements, a company seeking a premium listing must demonstrate that it carries on an independent business as its main activity. The Specialist Fund Segment is for investment entities that target institutional, professional, professionally advised and knowledgeable investors. The High Growth Segment exists as a transitional route to a premium listing for high-growth companies. The Sustainable Bond Market supports innovative issuers in sustainable finance and offers a wide range of opportunities for green, sustainability and social bonds. The Shanghai-London Stock Connect is a mechanism that connects the LSE and the Shanghai Stock Exchange. Eligible companies listed on the two stock exchanges can issue, list and trade depositary receipts on the counterpart's stock market in accordance with the corresponding laws and regulations.

Other initial listing requirements

Share price. There is no minimum closing or offering price for shares to be listed.

Distribution. To list its securities, a company must have a minimum of 25% of the class of shares to be listed distributed to the public in one or more European Economic Area (EEA) member states.

Accounting standards. For a company incorporated in an EEA member state, the accounts should generally be prepared under IFRS. For an issuer incorporated outside the EEA, the accounts should be prepared either under IFRS, or under US, Japanese, Chinese, Canadian, Indian or South Korean GAAP.

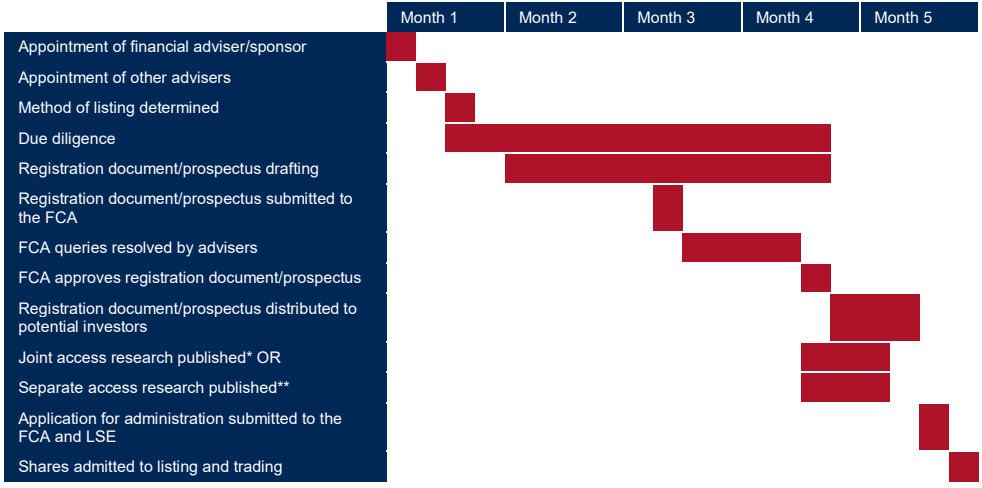
Financial statements. The prospectus must generally include audited historical financial information for the last three financial years, and any quarterly or half-yearly financial information published since the date of the last audited financial statements. In addition, the audit reports for all relevant periods must be included in full.

Operating history. An operating history of three years is generally required.

Management continuity. No specific period of continuity of management is generally required, although a company seeking a premium listing must provide historical financial information representing at least 75% of its business over a three-year period.

Listing process

Listing and/or prospectus approval involves the Financial Conduct Authority (FCA) reviewing the prospectus in its capacity as the UK Listing Authority (UKLA). The FCA admits the shares of issuers seeking a premium or standard listing to the Official List, and the London Stock Exchange (LSE) admits the shares to trading on the Main Market. The following is a fairly typical process and timetable for a premium or standard listing of the shares of a foreign issuer on the Main Market of the LSE.



* 1 day after publication of the registration document

** 7 days after publication of the registration document

Corporate governance and reporting

A company with a premium listing of shares must comply with the UK Corporate Governance Code or explain and justify why it has not done so. This consists of principles of good governance, dealing with the following areas:

- Board Leadership and Company Purpose.
- Division of Responsibilities.
- Composition, Succession and Evaluation.
- Audit, Risk and Internal Control.
- Remuneration.

The UK Corporate Governance Code also includes provisions relating to board and committee structure and the independence of directors.

A company with a standard listing of shares must include a corporate governance statement in its directors' report detailing its compliance with any applicable corporate governance code, explaining any non-compliance, and describing the company's internal corporate governance structures. It may choose to include that statement as a specific section of the directors' report, as a separate report or disclosed on the issuer's website to which reference is made in the directors' report, provided all relevant content requirements are satisfied.

Fees

A company seeking to list must pay both initial listing fees and annual fees to the LSE and the FCA, principally calculated according to market capitalization. Initial LSE fees for a company with a market capitalization of £100 million (approx. US$132.54 million) would be £116,825 (approx. US$154,840). Additional shares listed subsequently will attract additional fees. The annual LSE fees for a company with a market capitalization of £100 million (approx. US$132.54 million) would be £12,500 (approx. US$16,568). The FCA charges a fee of £15,000 (approx. US$19,881) for an application for eligibility for listing. In addition, transaction and document vetting fees of between £2,000 and £50,000 (approx. US$2,651 to US$66,270) are payable according to market capitalization and whether the company is seeking a standard or premium listing. The FCA charges premium listed companies annual fees based on market capitalization, which currently start at £5,465 (approx. US$7,243) and standard listed companies an annual flat fee, currently £20,700 (approx. US$27,436).

1. Overview of exchange

The London Stock Exchange (more commonly referred to as the LSE) operates the following markets:

- The Main Market (an EU regulated market) comprising:
    - The premium listing segment.
    - The standard listing segment.
    - The specialist fund segment (SFS).
    - The High Growth Segment (HGS).
    - The Sustainable Bond Market (SBM).
    - The Shanghai-London Stock Connect.
- AIM (formerly known as the Alternative Investment Market) (an exchange regulated market).
- The Professional Securities Market (PSM) (an exchange regulated market).
- The International Securities Market (ISM) (an exchange regulated market).

This summary relates only to the premium listing and standard listing segments of the Main Market, which are the LSE's flagship markets for larger, more established companies. The Main Market was established in 1698 and is home to some of the world's largest and best known companies. The regulatory framework associated with listing on the Main Market is balanced and comprises globally-respected standards of regulation and corporate governance. As a result, a listing on the Main Market demonstrates a commitment to high standards and provides companies with the means to access capital from the widest set of investors.

The relevant regulatory authority for a listing on the LSE is the UK Financial Conduct Authority (FCA). Shares of premium-listed and standard-listed companies are admitted to the Official List of the FCA and admitted to trading on the Main Market of the LSE.

A principal distinction of a Main Market listing is that applicants have the ability to choose between two main types of listing: a premium listing or a standard listing. A premium listing requires applicants to meet compliance and disclosure standards that are more stringent than the EU minimum standards. This means that companies with a premium listing must comply with some of the highest standards in the world for governance and investor protection. Although more burdensome than other listings, a premium listing comes with potential for inclusion in the FTSE UK series of indices, such as the FTSE 100, FTSE 250 and FTSE Small Cap indices. Access to these indices is often seen as one of the key benefits of achieving a premium listing as many investment mandates are driven by FTSE indexation. In 2018, the FCA created a new category within its premium listing regime to cater for companies controlled by a shareholder that is a sovereign country. The premium listing disclosure obligations and other requirements applicable to sovereign controlled companies have been refined to ensure that the regulatory requirements are suitably tailored to achieve the best outcomes for both investors and issuers.

Other advantages for a company listing on the Main Market include: a respected and balanced regulatory environment, which leads to greater levels of shareholder confidence; access to a large pool of capital; the existence of a large and experienced community of advisers to help companies join the Main Market and support them after listing; and the associated visibility and profile raising with customers, suppliers, investors and other stakeholders.

The Specialist Fund Segment (SFS) is for investment entities that target institutional, professional, professionally advised and knowledgeable investors. The High Growth Segment (HGS) is intended to be a transitional route to a premium listing for high-

growth companies. As both the SFS and the HGS are part of the EU regulated Main Market, they are subject to the Prospectus Regulation Rules and the Disclosure Guidance and Transparency Rules (DTRs). However, as securities admitted to trading on the SFS and the HGS are not admitted to the Official List of the FCA, they are not subject to the Listing Rules.

The Sustainable Bond Market (SBM) supports innovative issuers in sustainable finance and offers a wide range of opportunities for green, sustainability and social bonds, in addition to bonds from green economy issuers, as the need for investors and companies to manage climate risks and create impact gains prevalence. SBM is not a distinct primary market operated by London Stock Exchange. It is a label applied across various segments of the London Stock Exchange's existing primary markets in order to promote the visibility of sustainable debt finance instruments.

The Shanghai-London Stock Connect, launched in June 2019, provides a mechanism that connects the large pools of capital that exist in Shanghai and in London via a two-way depositary receipt program scheme where the security underlying the relevant depositary receipt program is fungible across both markets, and facilitates: (i) Chinese companies listed on the Shanghai Stock Exchange (SSE) obtaining a listing of global depositary receipts (GDRs) in London on the Main Market; and (ii) London premium listed companies obtaining a listing of Chinese depositary receipts (CDRs) in Shanghai on the SSE. In the case of a Chinese SSE-listed company obtaining a London GDR listing, the scheme also allows such company to raise capital from overseas investors simultaneously with obtaining its London GDR listing. Eligible companies listed on the two stock exchanges can issue, list and trade depositary receipts on the counterpart's stock market under their existing rules, trading hours and clearing and settlement mechanics, subject to the approval of the relevant regulatory bodies in London and Shanghai.

This summary relates to premium and standard listings of equity shares only. The LSE does not make any specific distinction between primary and secondary listings.

In December 2019, the aggregate market capitalization of listed securities on the Main Market was approximately £3.8 trillion (approximately US$5.04 trillion). This represents an increase of approximately 2.7% since December 2018, when aggregate market capitalization was approximately £3.7 trillion (approximately US$4.90 trillion). The Main Market is the LSE's principal market for listed companies from the United Kingdom and abroad. Companies from all industry sectors and in a variety of sizes have listed on it.

The Main Market does not specialize in, or encourage listings by, particular types of companies. However, there are two index classifications within the Main Market: techMARK and techMARK mediscience. The former is aimed at companies whose business is dependent on technological innovation, while the latter focuses on companies whose business is dependent on innovation in the development or manufacture of pharmaceuticals, or products or services that are wholly or substantially dedicated to the healthcare industry.

As of December 2019, there were 1,143 companies (December 2018: 1,166) listed on the Main Market. Of these, 928 (December 2018: 939) were domestic and 215 (December 2018: 227) foreign. However, the foreign companies constituted approximately 34% of the aggregate market capitalization of listed securities.

2. Principal listing and maintenance requirements and procedures

There are no jurisdictions of incorporation or industries that would not be acceptable for a listed company. There is no difference in financial requirements between a foreign company and a domestic company, or between a primary and secondary listing.

The expected aggregate market value of all securities to be listed must be at least £700,000 (approximately US927,780) for shares to be eligible for listing.

Any company applying for a premium listing should have published or filed independently audited historical financial information covering at least three years, although the FCA can and frequently does waive this requirement. The audited historical financial information must not be subject to a modified audit report, except in limited circumstances. The historical financial information must represent at least 75% of the applicant company's business for the full three-year period and put prospective investors in a position to make an informed assessment of the business for which admission is sought. The applicant company must also demonstrate that it carries on an independent business as its main activity. Some of these rules are modified for mineral companies and scientific research based companies. The company and its subsidiaries must also have sufficient working capital for the group's requirements for at least 12 months from the date on which the prospectus relating to the listing is published. In addition, a company applying for a premium listing must satisfy the FCA that it is not managed by a person outside that company's group.

Where a company applying for a premium listing has a controlling shareholder, that shareholder will be required to enter into an agreement (typically known as a relationship agreement) with the company containing mandatory independence provisions and requiring the appointment of independent directors to be approved by separate resolutions of: (i) the shareholders as a whole; and (ii) the independent shareholders. For these purposes, a controlling shareholder would include someone who, together with their associates and concert parties, controls 30% or more of the voting rights in the company.

There are no specified ongoing financial maintenance requirements that a company (foreign or domestic) must meet after the initial listing.

All companies must have a minimum of 25% (or such lower percentage agreed by the FCA) of the class of shares to be listed distributed to the public in one or more states within the European Economic Area (EEA). This is known as the minimum free float requirement. Shares are not considered to be in public hands if they are held directly or indirectly by directors, persons connected with directors, trustees of any employees' share scheme or pension fund established to benefit the directors or employees or certain other categories of related persons or are subject to a lock-up period of more than 180 days. In considering whether to allow a free float of less than 25% in a particular case, the FCA may take into account a number of factors, such as shares of the same class that are held (even though they are not listed) in states that are not EEA States (for example, by US institutional investors in the United States); the number and nature of the public shareholders; and in relation to premium listings of commercial companies, whether the expected market value of the shares in public hands at admission will exceed £100 million (approximately US$132.54 million). The FCA may revoke a modification at any time.

Companies applying for a premium listing must comply with the UK Corporate Governance Code, or if they choose not to comply with one or more provisions of the Code, explain and justify why they do not comply in their annual report and accounts. Premium listed companies must also offer pre-emption rights to existing shareholders (however these can be, and commonly are, disapplied with shareholder approval), as described below. There are also corporate governance requirements for companies with a standard listing. Please see section 5 below for more details.

All companies applying for a premium listing must appoint a sponsor that has been approved by the FCA. The FCA maintains a list of these

sponsors at *https://www.fca.org.uk/markets/ukla/sponsor-regime/list*. The sponsor provides financial advice and is responsible for liaising with the FCA on the applicant company's behalf.

There is no requirement for companies applying for a standard listing to appoint a sponsor, although this will be necessary once listed if the company applies to transfer its category of equity shares from a standard listing to a premium listing.

There is no requirement for an applicant company to conduct interviews with the LSE as part of the listing process. There is no requirement for listed companies to have or maintain a minimum number of security holders, although the FCA may cancel a company's listing should less than 25% (or any lower percentage agreed by the FCA) of the class of securities listed be in public hands according to the criteria described above. There is no requirement for listed foreign companies to have or maintain a minimum trading price for their securities, or for any shares to be placed into escrow (or otherwise be restrained from being traded, such as through lock-in or lock-up arrangements) in connection with the listing. However, on initial listing underwriters will typically require that the directors and major shareholders agree to a lock-in arrangement. There are no restrictions on the currency denomination of securities, or for securities to be settled within a particular clearing system or registered with a particular share transfer agent. However, all shares listed must be capable of electronic settlement under their terms and the company's constitution, and London listed shares are normally settled through CREST, the electronic settlement system operated by Euroclear UK & Ireland for UK and Irish securities. Please see section 9 below for more details.

Further listing requirements are as follows:

- An applicant company must be duly incorporated or otherwise validly established according to the relevant laws of its place of incorporation or establishment.

- An applicant company must be operating in conformity with its constitution.
- The securities to be listed must:
    - Conform with the law of the applicant company's place of incorporation.
    - Be duly authorized according to the requirements of the applicant company's constitution.
    - Have any necessary statutory or other consents.
- The securities to be listed must be freely transferable.
- Any shares to be listed must be fully paid.
- An application for listing of securities must, if no securities of that class are already listed, relate to all securities of that class. If securities of that class are already listed, the application must relate to all further securities of that class, issued or proposed to be issued.
- A prospectus will be required.

The requirements described in this section 2 do not vary from what would be expected of a domestic company, except that if the law of incorporation of a foreign company seeking a premium listing does not confer pre-emption rights on shareholders then the company's constitution must do so, and the company must be satisfied that this is not incompatible with the laws in its country of incorporation.

The pre-emption rights concerned are as follows: a listed company proposing to issue equity shares for cash or to sell treasury shares that are equity shares for cash must first offer those equity shares in proportion to their existing holdings to:

- Existing holders of that class of equity shares (other than the listed company itself by virtue of it holding treasury shares).

- Holders of other equity shares of the listed company who are entitled to be offered them.

3. Listing documentation and process

The applicant company will need to prepare and publish a prospectus to make available to investors. The prospectus may be either a single document or three separate documents (a registration document, summary and securities note). Typically, companies in the London market have produced a single document in the form of a prospectus, but recent FCA reforms to the IPO process have resulted in some companies preparing a registration document first followed by a full prospectus. These reforms were designed to improve the quality and timeliness of information for investors and to reinforce the primacy of the prospectus as the basis on which investors make their decision as to whether to participate in the IPO. Where the investment banks retained by the applicant company to market the IPO do not wish to distribute pre-deal research reports (a typical form of pre-marketing), the applicant company will likely prepare solely a prospectus in accordance with prior practice. Where the investment banks wish to distribute research, the company will likely prepare a registration document followed by a full prospectus a few weeks later. Research may only be distributed once the registration document has been approved and published. Exactly when the research may be published depends upon whether the analysts unconnected to the investment banks acting for the company that write the research get separate access to the company for the purpose of writing their research or joint access with the analysts connected to the company's investment banks. The reforms promote unconnected research and, unlike past practice, mean that company disclosure in the form of an FCA-approved registration document is available to investors prior to the distribution of research.

The FCA will review a number of versions of the draft registration document and/or prospectus and provide detailed comments and raise points for clarification by the applicant company's advisers. The FCA

will also need to receive an application for the admission of the securities to be included on the Official List, the final FCA-approved registration document and/or prospectus, and written confirmation of the number of shares to be allotted. The LSE will need to receive, among other things, an application for admission to trading, an electronic copy of the FCA-approved prospectus and written confirmation of the number of shares to be allotted.

The FCA publishes on its website a list of registration documents and prospectuses approved since 1 September 2017 (see: *https://marketsecurities.fca.org.uk/*). The list must include a hyperlink to the prospectus published on the website of the relevant issuer or regulated market, and must remain on the FCA website for at least 10 years.

The prospectus must be written and presented in an easily analyzable, concise and comprehensible form, and include the information prescribed by the FCA's Prospectus Regulation Rules. It must also contain all of the information necessary to enable investors to make an informed assessment of the assets and liabilities, profits and losses, financial position, and prospects of the issuer of the shares and of any guarantor; the rights attaching to the shares; and the reasons for the issuance and its impact on the issuer. This reflects the Prospectus Regulation (EU) 2017/1129, which came into force in stages commencing in July 2017 and replaced the Prospectus Directive (Directive 2003/71/EC, as amended). The Prospectus Regulation has direct effect and does not need to be implemented in national law (although large parts of the Prospectus Regulation have been reproduced in the FCA's Prospectus Regulation Rules).

In particular, the prospectus must include a summary section in a four-part Q&A format setting out certain key items of information (or, where that information is not applicable, indicate as not applicable). The summary should not exceed 7 pages, and must include up to 15 of the most material risk factors. The prospectus must also include disclosure relating to the following topics: details of the persons

responsible for the prospectus; details of the auditors; selected financial information; a categorized set of specific, material risk factors relating to the company and its industry with the most material risks mentioned first; general information about the company; a description of the company's operations, principal activities, significant new products and services and principal markets; organizational structure; property, plant and equipment; a description in narrative form of the company's financial condition, changes in financial condition and results of the operations for the periods covered by the financial statements and any significant factors affecting its operating results; the company's long-term and short-term capital resources; the company's research and development policies; the most significant trends in the company's production, sales and inventory, and costs and selling prices; details of the company's management; corporate governance; number of employees and their share options; major shareholders; recent related party transactions; dividend policy; legal and arbitration proceedings; if profit forecasts are included in the prospectus, the principal assumptions upon which the profit forecasts are based; details of the company's share capital, objects, articles of association or charter, rights attaching to shares, procedure for conducting general meetings of shareholders and other related information; and a summary of material contracts.

In addition, with respect to financial information, the prospectus should also include audited historical financial information for the latest three financial years together with the audit report for each year. For an issuer incorporated in an EEA member state, the accounts should generally be prepared under IFRS. For an issuer incorporated outside the EEA, the accounts should be prepared either under IFRS or under US, Japanese, Chinese, Canadian or South Korean GAAP (which have been deemed equivalent to IFRS by the European Commission). Any quarterly or half-yearly financial information that the company has published since the date of the last audited financial statements must also be included together with any audit or review report with respect thereto. If there has been a significant change in

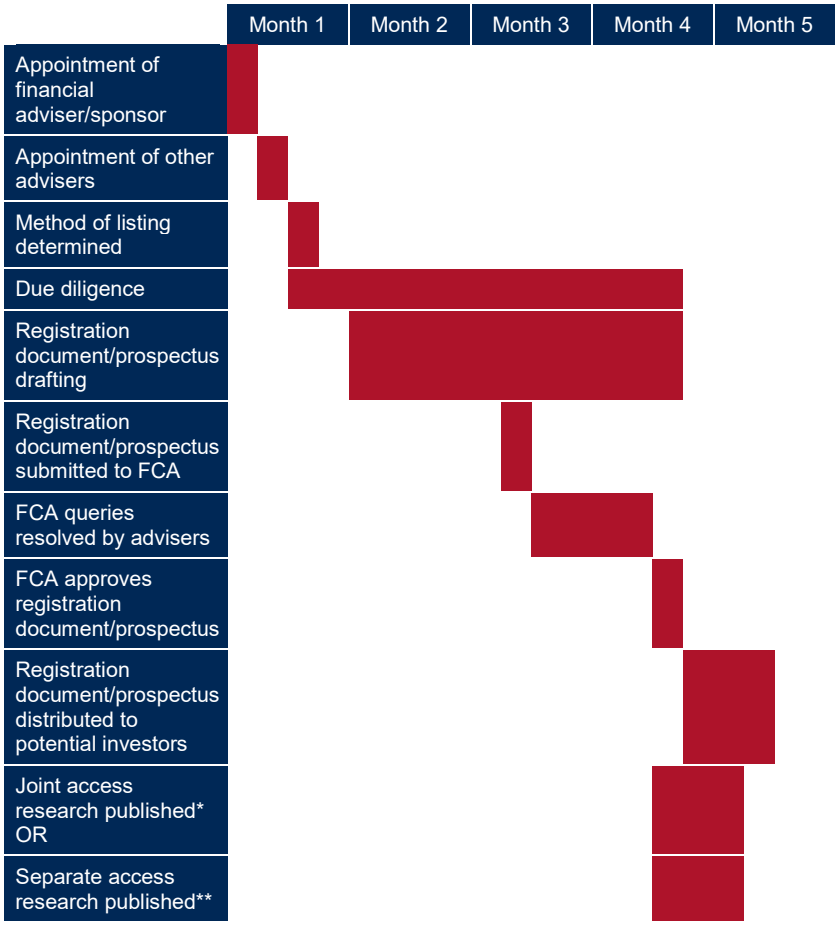
the company's position such as a significant acquisition or merger, it is necessary to include pro-forma financial information to reflect how the transaction would have affected its assets and liabilities and earnings if it had occurred at the beginning of the period covered by the report. The prospectus must also replicate the audit reports for each relevant period including any refusals, qualifications or disclaimers and the reasons for the same. If any financial data included in the prospectus is not extracted from the company's audited financial information, its source must be disclosed. Any significant post-balance sheet change in the financial or trading position of the group must also be described.

Where the offer includes a US tranche, the prospectus needs to conform to US disclosure standards. In particular, these standards require the inclusion of a detailed explanation and analysis of the company's financial results including key factors impacting its financial performance and comparison of its results on a year by year basis. The operating and financial review section (described above) will generally satisfy this requirement. In addition, it will be necessary to include a discussion of relevant US tax issues, restrictions on transferring the shares and certain legends required by US federal and state securities laws.

The FCA must approve the registration document and/or the prospectus. The advisers will submit a draft document to the FCA, who will then comment on it. The advisers and the applicant company address these comments and submit subsequent drafts until all of the FCA's comments have been addressed, at which point the FCA will informally agree to approve the registration document or the prospectus. The advisers will then arrange for the finalization of the registration document or prospectus for the FCA's formal approval. Where the applicant company prepares a registration document and a subsequent prospectus, the FCA will need to approve both documents. The FCA approval process generally takes approximately two to four months. Following FCA approval, the registration document or prospectus may be published.

A universal registration document (URD) is an optional shelf registration mechanism introduced by the Prospectus Regulation for companies that expect to frequently issue securities admitted to trading on regulated markets or MTFs. An issuer that draws up a URD each year will benefit from fast-track approval when seeking approval of disclosure in relation to a specific issuance of securities.

Typical process and timetable for a listing of a company on the Main Market of the LSE



* 1 day after publication of registration document

** 7 days after publication of registration document

The documentation and process requirements described in this section 3 do not vary from what would be expected of a domestic company, although note the requirements for financial information described above.

4. Continuing obligations/periodic reporting

A company with a premium listing must appoint a sponsor on each occasion that it:

- Makes an application for admission of its shares to listing.
- Publishes a supplementary prospectus or listing particulars.
- Undertakes a significant transaction requiring shareholder approval.
- Seeks shareholder approval for a proposed refinancing or reorganization in connection with which the company must produce a working capital statement.
- Seeks shareholder approval for a proposed purchase of its own shares in connection with which the company must produce a working capital statement.
- Is required to do so by the FCA because it appears to the FCA that there is, or there may be, a breach of the FCA's rules by the listed company.

- Is required to provide the FCA with a confirmation by the sponsor that the terms of a related party transaction are fair and reasonable.
- Is required to submit to the FCA a related party circular which includes a statement by the board that the related party transaction or arrangement is fair and reasonable.
- Is required to submit a letter from a sponsor relating to its eligibility for listing.
- Is required to make certain public announcements or submit certain confirmations or letters to the FCA, or to request a suspension of its listing in respect of a reverse takeover.
- Disposes of a substantial part of its business when it is in severe financial difficulty and is required to make certain confirmations to the FCA.
- Acquires a company whose shares are traded on a stock exchange that is not a regulated market or on a multilateral trading facility, and is required to provide an assessment of the appropriateness of the stock exchange or multilateral trading facility.
- Applies to transfer its category of equity shares from a premium listing (commercial company) to a standard listing (which requires approval by 75% of the shareholders of the company voting on the resolution or, if the company has a controlling shareholder, a majority of the votes attaching to the shares of independent shareholders voting on the resolution).

A company with a premium listing must also obtain guidance from a sponsor each time it proposes to enter into a transaction which is, or may be, a significant transaction requiring shareholder approval, a reverse takeover or a related party transaction.

Once listed, a company with a premium or standard listing will be subject to a continuous disclosure requirement designed to prevent the

creation of a false market in the company's securities. The company will be required to publicly disclose any inside information that directly concerns the company.

Broadly, inside information is information which:

- Is of a precise nature (for example, it indicates a set of circumstances which exist or may reasonably be expected to come into existence and is specific enough to make conclusions as to the possible effect on price).
- Relates, directly or indirectly, to one or more companies or to one or more financial instruments.
- Has not been made public.
- Would be likely to have a significant effect on the price of those financial instruments.

In determining the likely price significance of information, a company should assess whether the information in question would be likely to be used by a reasonable investor as part of the basis of his or her investment decisions and would therefore be likely to have a non-trivial effect on the price of the company's financial instruments.

When inside information is disclosed, the company must make the information available on its website by the close of the business day following its release and keep it there for a period of at least five years. Where a public disclosure includes inside information, the company must clearly identify: that the information communicated is inside information (usually satisfied by including a prominent legend to that effect); the identity of the person making the public disclosure; and the date and time of the public disclosure.

A company whose financial instruments are also listed or admitted to trading on any foreign stock exchange or regulated market must take reasonable care to ensure that the disclosure of inside information is synchronized as closely as possible in each jurisdiction.

A company may delay the disclosure of inside information in certain circumstances. This is permissible where a company is faced with an unexpected and significant event, in which case a short delay may be acceptable if necessary to clarify the situation. In such circumstances, a holding announcement should be released if there is a danger of the inside information leaking out before the facts and their impact can be confirmed. In addition, in circumstances where the issuer considers that immediate disclosure of inside information is likely to prejudice the issuer's legitimate interests, an issuer may delay the disclosure provided that to do so would not be likely to mislead the public and the issuer is able to ensure the confidentiality of the information. Where an issuer delays the disclosure of inside information, it must inform the FCA that disclosure of the information was delayed immediately after the information is disclosed to the public. The FCA may request that the issuer provides a written explanation of how the conditions outlined above were met.

In order to control access to inside information, listed companies and any person acting on their behalf or on their account are required to draw up a list of persons who have access to inside information. Insider lists must be prepared in accordance with a prescribed template identifying each person having access to inside information and be updated promptly to reflect new people gaining, or existing insiders ceasing to have, access to inside information. Insider lists must be kept for a period of at least five years from being drawn up or updated and must be provided to the FCA upon request. Listed companies must also ensure that every person on an insider list acknowledges their obligations under the insider dealing and market abuse legislation and is aware of the sanctions that might be imposed for breaches of such legislation.

In addition to the continuous disclosure regime there are a number of specific requirements that listed companies and certain other persons must comply with. These include:

- A shareholder in a non-UK incorporated company (unless incorporated in the following jurisdictions whose rules have been deemed equivalent: the United States, Japan, Israel or Switzerland, and the company discloses equivalent information via a Regulatory Information Service (RIS)) must notify the company when its interest is in respect of 5% or more of the voting rights (and at certain thresholds thereafter) as soon as possible (and not later than four trading days) after learning of the relevant acquisition or disposal. The company must then publicly disclose this information as soon as possible and in any event by not later than the end of the third trading day following receipt of notification.

- In the case of a shareholder in a UK incorporated company, it must notify the company when its interest is in respect of 3% or more of the voting rights (and every 1% threshold thereafter) as soon as possible (and not later than two trading days) after learning of the relevant acquisition or disposal. The company must then publicly disclose this information as soon as possible and in any event by not later than the end of the trading day following receipt of notification.

- The company must disclose the total number of voting rights attaching to shares for each class admitted to trading at the end of every month in which there has been a change.

- Any proposed change in its capital structure (including that of its listed debt securities), redemption of listed shares, extension of time granted for the currency of temporary documents of title and the results of any new issue of listed equity securities or of a public offering of existing shares must all be publicly disclosed as soon as possible.

- Directors, other senior managers and persons closely associated with them, including spouses, children, relatives sharing their household and certain controlled entities (directors and other senior managers, together, known as PDMRs) must notify the

company and the relevant regulator (commonly, the FCA) of the occurrence of all transactions conducted on their own account relating to the shares or debt instruments of the company or to derivatives or other financial instruments linked thereto. Notification must be made in a prescribed format and within three business days of the day on which the transaction occurred. The company must also publicly disclose this information within three business days of the day on which the transaction occurred.

- PDMRs must not conduct transactions on their own account (or for the account of a third party) relating to the shares or debt instruments of the company or to derivatives or other financial instruments linked to such shares or debt instruments during any closed period. A closed period is a period of thirty calendar days before the announcement of the annual or interim financial results or any period where there exists any matter which constitutes "inside information" in relation to the company. A transaction is widely defined to include not only acquisitions, disposals, short sales, subscriptions and exchanges, but also gifts, donations and inheritances. These restrictions are in addition to the statutory prohibitions on insider dealing and market abuse which are discussed at the end of this section 4.

- If the company wishes to conduct a market sounding, that is, communicate information (especially where this includes inside information) to one or more potential investors prior to the announcement of a transaction in order to gauge their interest in a possible transaction and the conditions relating to it (such as its potential size or pricing), the company must comply with certain disclosure and record-keeping requirements if it wishes to take advantage of a safe harbor permitting the disclosure of inside information during a market sounding.

- Material transactions with a related party (which includes any person that has control, joint control or significant influence over the company, or a member of the key management personnel of

the company) must be notified to a RIS and approved by the board of directors.

- The company must send to the FCA copies of (a) all circulars, notices, reports or other documents to be sent to shareholders, at the same time as they are issued and (b) all resolutions passed by the company, other than those concerning ordinary business at an AGM, as soon as possible after the relevant meeting. The company can satisfy the requirement to send copies of documents to the FCA by (a) disclosing the unedited full text of the document through an announcement via a RIS that is a primary information provider (PIP) approved by the FCA or (b) submitting the document to the National Storage Mechanism and disclosing simultaneously through an announcement via a RIS that the document has been submitted to the National Storage Mechanism and incorporating a web link to the document in the RIS announcement.

- If the company becomes aware that the proportion of any class of its listed shares in the hands of the public generally has fallen below 25% (or any lower percentage agreed by the FCA) it must inform the FCA as soon as possible.

- A company must ensure the FCA is provided with up-to-date contact details of at least one appropriate person to act as the first point of contact with the FCA in relation to compliance with the Listing Rules and Disclosure Rules.

- A company must publish notices or distribute circulars concerning the allocation and payment of dividends.

- A company has an overriding obligation to comply with the Listing Principles, which are general fairness-type principles designed to assist a listed company in identifying its obligations and responsibilities under the rules that apply to it as a result of the listing.

- For companies with a premium listing:
    - A company must carry on an independent business as its main activity at all times.
    - A company that has a controlling shareholder must (1) have in place at all times a relationship agreement with the controlling shareholder and a constitution that allows the appointment of independent directors to be approved by separate resolutions of: (i) the shareholders as a whole; and (ii) the independent shareholders; and (2) include an annual confirmation in its annual report that it has entered into a relationship agreement and the independence provisions in the agreement have been complied with (or, if this is not the case, an explanation of the background and reasons for the non-compliance).
    - A company must notify the FCA without delay if it is not complying with the independent business or controlling shareholder requirements described above or if it or any controlling shareholder is not complying with the independence provisions contained in a relationship agreement.
    - In addition to the obligation covering material transactions with a related party described above, certain other transactions with a related party (which includes substantial shareholders, previous directors and associates of these parties) must be notified to the FCA and, in some instances, notified to a RIS and approved by shareholders.
    - Substantial transactions must be notified to a RIS and, in some instances, approved by shareholders.
    - Decisions of the board on dividends or interest payments on listed securities must be publicly disclosed.
    - Any decision by the board to submit to shareholders a proposal that the company be authorized to purchase its own

equity shares, other than the renewal of an existing authority, must be publicly disclosed as soon as possible, giving details of the nature of the authorization being sought. The outcome of the shareholders' meeting must also be disclosed as soon as possible. In addition, any purchases of a listed company's own equity shares must be publicly disclosed as soon as possible, and in any event no later than 7.30 am on the business day following the calendar day on which the purchase occurred.

- A company must publicly disclose as soon as possible (and in any event by the end of the business day following the decision or receipt of notice about the change) any change to the board including:
  - The appointment of a new director.
  - The resignation, removal or retirement of a director.
  - Important changes to the role, functions or responsibilities of a director.

  The disclosure must state the effective date of the change if it is not with immediate effect. If the effective date of the change is not yet known this should be stated and a further disclosure made as soon as the effective date has been decided. In the case of an appointment, the notification must also state whether the position is executive, non-executive or chairman and the nature of any specific function or responsibility.
- A company must publicly disclose certain information in respect of any new director appointed to the board including:
  - Details of all directorships held by such director in any other publicly quoted company at any time in the previous five years, indicating whether or not the individual is still a director.

- Details relating to such matters as any unspent criminal convictions and bankruptcies of such director.
- Details of any public criticisms of the director by statutory or regulatory authorities and whether the director has ever been disqualified by a court from acting as a director or manager of a company,

or an appropriate negative statement. Disclosure must be made as soon as possible following the decision to appoint the director and in any event within five business days of the decision.

- In respect of a current director, a company must publicly disclose as soon as possible any change in the details previously disclosed, including any new directorships held by the director in any other publicly quoted company.
- A company must comply with the Premium Listing Principles, which are more specific principles designed to assist a premium listed company in identifying its obligations and responsibilities under the rules that apply to it as a result of the premium listing.

Public disclosure for London listed companies is typically made through a RIS. RISs comprise primary information providers (PIPs) approved by the FCA and similar organizations established elsewhere in the EEA. These organizations receive announcements from issuers and then disseminate the full text of these to secondary information providers such as Bloomberg and Reuters. Disclosure to a RIS will fulfill a company's requirement for public disclosure. In some circumstances, a listed company is also obliged to make information available on its website (such as inside information, its annual report and results of shareholder meetings). All regulatory announcements made through a RIS that is a PIP approved by the FCA are also automatically filed with the UK's Officially Appointed Mechanism for the storage of regulated information, the National Storage

Mechanism. Companies making announcements via RIS are required to include a Legal Entity Identifier or LEI (a unique 20-character reference code identifying the company) in announcements of regulated information and to classify such regulated information according to specified categories. This is designed to facilitate the ability to search for regulated information across the EEA via a new European electronic access point (EEAP).

Financial statements

A company must publish an annual financial report not later than four months after the end of its financial year. The report must remain publicly available for at least ten years. The report must include the audited financial statements, a management report and responsibility statements.

For a company which is required to prepare consolidated accounts, the audited financial statements must comprise consolidated accounts prepared in accordance with IFRS and accounts of the parent company prepared in accordance with the laws of the State in which the parent is incorporated.

The annual financial report must be prepared using the single electronic reporting format adopted by the EU (known as the European Single Electronic Format or ESEF) for financial periods beginning on or after 1 January 2020. Among other things, ESEF requires the annual financial report to be prepared in XHMTL, which is human readable and can be opened with a standard web browser. Where an annual financial report contains IFRS consolidated financial statements, these must be labelled with XBRL tags, which make the labelled disclosures structured and machine-readable.

The company's financial statements must be audited in accordance with the auditing standards applicable in an EEA State and the audit report must be reproduced in full as part of the annual financial report.

Where a foreign company is incorporated in a country or territory that is not an EEA State, it must ensure that the person who provides the audit report is:

- Entered on the register of third country auditors kept for the purposes of the UK Statutory Auditors and Third Country Auditors Regulations 2013; or
- Eligible for appointment as a statutory auditor under the UK Companies Act 2006; or
- An EEA auditor within the meaning of section 1261 of the UK Companies Act 2006.

The management report must contain a fair review of the company's business and a description of the principal risks and uncertainties facing the company and must otherwise comply with more detailed requirements set out by the FCA.

Responsibility statements must be made by the persons responsible within the company (whose names and functions must be clearly indicated) and set out that, to the best of the knowledge of each person making the statement, the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and its consolidated undertakings, taken as a whole; and the management report includes a fair review of the development and performance of the business and the position of the company and its consolidated undertakings, taken as a whole, together with a description of the principal risks and uncertainties that they face.

A company with a premium listing must also include in its annual report a report to the shareholders by the board containing details of the unexpired term of the director's service contract of any director proposed for election or re-election at the next annual general meeting, or a statement that such director has no service contract.

The auditors' report on the company's financial statements must cover some of these disclosures. If the company has not made the requisite

disclosures, the report must include, to the extent possible, a statement giving details of the non-compliance.

As well as the annual financial report described above, the company must also publish a half-yearly financial report covering the first six months of the financial year. The report must be published not later than three months after the end of the period to which it relates, and must remain publicly available for at least ten years.

The half-yearly financial report must contain: a condensed set of financial statements, an interim management report and responsibility statements.

The half-yearly financial report must contain (a) an indication of important events that have occurred during the first six months of the financial year (and their impact on the condensed set of financial statements); and (b) a description of the principal risks and uncertainties facing the company for the remaining six months of the financial year, and must otherwise comply with the detailed requirements set out by the FCA.

If the half-yearly financial report is not audited, a company must make a statement to this effect in the report.

The accounting policies and presentation applied to the half-yearly figures must be consistent with those applied in the latest published annual accounts, unless the FCA otherwise agrees or the accounting policies and presentation are to be changed in subsequent annual accounts.

Companies are no longer required to make a public statement during both the first and the second six-month periods of the financial year providing an explanation of material events and transactions that have taken place during the relevant period (such as quarterly financial reporting), but may do so on a voluntary basis.

Non-EEA companies which publish quarterly financial reports outside the EEA (whether in accordance with national legislation or the rules

of a non-EEA market or of their own volition) must disseminate such quarterly financial reports in the EEA as widely as possible.

Companies from the United States, Canada and Switzerland may publish their home country financial reports in the United Kingdom in lieu of complying with the above requirements.

Certain companies active in the extractive and logging of primary forestry industries are required to prepare a report annually on the payments that they make to governments. The report must be prepared in accordance with Chapter 10 of the EU Accounting Directive (2013/34/EU) or the UK Reports on Payments to Government Regulations 2014. The company must file the report with the FCA and upload it to the National Storage Mechanism. The report must be made public at the latest six months after the end of each financial year and must remain publicly available for at least ten years.

Insider dealing

The Criminal Justice Act 1993 provides that it is a criminal offence for an individual who has inside information, and has that information as an insider, to deal in securities on the LSE or another regulated market, or through a professional intermediary. For an offence to be committed, the individual must know that the information is inside information and he must have knowingly acquired it from an inside source. There are also offences of encouraging dealing and disclosure by persons who have inside information.

For these purposes, inside information is, broadly speaking, specific or precise unpublished information relating to a particular issuer or particular securities which, if made public, would have a significant effect on the price of any securities. It should be noted that a director who knowingly has inside information about his company, or any other company with which his company has dealings, would be an insider for the purposes of the insider dealing legislation.

The penalty for an offence under the Criminal Justice Act 1993 is an unlimited fine or imprisonment for a maximum of seven years. There are a number of defenses, but it should be noted that these are normally restrictively interpreted and the burden of proof lies with the defendant.

Market abuse

The civil prohibition on market abuse is contained in the EU Market Abuse Regulation (596/2014) (MAR), which took effect in the UK on 3 July 2016. MAR works in tandem with the criminal sanctions against insider dealing and market manipulation. Broadly speaking, market abuse under MAR consists of insider dealing, unlawful disclosure of inside information and market manipulation in relation to financial instruments admitted to trading on a regulated market.

Insider dealing arises where a person possesses inside information and uses that information by acquiring or disposing of, for its own account or for the account of a third party, directly or indirectly, financial instruments to which that information relates. The use of inside information by cancelling or amending an order concerning a financial instrument to which the information relates where the order was placed before the person concerned possessed the inside information is also considered to be insider dealing. Recommending or inducing another person to engage in insider dealing may also constitute insider dealing.

Unlawful disclosure of inside information arises where a person possesses inside information and discloses that information to any other person, except where the disclosure is made in the normal exercise of an employment, a profession or duties.

Market manipulation comprises various specified activities which have the effect of misleading and/or distorting the market for financial instruments or benchmarks.

In addition, the FCA have published a set of provisions called MAR 1 which give guidance to assist in establishing what type of conduct would be permitted and what type of conduct would be prohibited as market abuse for the purposes of MAR.

Under the Financial Services and Markets Act 2000, as amended, the FCA, as regulator of the financial markets, can impose unlimited fines, public censure, a temporary or permanent prohibition on an individual holding certain positions in an investment firm, a temporary prohibition on an individual acquiring or disposing of financial instruments and/or other penalties for engaging in market abuse. The FCA also has the power to require a company to publish specified information or a specified statement in certain circumstances, including where the company has published false or misleading information or given a false or misleading impression to the public. The FCA may institute proceedings not only for direct engagement in market abuse but also for acts or omissions which require or encourage another to engage in behavior which would constitute market abuse if engaged in by the person who encouraged the other.

It should be noted that proof of intent to engage in market abuse is not required: it is sufficient that the behavior satisfies the criteria for market abuse.

The requirements in this section 4 do not vary significantly from what would be expected of a domestic company.

5. Corporate governance

Market expectations

Investors will normally expect a company to maintain a minimum standard of corporate governance after listing. The investment bank(s) advising on the listing will therefore often recommend that the company appoints one or more independent non-executive directors to the board of directors of the company. The process of ensuring that the company's standards of corporate governance are acceptable to

investors may also require that the company adopt new constitutive documents and/or establish audit and/or remuneration committees, to the extent not already in place.

Annual corporate governance statement

A company with a premium listing of equity shares must state in its annual report and accounts whether or not it has complied with the UK Corporate Governance Code (the Code) and explain and justify any non-compliance. The Code consists of principles of good governance, most of which have their own set of more detailed provisions which amplify the principles. The principles deal with the following areas:

- Board Leadership and Company Purpose.
- Division of Responsibilities.
- Composition, Succession and Evaluation.
- Audit, Risk and Internal Control.
- Remuneration.

The Code includes provisions relating to board or committee structure and the independence of directors.

Whilst there is no separate guidance on how the Code applies to group companies, there is nothing to stop Code compliant companies extending their corporate governance practices throughout the group which can be done through effective communication of the parent company's purpose, values and strategy.

A company with a standard listing of equity shares must include a corporate governance statement in its directors' report and it may choose to include that statement as a specific section of the directors' report, as a separate report or disclosed on the issuer's website to which reference is made in the directors' report, provided all relevant

content requirements are satisfied. The corporate governance statement must contain a reference to:

- The corporate governance code to which the company is subject.
- The corporate governance code which the company may have voluntarily decided to apply.
- All relevant information about the corporate governance practices applied beyond the requirements under national law.

A company complying with the first or second bullet above must state in its directors' report where the relevant corporate governance code is publicly available and, to the extent that it departs from that corporate governance code, explain which parts of the corporate governance code it departs from and the reasons for doing so.

A company complying with the third bullet above must make its corporate governance practices publicly available and state in its directors' report where they can be found.

If a company has decided not to apply any provisions of a corporate governance code referred to under the first or second bullet above, it must explain its reasons for that decision.

The corporate governance statement must also contain a description of the main features of the company's internal control and risk management systems in relation to the financial reporting process and a description of the composition and operation of the company's administrative, management and supervisory bodies and their committees.

In addition, the corporate governance statement must contain a description of the diversity policy applied to the company's administrative, management and supervisory bodies with regard to aspects such as, for instance, age, gender, or educational and professional backgrounds, and the objectives, implementation and results of the diversity policy. If no diversity policy is applied by the

company, the corporate governance statement must contain an explanation as to why this is the case.

The requirements in this section 5 are substantially the same for domestic and foreign companies.

6. Specific situations

There are no additional requirements, or any changes in the normal requirements, that apply to very large multinational companies or smaller companies.

Mineral companies, scientific research based companies and property companies (see definitions below) applying for a premium listing do not need to have published or filed audited financial information that covers at least three years and represents at least 75% of their business (subject to the conditions applicable to scientific research based and property companies described below).

Both mineral and scientific research companies must have published or filed historical financial information since the inception of the relevant business and must demonstrate that they will be carrying on an independent business as their main activity.

In addition, a mineral company that does not hold controlling interests in a majority (by value) of the properties, fields, mines or other assets in which it has invested must demonstrate that it has a reasonable spread of direct interests in mineral resources and has rights to participate actively in their extraction, whether by voting or through other rights which give it influence in decisions over the timing and method of extraction of those resources. A scientific research based company that does not have audited financial information that covers at least three years and represents at least 75% of its business must:

- Demonstrate its ability to attract funds from sophisticated investors prior to the marketing at the time of listing.

- Intend to raise at least £10 million (approximately US$13.25 million) pursuant to a marketing at the time of listing.
- Have a capitalization before the marketing at the time of listing of at least £20 million (approximately US$26.51 million), based on the issue price and excluding the value of any shares issued in the six months before listing.
- Have as its primary reason for listing the raising of finance to bring identified products to a stage where they can generate significant revenues.
- Demonstrate that it has a three-year record of operations in laboratory research and development, including patents granted/applied for and successful testing of the effectiveness of its products.

A property company that does not have the necessary revenue earning track record must:

- Demonstrate that it has three years of development of its real estate assets represented by increases of the gross asset value of its real estate assets as evidenced by historical financial information and supported by a published property valuation report; or
- Demonstrate that 75% of the gross asset value of its real estate assets, as supported by a published property valuation report, are revenue generating at the point in time when the premium listing application is made.

Scientific research based companies are defined as companies primarily involved in the laboratory research and development of chemical or biological products or processes or any other similar innovative science based companies.

Mineral companies are defined as those companies whose principal activity is, or is planned to be, the extraction (including mining, production, quarrying or similar activities and the reworking of mine

tailings or waste dumps) of mineral resources (which may or may not include exploration for mineral resources). Mineral resources include metallic and non-metallic ores, mineral concentrates, industrial minerals, construction aggregates, mineral oils, natural gases, hydrocarbons and solid fuels including coal.

Property companies are defined as companies primarily engaged in property activities including the holding of properties (directly or indirectly); the development of properties for letting and retention as investments; the purchase and development of properties for subsequent sale; or the purchase of land for development properties for retention as investments.

There are no situations in which a fast track or expedited listing can be procured.

7. Presence in the jurisdiction

Certain foreign companies with a standard listing of shares and either 200 or more shareholders resident in the United Kingdom or 10% or more shares held by persons resident in the United Kingdom are required to appoint a registrar in the United Kingdom. The registrar would be responsible for maintaining the register of shareholders. There are no other requirements on listed foreign companies to maintain a presence in the United Kingdom, except for a premium listed foreign company to appoint a sponsor as described above. There is no requirement to keep corporate records in the United Kingdom.

8. Fees

There is no difference between fees payable for primary listings and secondary listings. All fees below are quoted excluding VAT.

Initial listing

The LSE charges fees on admission through a formula based on the market capitalization of the company. For example, a company with a market capitalization of £100 million (approximately US$132.54

million) would pay fees on admission of £116,825 (approximately US$154,840). A company with a market capitalization of £1 billion (approximately US$1.325 billion) would pay fees on admission of £355,325 (approximately US$470,948).

The LSE calculates market capitalization for these fees with reference to the number of shares for which application is being made and the opening price on the day of admission.

The FCA charges a fee of £15,000 (approximately US$19,881) for an application for eligibility for listing. In addition, transaction and document vetting fees are payable at a rate set according to market capitalization and whether the company is seeking a standard or premium listing:

Market capitalization	Fee payable for standard listing	Fee payable for premium listing
Less than £500 million (approximately US$662.70 million)	£2,000 (approximately US$2,651)	£2,000 (approximately US$2,651)
Equal to or more than £500 million but less than £1.5 billion (approximately US$662.70 million to US$1.99 billion)	£20,000 (approximately US$26,508)	£20,000 (approximately US$26,508)
Equal to or more than £1.5 billion but less than £5 billion (approximately US$1.99 billion to US$6.63 billion)	£20,000 (approximately US$26,508)	£50,000 (approximately US$66,270)
Equal to or more than £5 billion (approximately US$6.63 billion)	£50,000 (approximately US$66,270)	£50,000 (approximately US$66,270)

Any documents that include a mineral expert's report attract an additional document vetting fee of £15,000 (approximately US$19,881).

Ongoing fees

The LSE charges annual fees through a formula based on the market capitalization of the company at close of trading on the last business day of September of the previous year. For example, a company with a market capitalization of £100 million (approximately US$132.54 million) would pay fees each year of £12,500 (approximately US$16,568). A company with a market capitalization of £1 billion (approximately US$1.33 billion) would pay fees each year of £34,000 (approximately US$45,064).

The FCA also charges annual fees for the continuing regulation of listed companies through a similar formula. For example, a premium listed company with a market capitalization of £100 million (approximately US$132.54 million) would pay fees each year of £5,465 (approximately US$7,243). A premium listed company with a market capitalization of £1 billion (approximately US$1.33 billion) would pay fees each year of £18,120 (approximately US$24,016). Standard listed companies pay an annual flat fee, currently £20,700 (approximately US$27,436).

The initial and ongoing fees charged by the LSE are now revised annually in January (previously in April).

9. Additional information

Please note that, in addition to the markets operated by the LSE in London, a number of other entities, including NEX Exchange (the successor to ISDX, PLUS Markets and OFEX), Euronext London and Cboe Europe Equities Regulated Market, also operate trading markets for securities in London.

All information and materials submitted to the FCA and the LSE or disclosed to the market in London must be in the English language.

Key differences in requirements for domestic companies

The key differences in requirements between domestic and foreign companies listing on the Main Market relate to inclusion in the FTSE UK series of indices, settlement and continuing obligations.

Although more burdensome than other listings, a premium listing comes with potential for inclusion of the premium listed company in the FTSE UK series of indices, which are further described in section 1 above. A company incorporated in the United Kingdom enjoys a key benefit as compared to a foreign company in that a UK company is required to meet far fewer eligibility criteria for inclusion in these indices. For example, a UK company need only have a minimum free float of 25%, whereas a non-UK company must have a minimum free float of greater than 50%.

All shares listed on the Main Market must be capable of electronic settlement under their terms and the company's constitution. One of the main differences for a company incorporated in the United Kingdom trading its shares on the Main Market compared to a non-UK company is that a UK company's shares (as well as the shares of a company incorporated in the Republic of Ireland, Jersey, Guernsey or the Isle of Man) are eligible for direct participation in CREST, the UK electronic settlement system. By contrast, companies incorporated in other jurisdictions need to establish a depository arrangement with a UK bank or other provider which will issue depository interests representing the company's underlying shares as depository interests are eligible for settlement within CREST. The UK bank or other provider will typically charge fees for: (i) setting up the depository interest structure; (ii) annual maintenance; and (iii) each transaction in the company's shares. Depository interests are a settlement mechanism and are not the same as depositary receipts.

Companies incorporated in the United Kingdom are subject to the following continuing obligations:

- Significant shareholder notification thresholds are more stringent, and the time periods for these notifications are shorter, for a UK company as compared to a non-UK company.
- A UK incorporated company with a listing on the Main Market must comply with all of the detailed annual report disclosure requirements set out in the UK Companies Act 2006 and associated regulations, including, among others, reporting on corporate social responsibility, environmental issues and directors' remuneration.
- A UK incorporated company listed on the Main Market should generally prepare its financial information in accordance with IFRS.
- All UK incorporated companies listed on the Main Market are required to have an audit committee, which is responsible for monitoring the audit function. In practice, most non-UK incorporated companies with a premium listing on the Main Market also have an audit committee as this is recommended by the Code, which is further described in section 5 above.

10. Contacts within Baker McKenzie

Helen Bradley, Adam Farlow, Nick O'Donnell, Roy Pearce, James Thompson and Megan Schellinger in the London office are the most appropriate contacts within Baker McKenzie for inquiries about prospective listings on the Main Market of the LSE.

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Luxembourg Stock Exchange

Initial financial listing requirements

For all companies seeking a listing on the Luxembourg Stock Exchange (*Bourse de Luxembourg*) (more commonly referred to as the LxSE):

- Audited historical financial statements: 3 years for equity securities, 2 years for debt securities. Exemption from the obligation to provide historical financial statements is generally granted to special purpose vehicles. Interim financial statements and pro forma financial statements may also be required. The form and content of the financial information depends on the type of securities and the Luxembourg market where they will be listed.
- Additional criteria based on the type of securities issued:

  Shares. (i) the foreseeable stock market capitalization of the shares to be listed must be at least €1 million (approximately US$1.12 million) or the equivalent amount in another currency, and (ii) the shares must be sufficiently distributed to investors so that a liquid market can develop -the shares are deemed to be sufficiently distributed if at least 25% of the subscribed capital represented by the category of shares listed is distributed to investors or when, due to the high number of shares and units of the same category and the extent of their distribution to investors, proper operation of the market is assured with a lower percentage.

  Debt securities. (i) the minimum amount of the issuance is €200,000 (approximately US$224,240) or the equivalent amount in another currency, (ii) 2-years financial statements of the guarantors, if any.

Other initial listing requirements

Share price. There is no minimum closing or offering price for shares to be listed, but the LxSE in practice will be reluctant to accept penny stock.

Presence in Luxembourg. Foreign issuers have no obligation to maintain a presence in Luxembourg. In particular, no corporate records need to be kept in Luxembourg by the sole reason of the listing on the LxSE. Issuers of debt securities must however appoint a Luxembourg paying agent.

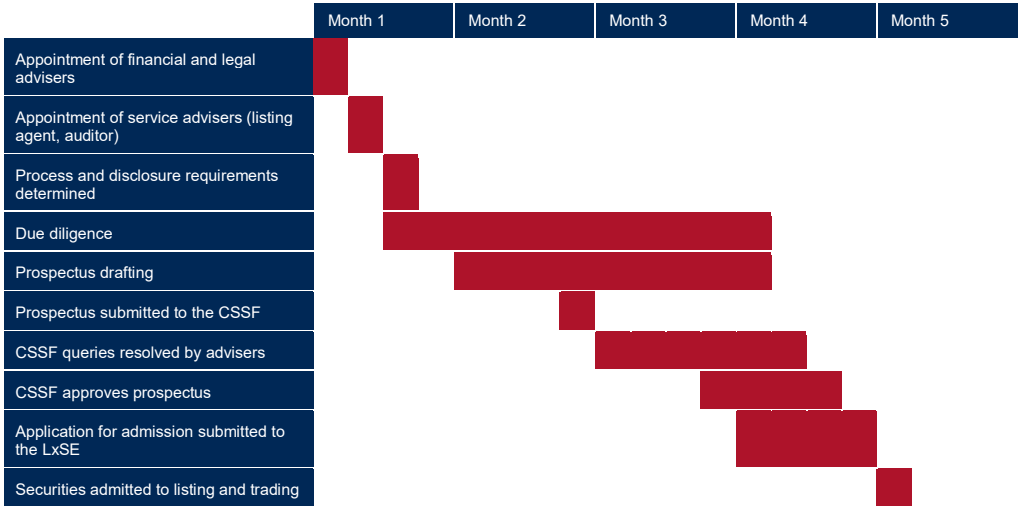
Accounting standards. For a Regulated Market listing, the accounts should generally be prepared under IFRS, or for an issuer incorporated outside the EEA, the accounts should be prepared either under IFRS or under US, Canadian, Chinese, Korean or Japanese GAAP or (for a limited period) under Indian GAAP. For a Euro MTF listing the financial statements may be prepared under GAAP applicable in the home jurisdiction of the issuer.

Financial statements. Financial statements of the issuer and guarantors for the past two financial years must be provided with the listing application. In addition, interim financial statements need to be prepared if the last approved financial statements are dated more than nine months after the end of the last audited financial year. If such interim financial information is unaudited, it must be stated in the prospectus.

Operating history. In principle, issuers need to have closed three financial years in order to submit a listing application. Exemption from this obligation may be granted by the LxSE.

Listing process

Listing involves the Financial Supervision Commission (*Commission de Surveillance du Secteur Financier* or CSSF) or the LxSE, depending whether the securities are listed on the Regulated Market or the Euro MTF. The following is a fairly typical process and timetable for a listing of shares of a foreign issuer on the Regulated Market.



Note: for admission to listing of debt securities, whether on the Regulated Market or the Euro MTF the process and timetable are comparable, save that the prospectus approval may be shortened to one to three weeks.

Corporate governance and reporting

Foreign issuers have no obligation to comply with Luxembourg corporate governance rules. Foreign issuers must nevertheless comply with their home jurisdiction corporate governance obligations.

Luxembourg issuers of shares listed on the Regulated Market are subject to the Ten Principles of Corporate Governance of the LxSE.

Luxembourg issuers of securities listed on the Regulated Market have, among others, the obligation to establish an audit committee, unless they qualify as small or medium-sized enterprise, undertaking for collective investment, issuer of asset-backed securities, or a subsidiary of an entity which has established an audit committee.

Luxembourg issuers of securities listed on the Euro MTF (Luxembourg or foreign) are not subject to Luxembourg corporate governance obligations.

Fees

A company seeking to list must pay both initial listing fees and annual fees to the LxSE and the CSSF (if the prospectus is subject to CSSF approval). The initial prospectus approval and listing fees range between €2,500 (approximately US$2,803) for EU-domiciled Shares and units of investments funds, to €7,500 (approximately US$8,409) for the listing of shares of issuers having a history of less than three years. Additional fees of a lower amount are payable for the listing of new securities. The LxSE applies yearly maintenance fees for the administrative work which amount depends, among others, on the securities listed: for debt securities from €500 to €800 (approximately US$560 to US$897); for warrants €300 (approximately US$336); for shares and depositary receipts yearly maintenance fees amount to a minimum of €2,500 (approximately US$2,803) for the first quotation line. Additional fees are payable for each following quotation line.

1. Overview of exchange

Created in 1928, the Luxembourg Stock Exchange (*Bourse de Luxembourg*) (more commonly referred to as the LxSE) currently operates two markets:

- A main regulated market offering a European passport (the Regulated Market).
- An exchange-regulated market (multilateral trading facility) (the Euro MTF).

The Regulated Market

The Regulated Market offers a European passport for the admission to trading of securities to other European regulated markets. The competent regulatory authority to approve the listing prospectus is the Luxembourg Financial Supervision Commission (*Commission de Surveillance du Secteur Financier* or CSSF) or the competent authority of the issuer's home member state for purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, if it is not Luxembourg. The listing of certain securities which do not benefit from the European listing and offering passport (e.g., non-EU open-ended undertakings for collective investment, money market instruments having a maturity at the issue of less than 12 months) is not subject to CSSF approval.

The Euro MTF

The Euro MTF was launched in 2005 and is appropriate for issuers not interested in the European passport and that wish to benefit from a European listing and less stringent financial reporting obligations. The Euro MTF market is an acceptable market for the purpose of eligibility of securities as collateral for the Eurosystem. For listings on the Euro MTF, the relevant regulatory authority is the LxSE.

The trading system and market rules are identical for both markets. They function with a central order book and trades are executed with the use of Euronext's Universal Trading Platform pursuant to a partnership agreement dated 22 March 2007 between Euronext N.V. and the LxSE.

The LxSE has developed a pragmatic approach over time, keen to admit innovative products to trading, including:

- The listing of the first European Eurobonds in 1963.
- The listing of global depositary receipts (GDRs) notably coming from emerging countries. Two indices were launched: the GDRs India and the GDRs Taiwan.
- *Shariah*-compliant *sukuk* loan notes, contingent convertible bonds, and Dim Sum bonds.
- Non-European undertakings for collective investment (such as Cayman and Jersey funds).

The LxSE does not specialize in, or encourage listings by, particular types of companies. However, over the years the LxSE has become a prime location for the listing of depositary receipts, international bonds, and units and shares in European and non-European undertakings for collective investment.

Historically, mainly foreign issuers and Luxembourg special purpose vehicles were listed on the LxSE. This has not changed over the past years.

There are no different listing categories or segments. Listing admission and reporting rules are however different between the Regulated Market and the Euro MTF. The LxSE does not recognize differences between primary and secondary listings.

As at December 2019, approximately 2,600 issuers from more than 100 different countries had securities admitted on the official list of

the LxSE. More than 36,000 securities were listed, consisting of more than 26,000 debt securities, over 5,000 listed share classes in investment funds, 370 stocks and shares and close to 5,000 warrants and other securities.

2. Principal listing and maintenance requirements and procedures

Issuers from all jurisdictions and industries are in principle acceptable for a listing on the LxSE.

The main listing admission criteria on the LxSE are:

- A regulator-approved prospectus.
- Audited historical financial statements: 3 years for equity securities, 2 years for debt securities. Exemption from the obligation to provide historical financial statements is generally granted to special purpose vehicles. Interim financial statements and pro forma financial statements may also be required. The form and content of the financial information depends on the type of securities and the Luxembourg market where they will be listed.
- Additional criteria based on the type of securities issued. Specifically:
    - Shares: (i) the foreseeable stock market capitalization of the shares to be listed must be at least €1 million (approximately US$1.12 million) or the equivalent amount in another currency, and (ii) the shares must be sufficiently distributed to investors so that a liquid market can develop. The shares are deemed to be sufficiently distributed if at least 25% of the subscribed capital represented by the category of shares listed is distributed to investors or when, due to the high number of shares and units of the same category and the extent of their distribution to investors, proper operation of the market is assured with a lower percentage.

- Debt securities: (i) the minimum amount of the issuance is €200,000 (approximately US$224,240) or the equivalent amount in another currency, (ii) 2-years financial statements of the guarantors, if any.

Even though it is not expressly required under the rules and regulations of the LxSE, the LxSE will also expect background information on the transaction.

There are no express ownership requirements applicable to the listing of an issuer's securities. However, for shares the obligation of a distribution sufficient for a market to develop requires that the free float is in the hands of several investors. In addition, under anti-money laundering rules, ultimate beneficial owner(s) of the issuer must be disclosed to the Luxembourg listing agent and certain other Luxembourg service providers assisting with the listing.

Luxembourg corporate governance rules do not apply to foreign issuers having their securities listed on a Luxembourg market. The Ten Principles of Corporate Governance of the LxSE however provide that they may be used as framework by foreign issuers listed on the LxSE. In addition, Luxembourg rules may apply incidentally to foreign issuers. For instance, for issuers established outside the European Economic Area whose shares are listed on the Regulated Market, Luxembourg law establishes the periodicity and the content of financial reporting.

In order to list securities (in particular to file the listing application), issuers are not required to have a presence in Luxembourg. It is however advisable for issuers to appoint a Luxembourg-based listing agent experienced with the filing procedure with the LxSE (bank and/or lawyer) to assist with the listing application and with the creation of the securities in the clearing and settlement system. In addition, issuers of debt securities listed in Luxembourg must appoint a Luxembourg paying agent.

No interview with the LxSE is required in order to list securities in Luxembourg. Information requests from the LxSE may be dealt with by email and telephone. A meeting with the LxSE may however be useful for transactions if the transaction's structure is not usual. There is no express requirement for issuers to maintain a minimum number of security holders, or to maintain a minimum trading price for their securities. The LxSE will nevertheless take into account the number of security holders and the trading price to assess whether or not there is a sufficient market for the securities, and whether the LxSE shall consider to suspend the listing if there is no longer a sufficient market for the securities.

Issuers do not need to demonstrate a particular length of trading history in order to list their securities on a Luxembourg market.

The listed securities must be freely transferable and negotiable. There is no obligation to deposit them under escrow.

There is no restriction on the currency denomination of securities listed on either of the Luxembourg markets.

No additional listing maintenance requirements are applicable to a foreign company, except that if the securities of the foreign issuer are not listed in the issuer's home jurisdiction or the jurisdiction where the securities are mainly distributed, the LxSE may request comfort that the listing in these jurisdictions has not been sought and been refused by the local regulator for investors protection purposes.

3. Listing documentation and process

Listing application

In connection with a listing to the LxSE or the Euro MTF, among others, the following documents must be included in the application:

- Draft prospectus.
- Constitutional documents of the issuer and the guarantors, if any.

- Certified copy of the minutes relating to the decision of the issuer and the guarantors, if any, approving the issuance of the securities.
- Placement agreement / underwriting agreement, if any, and when available.
- Annual reports of the issuer and the guarantors, if any, for the three last financial years, together with the latest financial statements published by the issuer and the guarantor, as the case may be.
- Copy of the agreements or any other document governing the representation of the holders of securities, if any.
- Standard application form and letter(s) of undertaking on the compliance with applicable securities law and listing rules requirements.

Prospectus

The content of the prospectus depends mainly on whether the issuer is private or sovereign, the type of securities listed and, in the case of an offering, the investors to whom the securities are offered. Exemptions from the obligation to publish a listing prospectus, or to provide certain information in the prospectus, are available for listings of certain securities on the LxSE and/or the Euro MTF, including, for example:

- An exemption from the obligation to have a new prospectus approved in Luxembourg is available for listing applications to the Regulated Market when:
    - the securities, or securities of the same kind, are already admitted to trading for at least 18 months on another Regulated Market (within the meaning of Directive 2014/65/EU on Markets in Financial Instruments) established in the European Economic Area;

  - an offering document was approved and published in accordance with applicable regulatory requirements;
  - the issuer complies with its obligations resulting from trading on the primary market, and
  - a summary of the prospectus is published in Luxembourg.
- The listing of additional shares, representing over a period of 12 months less than 20% of the shares of the same class already listed on a Luxembourg market.

An exemption from the obligation to include the financial statements of the guarantors in a debt securities listing prospectus may be granted on a case-by-case basis if: (i) the guarantees concerned are unconditional and irrevocable; (ii) the guarantor subsidiaries represent at least 75% of net assets or of the group's EBITDA, and (iii) the prospectus includes a description of the reasons for the omission of separate financial information for the subsidiaries concerned under the section relating to risk factors.

A prospectus for securities listed on the Regulated Market must comply with the requirements of the law dated 16 July 2019 on prospectuses, as amended, for securities and Regulation (EU) 2017/1129. A prospectus for securities listed on the Euro MTF must comply with the requirements of the rules and regulations of the LxSE. Both sets of rules provide that the prospectus must include, notably:

- A description of the issuer.
- A description of the securities offered, including a description of the underlying assets, if any.
- The risks linked to the securities.
- The conditions of the listing.

- A comparison of the historical financial information of the issuer and/or the guarantor of the securities and/or the issuer's group.

Prospectuses for Euro MTF listings require less detailed disclosures than for a Regulated Market listing.

Financial information

Financial statements for the three past financial years must be provided with the listing application. In addition, interim financial statements must be prepared if the last approved financial statements are dated more than nine months after the end of the last audited financial year. If such interim financial information is unaudited, it must be stated in the prospectus.

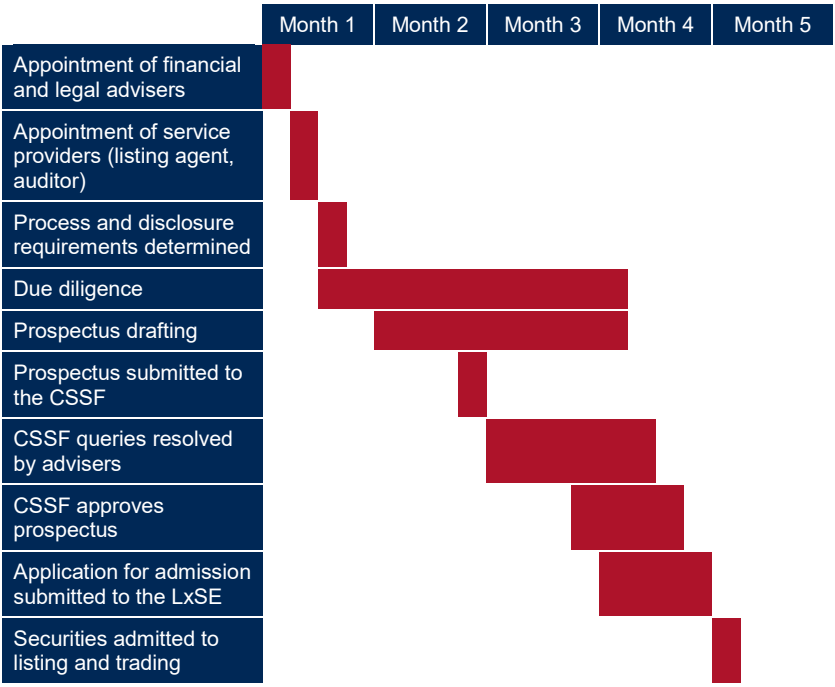
For listings on the Regulated Market, the financial statements must be prepared under IFRS, or under US, Canadian, Chinese, Korean or Japanese GAAP, which have been deemed equivalent to IFRS by the European Commission, or for a limited period, under Indian GAAP, which are either converging with or are to be replaced by IFRS.

For Euro MTF listings, the financial statements may be prepared under GAAP applicable in the home jurisdiction of the issuer, but in that case the LxSE may request a summary of differences between the GAAP applicable in the home jurisdiction of the issuer and IFRS to be included in the prospectus.

Language

The prospectus and the listing application documentation may be filed English or in one of the official Luxembourg languages (Luxembourgish, French and German).

Typical process and timetable for listing of shares of a foreign company on the Regulated Market.



Note: for admission to listing of debt securities, whether on the Regulated Market or the Euro MTF the process and timetable are comparable, save that the prospectus approval may be shortened to 1 to 3 weeks.

4. Continuing obligations/periodic reporting

Subsequent to the initial listing, the issuer is required to report to the public on financial information, information on major shareholdings (for shares), inside information, insider dealings, and other information deemed to be relevant for investors under applicable Luxembourg rules. The extent of the obligation depends on the nature of the securities admitted to trading and also on the Luxembourg market.

The main reporting and disclosure obligations are:

- Periodic financial reporting:

Regulated Market		Euro MTF	
Reporting obligation	Timing and content	Reporting obligation	Timing and content
For debt securities:			
Annual financial report including audited financial statements (unless the nominal value of the securities equals or exceeds €100,000 (approx. US$112,120)	Within four months after the end of the financial year To be prepared under IFRS and in accordance with Luxembourg disclosure rules, unless foreign rules are deemed equivalent	Annual financial statements	To be published and filed with the LxSE as soon as practicable after the release of the annual financial statements To be prepared in accordance with the rules applicable in the jurisdiction of the issuer
Half-year financial report (unless the nominal value of the securities equals or exceeds €100,000 (approx. US$112,120)	Within at least three months after the end of the half year To be prepared under IFRS and in accordance with Luxembourg disclosure rules, unless foreign rules are deemed equivalent		
For shares:			
Annual financial report including audited financing statements	Same as for debt securities	Annual financial report	To be prepared in accordance with the rules applicable in the jurisdiction of the issuer
Half-year financial report	Same as for debt securities	Half-year financial report if required under the law of the issuer's jurisdiction	To be published within four months after the end of the half-year

			Luxembourg law (including presentation of turnover, net result and comment on the issuer's business)

  - The CSSF may exempt a foreign issuer from the obligation to comply with the Luxembourg law requirements, if it considers that the jurisdiction of the issuer provides periodic financial reporting equivalent to Luxembourg law requirements.

- Convening notice of meetings of securities holders.
- Inside information and insiders' dealings:
  - Rules on inside information and insider dealings are laid down by, among others, the law dated 23 December 2016 on market abuse and Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.
  - Inside information means information of a precise nature which has not been made public, relating, directly or indirectly, to one or more issuers of financial instruments or to one or more financial instruments and which, if it were made public, would be likely to have a significant effect on the price of those financial instruments or on the price of related derivative financial instruments.
  - Insider dealings are transactions in the securities of an issuer listed on a market of the LxSE, by persons working for the issuer and having access to inside information, for the own account of these persons, or on behalf of this parties.
  - Issuers of securities listed on a Luxembourg market have the obligation to establish and regularly update a list of insiders.

  - The violation of the disclosure obligation of inside information may be punished by a maximum fine of €1,000,000 (approximately US$1.12 million) in respect to a natural person and a maximum fine of €2,500,000 (approximately US$2.80 million) or 2% of its total annual turnover according to the last available accounts approved by the management body.

- Acquisition and disposal of major holdings in the share capital of the issuer of shares listed on the LxSE.
- Changes to rights of securities holders.
- Additional ongoing disclosure obligations for issuers whose securities are listed on the Regulated Market include:
  - Contemplated changes to the constitutional documents to be provided to the European regulator having authority and the LxSE.
  - Issue of new debt securities listed on the regulated market.

Filing and dissemination of disclosures

Different publication and filing regimes apply depending on the Luxembourg market where the securities are listed, and if the securities are listed on the Regulated Market, whether Luxembourg is the home Member State of the issuer for purposes of the law dated 11 January 2008 on transparency obligations of securities issuers, as amended.

For Euro MTF listings, disclosures and reporting information must be sent to the LxSE via email and published either on the website of the LxSE, or in a Luxembourg newspaper, or by any other equivalent mean.

For Regulated Market listings, if Luxembourg is the Home Member State, disclosures and reporting information must be provided to the

CSSF, stored on the website of the Officially Appointed Mechanism (which in Luxembourg is the LxSE's website), and disseminated via a media having European reach (the LxSE offers dissemination services which meet this standard).

5. Corporate governance

The LxSE has established and published Ten Principles of Corporate Governance. The Ten Principles of Corporate Governance of the LxSE apply to Luxembourg issuers of shares listed on the Regulated Market. Luxembourg issuers of securities listed on the Regulated Market also have the obligation to establish an audit committee unless they qualify as small or medium-sized enterprises, undertaking for collective investment, issuer of asset-backed securities or subsidiary of an entity which has established an audit committee. Issuers of securities listed on the Euro MTF (Luxembourg or foreign) are not subject to Luxembourg corporate governance obligations, but the Ten Principles of Corporate Governance provide that they may be used as reference framework even when they are not applicable.

Foreign issuers have no obligation to comply with Luxembourg corporate governance rules, and also do not need to apply foreign corporate governance principles. Foreign issuers must nevertheless comply with the corporate governance obligations applicable in accordance with the laws of their home jurisdiction.

6. Specific situations

There are no additional requirements or any changes in the normal requirements that apply to very large multinational companies.

Pursuant to the applicable prospectus legislation, additional disclosures are required for specialist issuers such as property, mineral, scientific research-based companies.

There is no formal situation where fast-track listing procedure is available. However, the prospectus approval of issuers who already have securities listed is, in practice, faster.

7. Presence in the jurisdiction

Foreign issuers have no obligation to maintain a presence in Luxembourg. In particular, no corporate records of a foreign issuer need to be kept in Luxembourg by the sole virtue of the listing on the LxSE. However, a Luxembourg listing agent is generally appointed for practical purposes. Issuers of debt securities listed in Luxembourg have to appoint a Luxembourg paying agent.

8. Fees

Initial listing

For the admission to listing, the LxSE charges fees based on the aggregate value of the securities listed. The LxSE charge separates fees for the review and approval of the prospectus.

		LxSE Prospectus Approval Fee	Listing Fee
Debt securities (general), basis prospectus		€2,500 (approx. US$2,803)	€1,200 (approx. US$1,345)
Bonds with warrants		€2,500 (approx. US$2,803)	€1,000 (approx. US$1,121)
Stocks, shares, and depositary receipt	Companies having published or registered their annual accounts for the three preceding financial years	€2,500 (approx. US$2,803)	€2,500 (approx. US$2,803)
	Other companies	€2,500 (approx. US$2,803)	€5,000 (approx. US$5,606)
Shares and units of investments funds (if the fund is domiciled outside the EU, the fees are doubled)		€1,250 (approx. US$1,401)	€1,250 (approx. US$1,401)
Warrants		€2,500 (approx. US$2.803)	€1,000 (approx. US$1,121)

For the prospectus approval different fees are applied if the prospectus is subject to approval by another regulator. If the regulator is the CSSF, the fees for the review of a share prospectus amounts to 0.05%

of the aggregate value of shares to be listed, with a minimum of €15,000 and a maximum of €100,000 (approximately US$16,818 and US$112,120). For debt securities the prospectus approval fee is €5,000 (approximately US$5,606). Lower fees are applied for the review of simplified prospectuses and in other situations.

Additional fees of a lower amount are payable for the listing of new securities.

Ongoing fees

The LxSE applies yearly maintenance fees for the administrative work related to a listing.

For bonds, the fees amount depends on the issued amount: from €500 (approximately US$560) for bonds issued in the amount of less than €50 million (approximately US$56.1 million) to €800 (approximately US$897) for bonds issued in the amount of €500 million (approximately US$560 million).

For warrants, the yearly maintenance fees amount to €300 (approximately US$336).

For stocks, shares, and depositary receipts the maintenance fees depend on the number of quotation lines, and whether the issuer has published or registered annual accounts for the three preceding financial years. If the issuer has published or registered its annual accounts for the three preceding financial years the maintenance fees amount to €2,500 (approximately US$2,803) for the first quotation line, €1,875 (approximately US$2,102) for the second, €1,250 (approximately US$1,401) for the third, and from €625 (approximately US$701) for the fourth and the following lines. Otherwise the maintenance fees amount to €5,000 (approximately US$5,606) for the first quotation line, €3,750 (approximately US$4,205) for the second, €2,500 (approximately US$2,803) for the third, and €1,250 (approximately US$1,401) for the fourth and the following lines.

Annual fees are also payable to the CSSF when Luxembourg is the Home Member State for the issuer for purposes of the law dated January 11, 2008 on transparency obligations of securities issuers. For issuers of debt securities the annual fees payable to the CSSF will amount to €1,500 (approximately US$1,682). For issuers of shares whose share capitalization does not exceed €10 billion (approximately US$11 billion) the annual fees are €10,000 (approximately US$11,212) plus a variable amount based on the market capitalization of the issuer.

Other fees apply for the listing and maintenance of shares and units of undertakings for collective investment, and subscription and allotment rights of unlisted companies. Lower fees are applied to supranational issuers.

9. Additional information

All correspondence (including with regulators and tax administration) may be submitted English or in one of the official languages of Luxembourg (Luxembourgish, German and French).

This summary focuses on the admission to listing in Luxembourg of non-Luxembourg issuers, but often for the efficiency of the structure (in particular from tax perspective) a Luxembourg special purpose vehicle is established in Luxembourg to issue the listed securities.

Key differences in requirements for domestic companies

The key differences in requirements between domestic and foreign companies listing on the LxSE relate to corporate governance, financial statements and requests for comfort by the LxSE.

Foreign companies are not subject to Luxembourg corporate governance rules, whereas Luxembourg issuers of shares listed on the Regulated Market must comply with the Ten Principles of Corporate Governance of the LxSE.

Historical financial statements of issuers who seek listing on the Regulated Market must be prepared under IFRS or accounting standard equivalent to IFRS. Foreign issuers whose historical financial statements have been prepared under local accounting standards which are not deemed equivalent to IFRS therefore must prepare IFRS historical financial statements.

If the securities of the foreign issuer are not listed in the issuer's home jurisdiction or the jurisdiction where the securities are mainly distributed, the LxSE may request comfort that the listing in these jurisdictions has not been sought and been refused by the local regulator for investor protection purposes.

10. Contacts within Baker McKenzie

Laurent Fessmann in the Luxembourg office is the most appropriate contact within Baker McKenzie for inquiries about prospective listings on the LxSE.

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+352 26 18 44 205

Moscow Exchange

Initial financial listing requirements

To qualify for listing, an issuer typically must meet the following criteria:

General requirements	Initial financial requirements are established for specific levels of the quotation list, as outlined below.
Level 1	• The securities are listed on a stock exchange mentioned in the Listing Rules. **OR** • The issuer has existed for at least three years. • The issuer has prepared financial statements (consolidated, where applicable) in accordance with IFRS for the past three years. • Certain corporate governance requirements also apply.
Level 2	• The securities are listed on a stock exchange approved by MoEx. **OR** • The issuer has existed for at least one year or at least one month if the issuer is a holding company. • The issuer has prepared financial statements (consolidated if applicable) in accordance with IFRS for the year preceding the application. • Certain corporate governance requirements also apply.
Level 3	• General requirements regarding compliance and information disclosure.

Other initial listing requirements

Financial instruments. Foreign financial instruments must (i) be assigned an ISIN and a CFI; and (ii) qualify as "securities" according to the established procedure.

Issuers. Foreign issuers must either:

- Be incorporated in a member-state of the OECD, FATF, MONEYVAL or a participating country of the Eurasian Economic Union.
- Be incorporated in a country whose securities market regulator has entered into a bilateral treaty on cooperation with the Central Bank of Russia (the CBR).
- Have securities listed on one of the foreign stock exchanges conforming to criteria set by the CBR. Listing foreign securities not already listed on such an stock exchange requires a decision of the CBR and is subject to additional liquidity and investment risk requirements.

Domestic issuers may list their shares only after registration of a prospectus with the CBR.

Financial statements. For securities to be included into Level 1 or Level 2, the issuer's standalone or consolidated annual financial statements must be prepared in Russian in accordance with IFRS or other internationally recognized accounting standards.

Duration of the existence of the issuer. The issuer must have been established for at least three years for securities to be included into Level 1 or one year, or at least one month if the issuer is a holding company, for securities to be included into Level 2.

Currency. Shares of foreign issuers may be denominated in any currency. Shares of domestic issuers may only be denominated in roubles.

Free float. To obtain Level 1 listing, an issuer with market capitalization exceeding RUB60 billion (approx. US$960 million) must have a free float of at least 10% of its issued ordinary shares or preferred shares, respectively. For issuers with market capitalization of less than RUB60 billion (approx. US$960 million) the free float must be not less than a certain percentage of the total amount of issued ordinary shares or preferred shares calculated by reference to the formula provided by the MoEx.

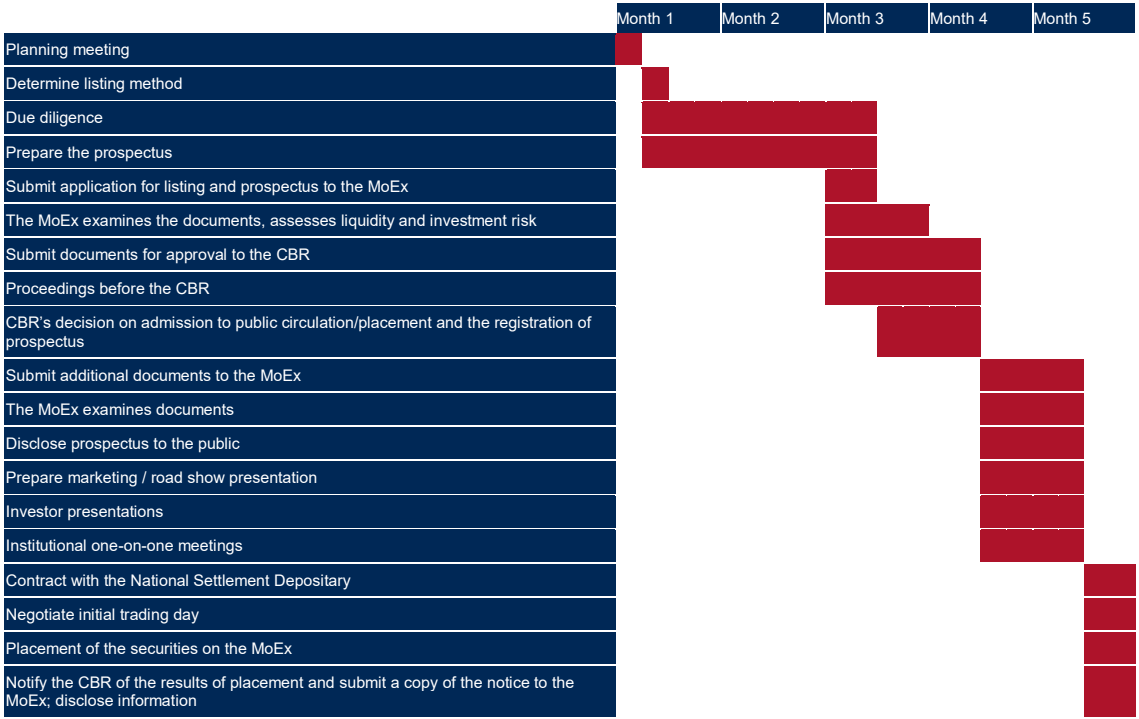
In order to be admitted to Level 2, the free float should be at least 10% of the total amount of issued ordinary shares or preferred shares, and the market value of the shares to be listed should at least be RUB1 billion (approx. US$16 million) and RUB500 million (approx. US$8 million), respectively. In the case of a transfer of listing from Level 1 to Level 2, the free float should be at least 4% of the total amount of issued ordinary shares or preferred shares (if preferred shares are listed), respectively.

Minimum number of shareholders. There is no requirement for foreign companies listed on the MoEx to maintain any minimal number of shareholders.

Compliance adviser. There is no requirement to have a compliance adviser.

Listing process—Securities listed on a recognized stock exchange may be listed on the Moscow Stock Exchange (MoEx) based on a decision of MoEx. Securities that have no listing on a recognized stock exchange may be listed subject to MoEx approval and registration of a prospectus by the CBR. The following chart illustrates a typical listing process for shares of a foreign issuer that are not listed on a recognized stock exchange. If the shares are listed on a recognized stock exchange, the listing process is simplified.

A domestic issuer may list its shares only after registration of a prospectus with the CBR.



Corporate governance and reporting

Confirmation of compliance with applicable corporate governance standards for the admission of securities to Level 1 or Level 2 is required at the time of admission to the List and on a quarterly basis afterwards. The requirements include:

- There should be at least three independent members of the board of directors for Level 1. In addition, the number of independent directors should be at least one fifth of the total number of directors. There should be at least two independent members of the board for Level 2.
- The chairman of the audit committee must be an independent director.
- All members of the audit committee and remuneration committee of an issuer whose shares are admitted to Level 1 must be independent directors OR if that is not possible, independent directors must be a majority and neither the CEO nor a member of the collective executive body may be a member. Independent directors must represent a majority of the human resources committee and neither the CEO nor a member of the collective executive body may be a member.
- All members of the audit committee of an issuer whose shares are admitted to Level 2 must be independent directors OR if that is not possible, directors who are neither the CEO nor members of the collective executive body.
- A number of internal documents are required.

Once listed, the company will be subject to ongoing disclosure and reporting obligations.

Securities are admitted to trading within the MoEx

Fees— A company seeking to list its securities on MoEx must pay both initial listing fees and annual fees, depending on the quotation list to which the securities are admitted. The initial application fees range from RUB130,000 (approx. US$2,080) for inclusion into Level 2 to RUB260,000 (approx. US$4,160) for Level 1. The annual fees range from RUB120,000 (approx. US$1,920) to RUB1,550,000 (approx. US$24,800), respectively.

1. Overview of exchange

The Moscow Exchange (commonly known as MoEx) is the largest exchange group by trading volume and number of issuers in the Commonwealth of Independent States and Central and Eastern Europe. In 2019, the total volume of trades on the MoEx amounted to RUB798.3 trillion (approximately US$12.78 trillion), while the volume of equity transactions for the same period amounted to RUB12.4 trillion (approximately US$198.40 billion).

The MoEx operates public trading markets for equities, bonds, derivatives, foreign exchange and money market products, precious metals and commodities (corn, sunflower seeds and sugar). It provides clearing, settlement, and depositary services as well as information and technical support, and software solutions to the Russian securities market.

As of 1 December 2019, a total of 2,152 securities of 632 issuers were traded on the MoEx, of which 922 securities of 229 issuers were included in the quotation lists. 264 shares of 213 issuers were traded on the equities market, of which 71 shares of 63 issuers were included in one of the quotation lists. A total of 157 securities of 38 foreign issuers were traded on the MoEx, of which 29 securities of 14 foreign issuers were included in the quotation lists.

Trades in equities, bonds, depositary receipts, exchange traded funds, mortgage participation certificates, and units on the MoEx stock market are carried out on several trading platforms, including the Main Trading Platform T+ (for anonymous transactions with the Central Counterparty which can be entered into by any counterparty, require partial preliminary deposits, and involve T+2 account settlement), the Main Trading Platform (for anonymous transactions with the Central Counterparty which can be entered into by any counterparty, require partial preliminary deposits, and involve T+0 account settlement), the Negotiated Trades Platform, the Platform for Negotiated Trades with the Central Counterparty, the Securities

Placement and the Buyout Platform, as well as several additional special purpose platforms.

The Central Bank of the Russian Federation (the CBR) oversees the listing and trading of securities on the MoEx.

The information in this summary relates only to listings of equity instruments by corporate issuers.

2. Principal listing and maintenance requirements and procedures

General listing standards for foreign issuers

For foreign securities to be admitted to placement and public circulation in Russia, the following requirements must be satisfied.

Financial instruments. Foreign financial instruments must (i) be assigned an ISIN (International Securities Identification Number) and a CFI (Classification of Financial Instruments Code), and (ii) qualify as "securities" according to the procedure established by the CBR.

Issuers. If both of the above requirements are satisfied, securities of the following corporate issuers may be listed:

- Issuers incorporated in a member-state of the OECD (Organization for Economic Co-operation and Development), FATF (Financial Action Task Force), MONEYVAL (Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism) or a participating country of the Eurasian Economic Union (comprising Russia, Belarus and Kazakhstan and effective from 1 January 2015).

- Issuers incorporated in a country whose securities market regulator has entered into a bilateral treaty in cooperation with the CBR.

- Issuers that have securities listed on one of the foreign stock exchanges conforming to criteria set by the CBR.

Liquidity and investment risk. If the issuer's securities are not listed on one of the exchanges conforming to criteria set the CBR, they can be listed on the MoEx subject to a decision of the CBR if their liquidity (or expected liquidity) is not lower and the investment risk is not deemed to be higher than those of similar securities already traded on the MoEx.

Marketing to the general public. Marketing of securities is allowed either after registration of a prospectus with the CBR or a decision by the MoEx to admit the securities to trading. Russian law also contains certain restrictions as to the contents of such marketing materials (for example, issuers are not allowed to promise payment of dividends or provide any market value forecasts).

Prospectus. In order to list financial instruments on the MoEx, a prospectus (or in certain cases a draft prospectus) which satisfies the requirements of the CBR should be drawn up in, or translated into Russian and signed by the issuer or a broker. The requirements for prospectuses are set out in regulations established by the Federal Service for Financial Markets (the FSFM) and the CBR, which took over the functions of the FSFM in 2012. In certain cases, the prospectus must be registered by the CBR, which is further discussed below. However, such registration is not necessary if the issuer is already listed on one of the 66 foreign stock exchanges approved by the CBR.

Disclosure of information. The issuer must comply with certain minimum disclosure requirements, which are further discussed below.

Depositary. In the case of a public placement and/or circulation of foreign securities in Russia, rights to the securities must be held through a depositary, which is a legal entity that satisfies the requirements of the CBR.

Settlement depositary. Unless securities are being placed directly with investors, they should be accepted for settlement by the National Settlement Depositary in order to be listed on the MoEx.

Additional information. The issuer must provide additional information and documents upon the MoEx's request.

General listing standards for domestic issuers

The public circulation of securities in Russia is subject to the registration of a securities prospectus and the disclosure of information in accordance with Russian legislation.

Issuers. In Russia, only public joint-stock companies (formerly, "open" joint-stock companies) may issue their shares to the public and list their shares on the MoEx. If a private joint-stock company wishes to become public, it must first file a securities prospectus with the CBR and then change its name to "public" joint-stock company. In this case, the prospectus is registered by the CBR before registration of the change of name and takes effect upon registration of the change of name.

Prospectus. The securities prospectus must be prepared in accordance with the Regulation on the Disclosure of Information by Issuers of Securities dated 30 December 2014. The prospectus must be signed by the issuer.

Disclosure of information. Domestic issuers must disclose information to the public in accordance with the Regulation on Disclosure of Information by Issuers of Securities. The forms of disclosure are discussed in more detail below.

Marketing to the general public. Marketing of securities is allowed only after registration of a prospectus with the CBR. The restrictions as to the contents of such marketing materials described under "*General listing standards for foreign issuers*" above apply to domestic issuers.

Settlement depositary. The securities must be accepted for settlement by the National Settlement Depositary in order to be listed on the MoEx.

Requirements for admission to quotation lists

Securities are listed on the MoEx by means of admission to the List of Securities Admitted to Trading (the List). The List includes three Levels. Levels 1 and 2 comprise Quotation Lists, whereas Level 3 is the Non-quotation part of the List. The MoEx may only admit a security to a Quotation List if both the security and the issuer satisfy certain additional requirements to those described under the heading *"Issuers"* above.

Below is a summary of the main listing requirements under the Listing Rules that came into effect on 12 August 2019.

The MoEx exercises its supervisory powers based on the Listing Rules and any instance of non-compliance will have to be disclosed.

The following tables summarize the listing standards generally applicable to foreign and domestic securities. The MoEx may waive certain requirements under certain circumstances.

Initial Listing Requirements		
	Level 1 Listing Rules	Level 2 Listing Rules
Maximum permitted shareholding of any shareholder (severally or together with its affiliates)	None	None
Minimum capitalization: • ordinary shares • preferred shares	 None None	 None None
Duration of the existence of the issuer	At least 3 years	At least 1 year or at least 1 month of the issuer is a holding company
Minimum value of transactions involving the issuer's shares per month in the past three months	None	None
Compliance with corporate governance rules and	Required	Required

Initial Listing Requirements		
	Level 1 Listing Rules	Level 2 Listing Rules
obligation to confirm compliance		
Obligation to provide and regularly update the list of affiliates	Not required	Not required
Annual audited financial statements under IFRS or other internationally recognized accounting standards	Required for three full years preceding the date of listing	Required for one full year preceding the date of listing
Obligation to perform functions of a market-maker with respect to the shares	Not required	Not required
Providing a copy of the notification of issue (additional issue) of shares	Required	Required
Report confirming the issuer's compliance with corporate governance requirements	Required	Required
Free float and capitalization	The total market value of the free float of the issuer's ordinary shares or preferred shares must be not less than RUB3 billion (approximately US$48 million) and RUB1 billion (approximately US$16 million), respectively. If the issuer's market capitalization exceeds RUB60 billion (approximately US$960 million), the free float must be not less than 10% of the total amount of issued ordinary shares or preferred shares, if preferred shares are listed.	The total market value of the free float of the issuer's ordinary shares or preferred shares must not be less than RUB1 billion (approximately US$16 million) and RUB500 million (approximately US$8 million), respectively. The free float must be not less than 10% of the total amount of issued ordinary shares or preferred shares if preferred shares are listed. If the shares are transferred to Level 2 from Level 1, the free float must be not less than 4% of the total

Initial Listing Requirements		
	Level 1 Listing Rules	Level 2 Listing Rules
	If the issuer's market capitalization is below RUB60 billion (approximately US$960 million), the free float must be not less than a certain percentage of the total amount of issued ordinary shares or preferred shares calculated by the formula provided by the MoEx.	amount of issued ordinary shares or preferred shares.

Ongoing Listing Requirements		
	Level 1 Listing Rules	Level 2 Listing Rules
The free float in the past six months	Not less than 7.5% of the total amount of issued ordinary shares or preferred shares.	Not less than 4% of the total amount of issued ordinary shares or preferred shares.
Minimum daily median trading volume in each calendar quarter	Not less than RUB3 million (approximately US$48,000) and transactions take place during at least 70% of trading days. Not required if: • The daily median trading volume in each calendar quarter is at least RUB1 million (approximately US$16,000) and transactions take place during at least 70% of trading days. • The requirements listed under "*Obligation to perform functions of a market-maker with respect to*	Not less than RUB 500,000 (approximately US$8,000), and transactions take place during at least 70% of trading days. The requirement is not applicable if requirements listed under "*Obligation to perform functions of a market-maker with respect to the shares*" below are met.

Ongoing Listing Requirements		
	Level 1 Listing Rules	Level 2 Listing Rules
	the shares" below are met.	
Obligation to perform functions of a market-maker with respect to the shares	There are at least two agreements in place among the issuer, market-makers and the MoEx, and the market-makers are performing their obligations with respect to the listed shares (not required if the requirements listed under "*Minimum daily median trading volume in each calendar quarter*" above are met).	There are at least two agreements in place among the issuer, market-makers and the MoEx, and the market-makers are performing their obligations with respect to the listed shares (not required if the requirements listed under "*Minimum daily median trading volume in each calendar quarter*" above are met).
Compliance with corporate governance rules	Required	Required

Initial listing standards

Currency. Shares of a foreign issuer may be denominated in any currency. For a domestic issuer, the shares must be denominated in rubles.

Book-entry and clearing. All shares traded on the MoEx must be in dematerialized book-entry form and held through a securities account maintained by the National Settlement Depositary. Clearing operations on the MoEx are conducted by the National Clearing Centre.

Financial statements. In order for its shares to be admitted to Level 1 or Level 2, the issuer must have standalone or consolidated audited annual financial statements prepared in Russian in accordance with IFRS or other internationally recognized accounting standards.

Free float. To obtain Level 1 listing, an issuer with market capitalization exceeding RUB60 billion (approximately US$960

million) must have a free float of at least 10% of its issued ordinary shares or preferred shares. For issued with market capitalization below RUB60 billion (approximately US$960 million), free float must not be less than a certain percentage of the total amount of issued ordinary shares and preferred shares, calculated based on the formula provided by the MoEx.

In order to be admitted to Level 2, the free float should be at least 10% of the total amount of issued ordinary shares or preferred shares (if preferred shares are listed) and its market value should at least be RUB1 billion (approximately US$16 million) for ordinary shares and RUB500 million (approximately US$8 million) for preferred shares.

Corporate governance. Companies applying to be listed on the MoEx are required to comply with certain corporate governance requirements, which are discussed in further detail below.

Interviews and meetings. Applicant companies are not generally required to conduct interviews with the MoEx representatives as part of the listing process, as the admission to listing is decided on the basis of the documents presented. However, the MoEx may request a meeting at its discretion.

Minimum number of shareholders. There is no requirement for foreign companies listed on the MoEx to maintain minimum number of shareholders. However, this is subject to the free float requirement described above.

Compliance adviser. There is no requirement to have a compliance adviser.

Restrictions on trading. There is no requirement for shares to be placed into escrow or otherwise restricted from trading through any "lock-in", "lock-up" or other similar arrangements during any periods (for example, prior to the announcement of results). Russian law does not recognize the concepts of lock-in and lock-up. The regulation of escrow agreements became effective in July 2014.

Ongoing listing standards

In order to maintain its listing on the MoEx, a company must comply with the ongoing requirements applicable to the relevant list, and maintain the specified free float, as indicated in the tables above. Other obligations relating to the disclosure of information required by Russian law and filing documents, such as documents confirming the issuer's compliance with corporate governance standards, apply. If these criteria are not met, a listed company may be suspended and delisted.

The MoEx checks compliance with the ongoing requirements for issues at all levels of the List on a quarterly basis. The MoEx can conduct investigations and request documents. It also monitors and controls compliance with additional corporate governance requirements and may require the issuers to cure any breach of those requirements within a specified term.

3. Listing documentation and process

Depending on whether foreign securities are traded on one of the foreign exchanges recognized by the CBR, they may be admitted to trading on the MoEx pursuant to a decision of the MoEx or the CBR. The main steps in the listing process and documentation are described below.

Securities listed on a recognized foreign stock exchange

Foreign securities traded on one of the foreign stock exchanges recognized by the CBR may be admitted to public circulation upon a decision of the MoEx.

Prospectus. The MoEx must be provided with a notarized or certified translation of the prospectus into Russian, which must contain the issuer's audited annual consolidated financial statements for the last three years (Level 1) or one year (Level 2), prepared in accordance with IFRS or other internationally recognized accounting standards. If the securities are listed on a foreign stock exchange recognized by the

MoEx, filing financial statements with the MoEx is not mandatory. The prospectus must be signed by (i) the issuer or (ii) a broker that has:

- Capital of at least RUB150 million (approximately US$2.40 million).
- At least three years' history of brokerage operations.
- Arranged at least ten offerings in the last three years.

The person authorized to sign the prospectus on behalf of the issuer is the person so authorized according to the laws of the issuer's jurisdiction of establishment.

Application. The application form should be signed by the issuer or the broker, designate Level of the List to which the securities are to be admitted, and should be filed with the MoEx together with the following documents:

- The prospectus.
- A "fact sheet" containing information on the shares.
- Documents which confirm the authority of the signatories of the prospectus.
- A letter confirming that the listing in Russia complies with the relevant foreign law (NB: this is not required if the prospectus is registered with the CBR).
- A listing agreement signed by the issuer.
- A copy of the notification of the CBR confirming registration of the prospectus and admission to public trading in Russia (if available).
- Documents confirming the status of the issuer under the laws of the state in which it is established.

Whilst some documents must be in Russian, others, such as the documents confirming the issuer's status under the laws of the state in which it is established and the prospectus, may be submitted in a foreign language, but they must be accompanied by a notarized or certified Russian translation and must be legalized or apostilled (where applicable). The MoEx may request additional documents and information.

Decision. The MoEx has 13 business days to review the application and to issue a decision regarding the listing of a security, but this period may be extended. If the securities are to be admitted to Level 1 or Level 2, the MoEx conducts an expert examination of securities to determine whether the requirements for inclusion into a Quotation List are satisfied within 20 business days from the date of submission. Upon the expiry of this term, the MoEx issues a decision regarding listing of a security.

The MoEx may request additional documents and arrange meetings with the issuer's representatives.

Securities not listed on a recognized foreign stock exchange

Foreign securities not listed and traded on one of the recognized stock foreign exchanges may be admitted to public placement or circulation in Russia pursuant to a decision of the CBR.

Prospectus. The prospectus should be prepared in accordance with Russian standards. The requirements on the contents of the prospectus are stipulated in the Regulation on Information Disclosure by Issuers of Securities dated 30 December 2014. The prospectus should be signed by the issuer or jointly by the issuer and a broker that complies with the requirements of the CBR described above. The issuer must make the prospectus available to the public in accordance with Russian law on the disclosure of information.

Application. The application form and a draft prospectus complying with the requirements described above are filed with the MoEx. Upon

consideration of the documents submitted, the MoEx assesses the liquidity and investment risk pertaining to the securities and issues an opinion on their eligibility for admission to trading. In practice, this takes approximately seven days. Issuers may consult with the during the preparation of the prospectus, which enables the time required for the assessment to be reduced.

The issuer should then file an application for registration of the prospectus and admission to public circulation/placement with the CBR together with the following documents:

- The prospectus.
- The MoEx's assessment of the liquidity and investment risk.
- A copy of the documents confirming the status of the issuer under the laws of the issuer's jurisdiction of establishment.
- A copy of issuer's current constitutional documents.
- A statement confirming that the placement/circulation of securities in Russia is in compliance with the laws of the issuer's jurisdiction of establishment.
- A copy of the share certificate or other document specifying the rights attached to the securities under the laws of the issuer's jurisdiction of establishment.
- A copy of the certificate of assignment of the ISIN and CFI code of the securities.
- A copy of any corporate resolutions on the issuance of the shares (if required under the laws of the issuer's jurisdiction of establishment or the issuer's constitutional documents).
- A copy of any approvals by foreign governmental authorities (if required under the laws of the issuer's jurisdiction of establishment).

- A copy of the issuer's bank account agreement with a Russian bank.
- A copy of any corporate approvals of the prospectus (if applicable).
- A copy of the documents which confirm the authority of the signatories of the prospectus.
- Documents which confirm that the broker which signed the prospectus complies with the requirements of Russian law.
- A document confirming the payment of registration fees.
- A copy of the depositary agreement.
- A list of the documents submitted.

Decision. The application is reviewed by the CBR within a period of 30 days, following which it makes a decision to register the prospectus and admit the shares to placement/circulation or issues a reasoned refusal. Notification is sent to the issuer within three days of the decision.

Following a decision by the CBR to admit the shares, the application, the documents listed above, a copy of the front page of the prospectus and the notification from the CBR on registration of the prospectus and admission to public placement/circulation are filed with the MoEx. Upon receiving these documents, the MoEx makes a decision on listing or, if the securities are to be admitted to a Quotation List, enters into an agreement with the issuer to carry out an expert examination of the securities to determine whether the requirements for admission to the Quotation List are met.

Additional requirements for placement. If the CBR admits securities to placement, the issuer must provide a notification of the placement results to the CBR and the MoEx, and publicly announce the completion of the placement in accordance with Russian law.

Securities of a domestic issuer

Domestic securities may be listed on the MoEx only after registration of the securities prospectus with the CBR.

Prospectus. The securities prospectus must be prepared in accordance with the Regulation on Disclosure of Information by Issuers of Securities. The issuer must sign the prospectus and make it available to the public in accordance with Russian law on the disclosure of information.

If the issuer is a private joint-stock company, the issuer must also submit to the CBR a copy of the listing agreement and a copy of the unregistered changes to its charter confirming its intention to become a public joint-stock company.

CBR Decision. The prospectus is reviewed by the CBR within a period of 15 working days, following which it makes a decision to register the prospectus or issues a reasoned refusal. Notification is sent to the issuer within three days of the decision. If the CBR discovers discrepancies in the prospectus which can be remedied, the issuer may refile the prospectus. On resubmission, the CBR usually reviews the updated prospectus and makes its decision within 14 days.

Application. After the registration of the prospectus by the CBR, the application form and the following documents should be filed with the MoEx:

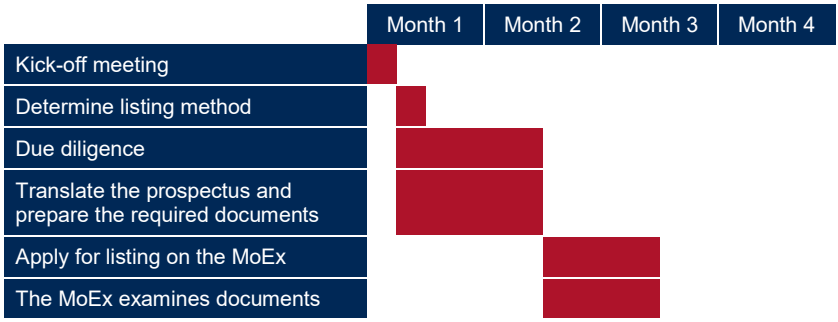
- The decision on issuance of the shares.
- The prospectus.
- A “fact sheet” containing information on the shares.
- Documents which confirm the authority of the signatories of the application form and the fact sheet.
- The report or notice on issuance of the shares confirming placement of the shares (if they have already been placed).

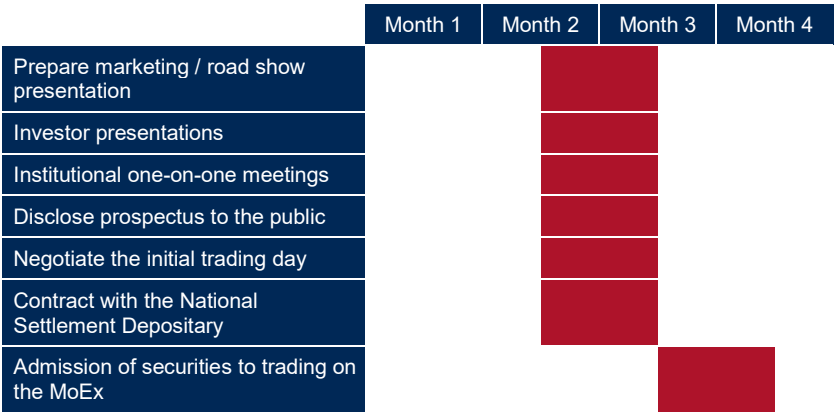
- A copy of the approval of the relevant body of the issuer resolving to list the shares.
- Documents and information confirming the issuer's compliance with corporate governance requirements.
- A listing agreement signed by the issuer.
- In case of Level 1 listing, a notification on the planned date of selling the shares and a notification on the completion of selling the shares.

MoEx Decision. The MoEx has 13 business days to review the application and to make a decision on the listing of a security. This period may be extended. If the securities are to be admitted to Level 1 or Level 2, the MoEx conducts an expert examination of securities to determine whether the requirements for inclusion into a Quotation List are satisfied, within 20 business days from the date of submission. Upon the expiry of this term, the MoEx issues a decision regarding listing of a security.

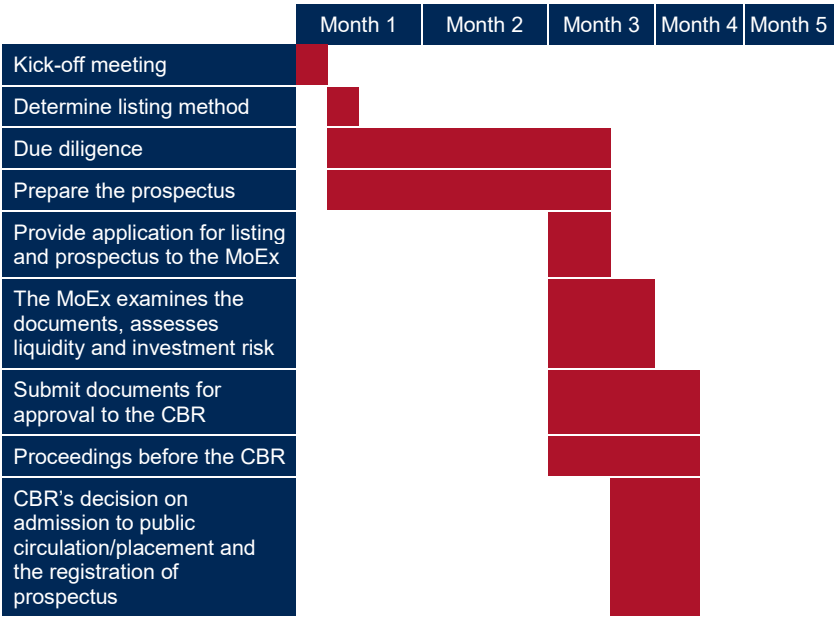
Typical phases and timetable for a listing of a company on the MoEx

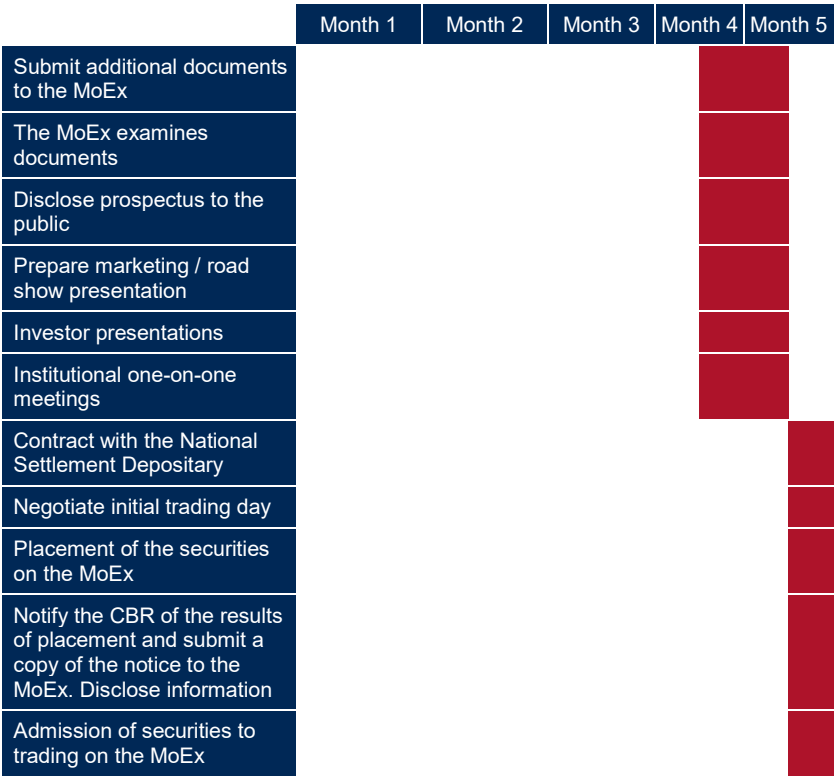
The following chart illustrates the typical process and timetable for a foreign issuer listing on the MoEx that has securities listed on a recognized foreign stock exchange.



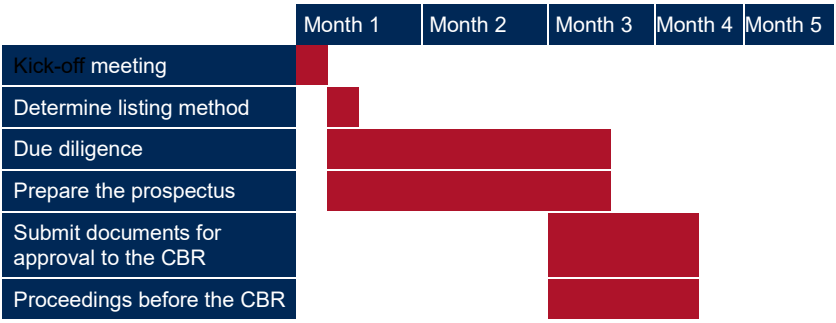


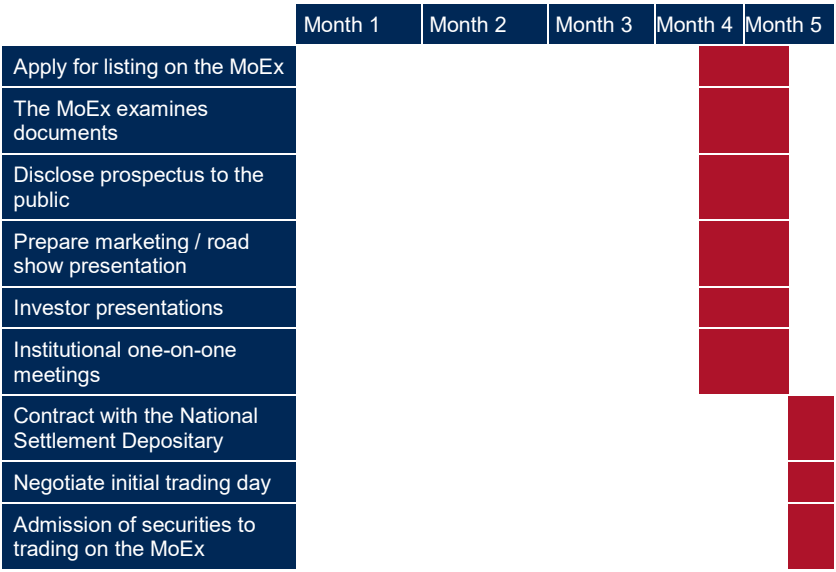
The following chart illustrates the typical process and timetable for a foreign issuer listing on the MoEx that does not have securities listed on a recognized foreign stock exchange.





The following chart illustrates the typical process and timetable for a domestic issuer listing on the MoEx.





4. Continuing obligations/periodic reporting

Once listed, the company will be subject to ongoing disclosure obligations. In the case of foreign securities admitted to public circulation in Russia pursuant to a decision of the MoEx, the MoEx or the company (in the case of a solicited listing) must disclose information to the public in Russia to the same extent the company discloses it on the recognized foreign stock exchange on which those securities are listed and traded. Where securities are listed on a number of recognized foreign stock exchanges, the company may select any one of these exchanges as the basis for determining the volume of information that must be disclosed in Russia.

Foreign issuers whose securities were admitted to public circulation pursuant to a decision of the CBR must disclose information in accordance with Russian legislation. According to Russian legislation the company must disclose information to the public through one of

the approved information agencies and the MoEx in the following forms:

- "Material facts".
- Issuer's reports.
- Financial statements.

Domestic issuers will generally be subject to ongoing disclosure obligations once the securities prospectus is registered with the CBR and the placement of securities has commenced or, if the contents of the prospectus expressly state so, once the securities prospectus is registered with the CBR. Domestic issuers must disclose information to the public through one of the approved information agencies in the same forms as foreign issuers.

The information must remain available to the public for at least 12 months (depending on the form of disclosure) from the date of disclosure.

Material facts

The company must disclose "material facts", which are events that could have a material effect on the price or value of its securities. The list of events that must be disclosed is not finite and includes, among others:

- Major or "interested party" transactions.
- Material disposals, acquisitions or corporate reorganizations.
- Material litigation.
- Changes of the company's share capital or in its structure.
- Changes in the governing bodies of the company.
- Bankruptcy or liquidation.

Generally, the company must disclose material facts in standard forms prescribed by Russian legislation through the newsfeed of an information agency within one day from the date on which the material fact(s) occurred. The company may outsource such disclosure to third parties (such as corporate service providers) but remains ultimately liable for improper disclosure or failure to disclose.

Issuer's reports

An issuer's report must contain:

- The issuer's consolidated financial statements.
- The key metrics characterizing financial performance of the issuer (including revenue, operating income, net profit, net operating cash flow, free cash flow, net debt, net debt to OIBDA or net debt to EBITDA).
- The main types of business activities carried out, the financial results and key suppliers.

The issuer's annual report must be prepared and disclosed within 15 days from the date of disclosure of its annual consolidated financial statements. If the issuer is not required to disclose consolidated financial statements, 15 days are counted from the date of disclosure of mandatory annual financial statements. In any event, the issuer's annual report must be disclosed within 135 days from the end of the calendar year.

The issuer's interim report must be prepared and disclosed within 15 days from the date of disclosure of its interim consolidated financial statements for the half-year period. If the issuer is not required to disclose such consolidated financial statements, 15 days are counted from the date of disclosure of mandatory interim financial statements. In any event, the issuer's interim report must be disclosed within 75 days from the end of the respective interim period.

Financial statements

The issuer must disclose its audited annual and interim consolidated financial statements prepared in accordance with IFRS or other internationally recognized accounting standards. Audited consolidated financial statements must be published not later than three days after an independent auditor's opinion with respect to such financial statements is provided but, in any event, not later than 120 days after the financial year end. Interim consolidated financial statements must be published not later than three days after an independent auditor's opinion is provided but, in any event, not later than 60 days after the end of the respective interim period.

Prohibition on the use of insider information

Insider information is defined as certain and precise information which is:

- Not disclosed to the general public (including privileged and classified information).
- Capable of significantly affecting the price of financial instruments, currency and/or goods, if disclosed.

The exhaustive list of insider information is approved by the CBR.

Russian regulations on the use of insider information extend to:

- Management and shareholders of the issuer.
- Employees, agents, professional advisers or other authorized participants of the financial market having access to an issuer's insider information.
- Governmental and municipal agencies having access to an issuer's insider information.
- Rating agencies.

- News agencies.
- Other persons.

The company is required to keep and on request disclose a list of insiders in accordance with the regulations of the CBR and to notify persons of their inclusion in the issuer's list of insiders. Certain categories of insiders have specific reporting and notification requirements.

Insiders must not misuse insider information, that is, they must not:

- Conduct transactions with financial instruments, foreign currency and/or goods which can be affected by the disclosure of such information.
- Transfer such information to third parties other than to other insiders in the course of the performance of their duties in accordance with their legal obligations, employment or any other contract.
- Advise, oblige or induce in any other way any third party to sell or buy financial instruments, foreign currency and/or goods.

Administrative liability for the misuse of insider information is as follows:

- A fine up to RUB5,000 (approximately US$80) if the insider is a natural person.
- A fine up to RUB50,000 (approximately US$800) or suspension for up to two years if the insider is an official.
- A fine in the amount of any income gained or losses avoided due to such misuse, but in any event not less than RUB700,000 (approximately US$11,200).

Criminal liability for the misuse of insider information is as follows:

- A fine of up to RUB1 million (approximately US$16,000) or salary or other income earned during a period of up to four years.
- Compulsory labor for up to four years and suspension for up to four years.
- Imprisonment for up to six years and a fine in an amount of up to RUB100,000 (approximately US$1,600) or salary or other income earned during a period of up to two years.
- Imprisonment for up to six years and suspension for up to four years.

Market manipulation

The Insider Dealing Law prohibits market manipulation, which is defined as conducting certain actions or entering into specific transactions which result in a substantial change in the price, demand, supply or trade volume of financial instruments, foreign currency and/or goods from the level that would have prevailed had such actions or transactions not taken place. The criteria for determining a substantial change are stipulated in guidelines issued by the CBR.

Administrative liability for market manipulation is as follows:

- A fine of up to RUB5,000 (approximately US$80) if committed by a natural person.
- A fine of up to RUB50,000 (approximately US$800) or suspension for up to two years if committed by an official.
- A fine in the amount of any income gained or losses avoided due to such offence, but in any event not less than RUB700,000 (approximately US$11,200).

Russian law criminal liability for market manipulation is as follows:

- A fine of up to RUB1 million (approximately US$16,000) or salary or other income earned during a period of up to five years.
- Compulsory labor for up to five years and suspension for up to three years.
- Imprisonment for up to seven years and a fine in an amount of up to RUB1 million (approximately US$16,000) or salary or other income earned during a period of up to three years.
- Imprisonment for up to seven years and suspension for up to three years.

Certain safe harbors are available for legitimate transactions, including in particular buy-back programs. There are also certain other transactions that are excluded from the market manipulation regulations.

5. Corporate governance

Foreign and domestic issuers must comply with corporate governance standards set out in the applicable CBR and FSFM regulations, as well as in the Listing Rules.

Compliance with corporate governance rules is a pre-condition for listing as well as an ongoing requirement for maintaining securities in the relevant Quotation List. The issuer must submit confirmation of compliance with supporting documents on a quarterly basis. The MoEx may also use information from the mass media or other information on corporate governance for monitoring and control purposes.

Summary of corporate governance requirements

Below is the summary of the applicable requirements depending on the Level. These are applicable to foreign issuers to the extent permitted by the laws of the issuer's jurisdiction of establishment.

Requirements	Level 1	Level 2
Compliance with corporate governance rules and an obligation to provide information confirming compliance	Required	Required
Board of Directors	At least three independent directors. The number of independent directors must be at least one fifth of the total number of directors.	At least two independent directors.
Audit Committee	The Chairman must be an independent director. All members must be independent directors or if that is not possible, independent directors must be a majority and the other members must not be the CEO or members of the collective executive body.	The Chairman must be an independent director. All members must be independent directors or if impossible, members must not be the CEO or members of the collective executive body.
Human Resources and Remuneration Committee	The functions of the human resources committee and remuneration committees may be performed by a single committee. All members of the Remuneration Committee must be independent directors or if that is not possible, independent directors must be a majority and the other members must not be the CEO or members of the collective executive body. The majority of members of Human Resources Committee must be independent directors and the other members must not be the CEO or members of the collective executive body.	Not required

Requirements	Level 1	Level 2
Collective executive body	Not required	Not required
Required internal documents	• Corporate secretarial regulation • Dividend policy • Internal audit policy	• Dividend policy • Internal audit policy
Corporate secretary	May be an officer or a structural subdivision. Appointed by the CEO with consent of the board of directors. Reports to the board of directors.	May be an officer or a structural subdivision. Appointed by the CEO with consent of the board of directors. Reports to the board of directors.
Structural subdivision responsible for internal audit	The Head is appointed by the CEO based on a decision of the board of directors, and reports to the board of directors.	The Head is appointed by the CEO based on a decision of the board of directors, and reports to the board of directors.

Independent directors

Under the currently effective Listing Rules an independent director is a person who possesses sufficient independence to form his or her own views and is capable of making objective judgments which are free from the influence of the issuer's executive body, any group of shareholders or other interested parties, and has a sufficient level of professionalism and experience. A director will not be independent if he or she is directly or indirectly related to the issuer or a significant shareholder, is related to a significant counterparty or competitor, or related to the state (Russia) or municipality. The criteria of independence are defined in more detail in the Listing Rules.

Audit Committee

Under the currently effective Listing Rules, the main functions of the Audit Committee include verifying the completeness, accuracy, and validity of the issuer financial statements, the reliability and effectiveness of its risk management and internal control systems, and

ensuring the independence and impartiality of internal and external audits.

Human Resources and Remuneration Committee

Under the currently effective Listing Rules the functions of the Human Resources and Remuneration Committee may be performed by a single committee. The powers of the Human Resources Committee include annual assessment of efficiency of the Board of Directors and its members, provision of advice to the shareholders on election of the members of the Board of Directors, arrangement of appointments of the CEO and the collective executive body. The Remuneration Committee is mainly responsible for the tasks of developing the remuneration policy, hiring, regular assessment of efficiency of the Board of Directors, the CEO and the members of the collective executive body, establishing conditions for early termination of employment agreements with members of the collective executive body and the CEO, and provision of advice to the Board of Directors on determining remuneration of the corporate secretary or the structural subdivision performing its functions.

Listing in the absence of compliance

Under the currently effective Listing Rules, the MoEx may list securities of an issuer that does not comply with the corporate governance requirements if it is listed on a recognized foreign stock exchange.

6. Specific situations

The MoEx offers listing in the "Growth Sector" for companies with small and medium capitalization existing for at least 3 years.

In order to be listed in the Growth Sector, the issuer's annual revenue should be between RUB120 million (approximately US$1.92 million) and RUB25 billion (approximately US$400 million). The "Growth Sector" provides lax requirements for minimum free float - RUB500 million (approximately US$8 million) and RUB250 million

(approximately US$4 million) for ordinary shares and preferred shares, respectively, for Level 2 listing.

7. Presence in the Jurisdiction

The MoEx does not require a foreign-listed company to maintain a presence in Russia.

8. Fees

The company must pay both initial listing fees and annual fees. The fee rates are the same for domestic and foreign issuers. The current rates are set forth below:

Level	Initial		Annual maintenance (fixed and variable component depending on market capitalization)	
	in RUB	in US$ (approx.)	in RUB	in US$ (approx.)
Level 1	260,000	4,160	from 120,000 to 1,550,000	from 1,920 to 24,800
Level 2	130,000	2,080	from 120,000 to 975,000	from 1,920 to 15,600

9. Additional information

All information and materials submitted to the MoEx must be in Russian.

10. Contacts within Baker McKenzie

Dmitry Dembich in the Moscow office and Roy Pearce in the London office are the most appropriate contacts within Baker McKenzie for inquiries about prospective listings on the MoEx.

Dmitry Dembich
Moscow
dmitry.dembich
@bakermckenzie.com
+7 495 787 2700

Roy Pearce
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roy.pearce
@bakermckenzie.com
+44 20 7919 1000

Nasdaq

Initial financial listing requirements

To qualify for listing on the Nasdaq Global Market, a company typically must meet at least one of the following tests:

Income	• Annual pre-tax income of at least US$1 million (in the last fiscal year or two of the last three years). • Stockholders' equity of at least US$15 million. • Unrestricted publicly held shares with a market value of at least US$8 million. • At least three registered and active market makers.
Equity	• Stockholders' equity of at least US$30 million. • At least a two-year operating history. • Unrestricted publicly held shares with a market value of at least US$18 million. • At least three registered and active market makers.
Market value	• Listed securities with a market value of at least US$75 million. • Unrestricted publicly held shares with market value of at least US$20 million. • At least four registered and active market makers.
Total assets/total revenue	• Total assets and total revenue of at least US$75 million each (in the last fiscal year or two of the last three years). • Unrestricted publicly held shares with a market value of at least US$20 million. • At least four registered and active market makers.

Other initial listing requirements

Share price. The shares must have a bid price of at least US$4.

Distribution. To list its securities, a company must have:

- At least 1.1 million unrestricted publicly held shares.
- At least 400 holders of 100 or more shares, with at least 50% of them holding unrestricted securities with a market value of at least US$2,500.

Accounting standards. Audited financial statements must be prepared in compliance with US GAAP or IFRS (as issued by IASB). or, if prepared in compliance with local GAAP (including any non-IASB IFRS), they must be reconciled to US GAAP. Domestic issuers must have US GAAP financials.

Financial statements. The registration statement must generally include five years' selected historical financial data, as well as three years' audited financial statements, provided that only two years of audited financials are required for "emerging growth companies".

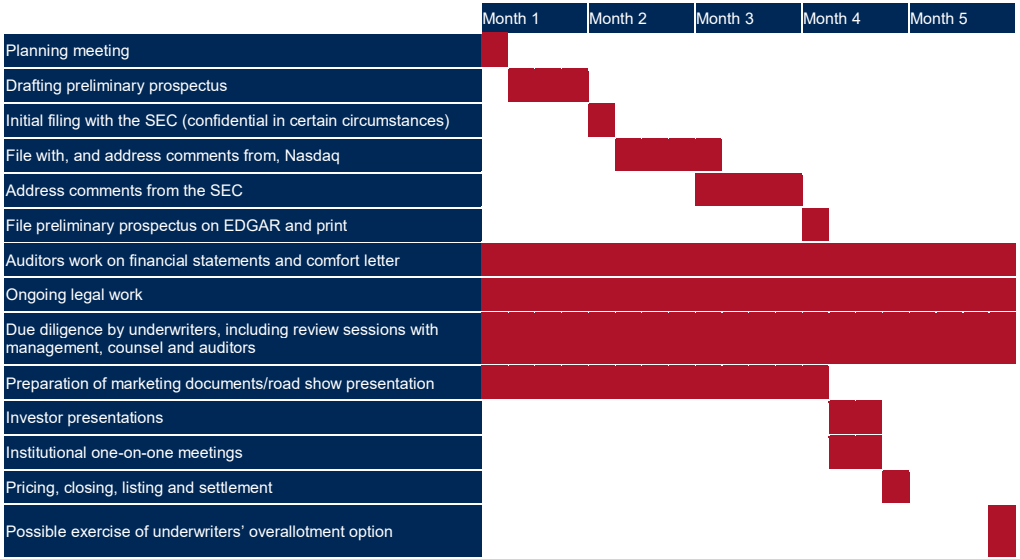
Operating history. In most cases, Nasdaq does not require a specific length of operating history. However, a company listing under the equity standard (described in the left column) must have at least a two-year operating history.

Management continuity. Nasdaq does not require any specific period of continuity of management.

Other markets. Nasdaq also offers listings on the Nasdaq Global Select Market (which has the most stringent listing standards) and the Nasdaq Capital Market (which is designed for smaller capitalization companies). Information about these other Nasdaq markets is available upon request.

Listing process

Listing involves registering the class of securities with the Securities and Exchange Commission. The SEC will typically review the registration statement, including the prospectus. The following is a fairly typical process and timetable for a listing of an issuer on Nasdaq via underwritten public offering in the US.



Corporate governance and reporting

Requirements for public companies include:

- Audit committee of independent directors, or a board of auditors or similar body.
- CEO/CFO certifications in certain SEC filings.
- Prohibitions on loans to executive officers.
- Review of relationships with auditors.
- Required reports by attorneys of evidence of material violations.
- Protection of whistleblowers.
- Code of ethics for senior and financial officers.
- Potential forfeiture of CEO and CFO bonuses or certain other types of compensation.
- Restrictions on disparate reductions or restrictions of voting rights of common stockholders.

A listed "foreign private issuer" may elect to follow home country practices, but must publicly disclose how its corporate governance practices differ from domestic Nasdaq companies' and must submit to Nasdaq certain certifications.

A listed company has disclosure and reporting obligations both to Nasdaq and the SEC.

There are no US residency requirements for directors or officers.

Fees

A company seeking to list must pay both initial listing fees and annual fees. The initial listing fee ranges from US$150,000 to US$295,000, depending on the number of shares involved. The annual all-inclusive fee, which covers all the ordinary costs of listing for the year, ranges from US$46,000 to US$159,000 for companies other than ADR issuers and from US$46,000 to US$82,000 for ADR issuers. Additional costs include printing expenses and registration fees required by the SEC, as well as legal and accounting fees.

1. Overview of exchange

The Nasdaq Stock Market (Nasdaq) has three listing tiers:

- *Nasdaq Global Select Market*. This market has the most stringent initial listing standards. Listing on it is, according to Nasdaq, "a mark of achievement, leadership and stature for companies." Listed companies also receive certain additional support from Nasdaq.
- *Nasdaq Global Market*. Listing requirements are somewhat less stringent than the Global Select Market.
- *Nasdaq Capital Market*. This market is designed for smaller capitalization companies.

In addition, Nasdaq has also formed the PORTAL Alliance, a trading and transfer system for privately placed securities. The PORTAL Alliance provides a market for trading in 144A securities.

Historically, Nasdaq developed as the first electronic exchange and was designed for over-the-counter trading of stocks that did not meet the listing requirements of other exchanges. It previously attracted smaller start-up companies which would eventually leave to list on higher-profile exchanges, such as the New York Stock Exchange (NYSE). In previous years, Nasdaq has been dominated by tech companies in industries such as bio-technology and bio-pharma. However, financial, industrial, healthcare and consumer companies now account for more than half of Nasdaq listings. In recent years, Nasdaq has become a major competitor of exchanges such as the NYSE and reportedly is today the largest electronic stock market.

Any proposed listing would be subject to regulation by the appropriate division of Nasdaq and the US Securities and Exchange Commission (SEC). A proposed listing may also be subject to review by the US Financial Industry Regulatory Authority, Inc. (FINRA).

2. Principal listing and maintenance requirements and procedures

In order to list on the Nasdaq markets, a listed company must typically register its securities with the SEC and file annual reports and other filings required by the SEC, as discussed in section 3 below.

Nasdaq does not consider any jurisdictions of incorporation or industries to be unacceptable for a listed company.

As far as Nasdaq's standards are concerned, there is no difference in financial requirements between a foreign company and a domestic company, and little difference between a primary and secondary listing. As discussed below, there are exceptions to corporate governance requirements for foreign companies, when their home country law differs from Nasdaq requirements for domestic companies.

There are specific financial, liquidity and corporate governance requirements for listing on each of the Nasdaq Global Market, the Nasdaq Global Select Market and the Nasdaq Capital Market. The corporate governance requirements are the same across all Nasdaq markets and are described in greater detail in Section 5.

Nasdaq Global Market

In order to list a primary equity security on the Nasdaq Global Market, the listing must have:

- A bid price of at least US$4 per share.
- At least 1.1 million unrestricted publicly held shares.
- At least 400 holders of 100 or more shares, with at least 50% of them holding unrestricted securities with a market value of at least US$2,500.

Additionally, the company must meet at least one of the following four standards:

- *Income*. The company must have:
    - Annual pre-tax income of at least US$1 million in the most recently completed fiscal year or in two of the three most recently completed fiscal years.
    - Stockholders' equity of at least US$15 million.
    - Unrestricted publicly held shares with a market value of at least US$8 million.
    - At least three registered and active market makers.
- *Equity*. The company must have:
    - Stockholders' equity of at least US$30 million.
    - At least a two-year operating history.
    - Unrestricted publicly held shares with a market value of at least US$18 million.
    - At least three registered and active market makers.
- *Market value*. The company must have:
    - Listed securities with a market value of at least US$75 million.
    - Unrestricted publicly held shares with market value of at least US$20 million.
    - At least four registered and active market makers.

- *Total assets/total revenue*. The company must have:
    - Total assets and total revenue of at least US$75 million each for the most recently completed fiscal year or for two of the three most recently completed fiscal years.
    - Unrestricted publicly held shares with a market value of at least US$20 million.
    - At least four registered and active market makers.

Other requirements apply to the listing of preferred stock, secondary classes of common stock and rights and warrants.

Continued listing requirements. Nasdaq has the same continued listing standards for its Global Market and its Global Select Market. In order to continue to list primary equity securities on either market, the company must maintain a minimum bid price of US$1 per share and at least 400 total holders. Additionally, the company must meet at least one of the following three standards:

- *Equity standard*. The company must maintain:
    - Stockholders' equity of at least US$10 million.
    - At least 750,000 publicly held shares.
    - Publicly held shares with a market value of at least US$5 million.
    - At least two registered and active market makers.
- *Market value standard*. The company must have:
    - Listed securities with a market value of at least US$50 million.
    - At least 1.1 million publicly held shares.

  - Publicly held shares with a market value of at least US$15 million.
  - At least four registered and active market makers.
- *Total assets/total revenue standard*. The company must have:
  - Total assets and total revenue of at least US$50 million each for the most recently completed fiscal year or two of three of most recently completed fiscal years.
  - At least 1.1 million publicly held shares.
  - Publicly held shares with a market value of at least US$15 million.
  - At least four registered and active market makers.

In order to continue to list a preferred or secondary class of stock, alternate standards apply.

Nasdaq Global Select Market

In order to be listed on the Global Select Market, a company must meet the listing requirements for the Global Market (outlined above), as well as certain additional requirements outlined below.

Ownership requirements. In order to list a primary equity security on the Global Select Market, the company's securities should have at least one of the following:

- At least 550 total holders and average monthly trading volume over the past 12 months of at least 1.1 million shares.
- At least 2,200 total holders.
- A minimum of 450 holders of 100 or more shares, with at least 50% of them holding unrestricted securities with a market value of at least US$2,500.

Market value requirement. In addition, there must be at least 1.25 million unrestricted publicly held shares, which must have either:

- A market value of at least US$110 million.
- A market value of at least US$100 million if the company has stockholders' equity of at least US$110 million.

In the case of a company listing in connection with an IPO or a company that is affiliated with (or is a spin-off from) another company listed on the Global Select Market, the security must have a market value of at least US$45 million. For a company that is registered with the SEC as a closed-end management investment company, the security must have a market value of at least US$70 million.

Financial requirement. Furthermore, the company must have a minimum bid price of US$4 per share and meet one of the following four sets of criteria:

- Aggregate pre-tax income from continuing operations of at least US$11 million over the prior three fiscal years, positive income from continuing operations before income taxes in each of the prior three fiscal years and at least US$2.2 million in income from continuing operations before income taxes in each of the two most recent fiscal years.
- Aggregate cash flows of at least US$27.5 million over the prior three fiscal years, positive cash flows in each of the prior three fiscal years, average market capitalization of at least US$550 million over the prior 12 months and total revenue of at least US$110 million in the previous fiscal year.
- Average market capitalization of at least US$850 million over the prior 12 months and total revenue of at least US$90 million in the previous fiscal year.

- Market capitalization of at least US$160 million, total assets of at least US$80 million for the most recently completed fiscal year and stockholders' equity of at least US$55 million.

A company may list any additional security (for example, other classes of common stock, preferred stock or warrants) on the Global Select Market if that security qualifies for listing on the Global Market and the company's primary security is listed on and is qualified for listing on the Global Select Market.

Continued listing requirements. The criteria for a listed security to remain listed on the Nasdaq Global Select Market are the same as for the Nasdaq Global Select Market, and are discussed above.

Nasdaq Capital Market

In order to list a primary equity security on the Nasdaq Capital Market, the security must have:

- At least 1 million unrestricted publicly held shares.
- At least 300 holders of 100 or more shares, with at least 50% of them holding unrestricted securities with a market value of at least US$2,500.
- At least three registered and active market makers.

If the proposed listing is for American Depository Receipts (ADRs), then at least 400,000 ADRs must be issued.

Additionally, the security and company must meet one of the following three standards:

- *Equity*. The company must have:
    - A minimum bid price of US$4 per share or, alternatively, a closing price of US$3 per share if the company has (i) average annual revenues of US$6 million for three years, (ii) net

tangible assets of US$5 million or (iii) net tangible assets of US$2 million and a three-year operating history.

- Stockholder's equity of at least US$5 million.
- Unrestricted publicly held shares with a market value of at least US$15 million.
- A two-year operating history.

- *Market value of listed securities*. The listed securities must have:
  - A minimum bid price of US$4 per share or, alternatively, a closing price of US$2 per share if the company has (i) average annual revenues of US$6 million for three years, (ii) net tangible assets of US$5 million or (iii) net tangible assets of US$2 million and a three-year operating history.
  - A market value of at least US$50 million.
  - Stockholders' equity of at least US$4 million.
  - Unrestricted publicly held shares with a market value of at least US$15 million.
- *Net income*. The company must have:
  - A minimum bid price of US$4 per share or, alternatively, a closing price of US$3 per share if the company has (i) average annual revenues of US$6 million for three years, (ii) net tangible assets of US$5 million or (iii) net tangible assets of US$2 million and a three-year operating history.
  - Net income of US$750,000 from continuing operations in the most recent completed fiscal year or in two of the three most recent completed fiscal years.
  - Stockholders' equity of at least US$4 million.

- Unrestricted publicly held shares with a market value of at least US$5 million.

In order to list other classes of common stock on the Nasdaq Capital Market, those other classes must meet the foregoing requirements. However, if the company already has a primary equity security listed on the capital market, the other class may meet a reduced set of requirements.

Continued listing requirements. In order to continue to list on the Capital Market, the company must maintain:

- At least two registered and active market makers.
- A minimum bid price of at least US$1 per share.
- At least 300 public holders.
- At least 500,000 publicly held shares with a market value of at least US$1 million.
- At least one of the following:
  - Stockholders' equity of at least US$2.5 million.
  - Market value of listed securities of at least US$35 million.
  - Net income of at least US$500,000 from continuing operations in the most recent completed fiscal year or in two of the three most recent completed fiscal years.

In order to continue to list additional classes of stock, a reduced set of requirements must be met.

Continued Listing - Other Criteria

Nasdaq may remove a company's listing for, among other things, violations of its listing agreement with the exchange, loss of its SEC registration for the listed securities, certain insolvency situations,

failure to maintain a properly constituted audit committee and similar circumstances. Companies that fail to make their required SEC filings typically lose their listing in short order.

Additional requirements for listing on any Nasdaq market

Domestic companies that list on Nasdaq are required to comply with certain corporate governance requirements. However, a foreign private issuer may in general follow its home country corporate governance requirements instead of Nasdaq corporate governance requirements, with certain exceptions discussed in section 5 below.

A company seeking to list must be audited by an independent public accountant that is registered as a public accounting firm with the US Public Company Accounting Oversight Board (PCAOB).

A listed company must deposit its shares with a securities depository registered as a clearing agency (typically the Depository Trust Company). The security must also receive a CUSIP number from CUSIP Global Services or the foreign equivalent if it is an initial listing. This is a fairly simple administrative process.

Shares do not have to be placed into escrow or otherwise be restrained from being traded, such as through “lock-in” or “lock-up” arrangements, in connection with the listing under Nasdaq rules.

There are no restrictions on the currency denomination of securities.

A company is not required to retain a compliance adviser in order to list its securities on Nasdaq.

3. Listing documentation and process

In order to list on Nasdaq, a company must execute a listing agreement and a listing application. The company must also certify, at the time of listing, that all listing criteria have been satisfied.

The company must submit financial statements that are:

- Prepared in accordance with US generally accepted accounting principles (GAAP).
- Reconciled to US GAAP as required by the SEC's rules.
- Prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

All reports filed (or required to be filed) with the SEC or another regulatory authority must also be filed with Nasdaq in connection with the initial listing. While no interviews are typically necessary, Nasdaq may also request any public or non-public information it deems necessary to evaluate the company or security for meeting the initial listing criteria. The company must also submit additional Nasdaq forms. Alternate forms of listing applications are available for companies that wish to list concurrently on the OMX Nordic Exchange Stockholm or on Nasdaq Dubai, as well as for companies switching from the NYSE or American Stock Exchange.

A company that qualifies as a "foreign private issuer" receives special treatment under US securities laws. In order to be a foreign private issuer, the company:

- Must be a foreign (non-US), non-governmental issuer.
- Must have 50% or less of its outstanding voting securities directly or indirectly held of record by US residents—or, if over 50% of these securities are so held by US residents, must not:
    - Have a majority of its executive officers or directors who are US citizens or residents.
    - Have more than 50% of its assets located in the US.
    - Administer its business principally in the US.

A private company that does not qualify as a "foreign private issuer" under these criteria will generally be treated as a US domestic company, under the applicable SEC and Nasdaq criteria. The requirements applicable to such a company are outside the scope of this summary, as are the requirements applicable to a foreign private issuer that does not have securities registered or traded in the US.

A foreign private issuer that elects to follow home country practice in lieu of Nasdaq corporate governance rules (see section 5 below) must submit a written statement to Nasdaq from an independent counsel in the company's home country. The statement must certify that the company's practices are not prohibited by the home country's laws and, if the company is prohibited from complying with certain rules, state that fact as well.

In addition to the Nasdaq-related requirements for listing, a foreign private issuer must register the class of securities it intends to list with the SEC by filing a registration statement (Form 20-F). If a sale or offering is to be made in connection with the listing (for example, an IPO), the offering must be registered by filing a registration statement (typically on Form F-1 for an initial US listing), including a prospectus. The Form 20-F and Form F-1 require largely the same information.

The Form 20-F registration statement must include selected historical financial data regarding the company for the most recent five years (or a shorter period if the company has not been in operation for five years). It must also include consolidated financial statements, audited by an independent auditor and accompanied by an audit report. These consolidated financial statements must include:

- A balance sheet.
- Income statement.
- Statement of changes in equity.
- Statement of cash flows.

- Any related notes or schedules required by the accounting standards under which the statements were prepared.

Any audited financial statements included in a registration statement or annual report must be prepared in compliance with US GAAP or IFRS (as issued by IASB), or, if prepared in compliance with local GAAP (including any non-IASB IFRS), they must be reconciled to US GAAP.

- If the statements are in compliance with IFRS, the compliance must be explicitly stated, and an auditor's certification to the same must be provided.

- If the financial statements and schedules are prepared according to local GAAP, the material variations with US GAAP and SEC Regulation S-X must be disclosed.

Audited comparative financial statements for the past three years must also be included. The last year of the audited financial statements generally may not be older than 15 months at the time of listing, and, in the case of an IPO, may not be older than 12 months at the time the document is filed. Consolidated interim financial statements may have to be provided if the registration statement becomes effective more than nine months after the end of the last audited financial year.

A statement regarding capitalization and indebtedness must also be included in the registration statement. If the registration with the SEC and listing on Nasdaq is being made pursuant to an IPO, then financial information regarding proceeds and use of proceeds may also be required. If an issuer is registering debt securities, a ratio of earnings to fixed charges must also be provided.

These financial statement requirements may be difficult for non-US companies to comply with, because the US requirements are somewhat unique.

The Form 20-F or Form F-1, in addition to financial statements, must publicly disclose a variety of information, such as:

- The company's business, property, legal proceedings and controlling shareholders.
- The trading market for its shares.
- Exchange controls and tax and other foreign governmental limitations affecting US shareholders.
- Management's discussion and analysis of financial condition and results of operations.
- Officers' and directors' background, compensation, management options and interests in transactions with the company.
- Corporate governance policies and practices, disclosure controls and internal accounting controls as assessed by management.
- Off-balance sheet arrangements, contractual obligations and contractual commitments.
- Changes in the company's certifying accountant and ADR fees and payments.

With limited exceptions, all filings with the SEC must be made electronically through the SEC's electronic EDGAR system. Documents are publicly available as soon as they are filed. Under certain circumstances (for example, where an issuer is already listed on a non-US exchange or an issuer is seeking an initial listing both on a US and a non-US exchange) the SEC will permit a foreign private issuer to make its initial filing in paper form, on a draft confidential basis. In addition, an "emerging growth company" (as that term is defined in the US Jumpstart Our Business Startups Act (JOBS Act)), including one that is also a foreign private issuer, may make an initial filing of its registration statement to the SEC on a confidential basis. All amendments (including amendments responding to the SEC's

comments on the initial confidential filing) must be publicly filed through the EDGAR system.

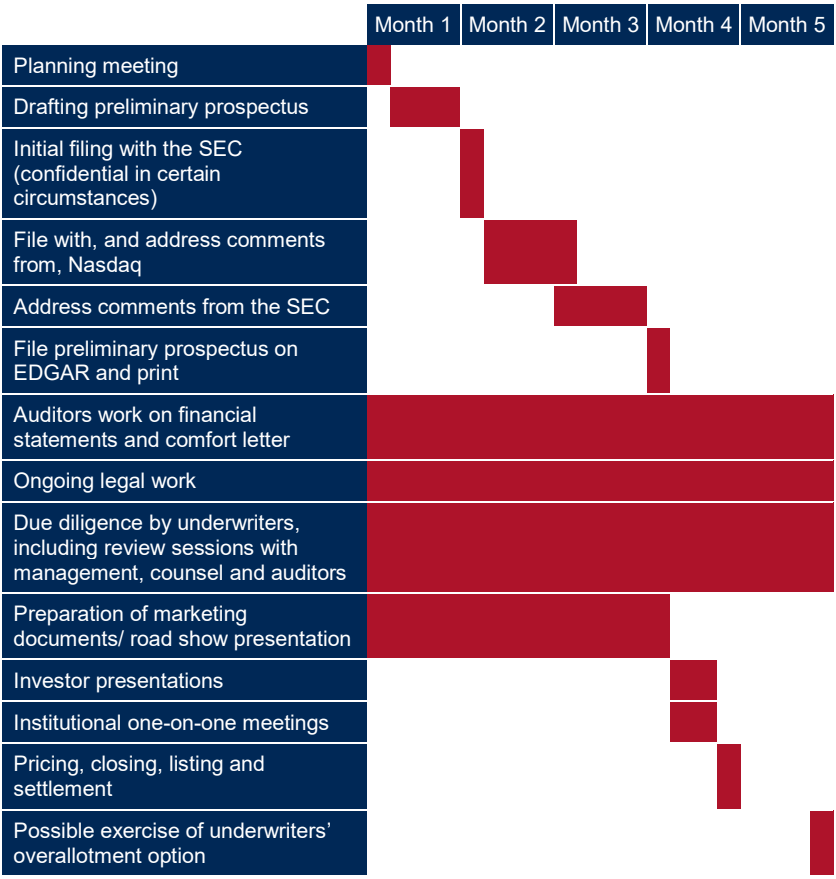
From the time the company decides to make a public offering in the US, through the SEC's confidential review process, the company must not engage in publicity for the offering or that may stimulate interest in the company or its securities. After the registration statement is filed publicly, but before the securities are all distributed to investors and final prospectuses delivered, the company must continue to restrict its public communications and use of offering-related materials.

The SEC will not declare the registration statement effective until FINRA clears the underwriting arrangements for any related public offering.

US domestic companies are also required to register their listed class of securities with the SEC. To register a class of securities other than in connection with a sale of securities, the issuer must file on Form 10. If a sale or offering is to be made in connection with the listing (such as an IPO), the offering must be registered by filing a registration statement (typically on Form S-1), including a prospectus. The Form 10 and Form S-1 require largely the same information. The Form S-1 is similar to the Form F-1 but generally requires more extensive disclosure regarding executive compensation and corporate governance practices. US domestic issuers are required to provide US GAAP audited financial statements and may not, at this time, report their financial results under IFRS.

Timetable

The following is a fairly typical process and timetable for a listing of a either a domestic or foreign private issuer on Nasdaq via underwritten public offering in the US.



4. Continuing obligations/periodic reporting

A Nasdaq listed company is required to promptly disclose "any material information that would reasonably be expected to affect the value of its securities or influence investors' decisions." The disclosure may be made through any method that complies with the SEC's Regulation FD (Fair Disclosure), including a broadly disseminated press release.

If unusual market activity takes place in a company's Nasdaq-listed securities, the company should determine whether there is material information or news that should be disclosed. If activity or rumors indicate that information regarding important developments has been leaked or has become known to the investing public, the company may be required to make a public announcement. For example, the announcement may need to disclose negotiations, plans or even information that has not yet been presented to the company's board of directors. Occasionally, a company may have to deny false or inaccurate rumors that may affect the market activity in its securities. The MarketWatch department may, in some instances, determine that a trading halt is necessary until the information is properly disseminated.

Nasdaq must also be notified of various other changes affecting the listed company and its securities.

Materials provided to shareholders

The Nasdaq rules generally require that companies provide annual and quarterly reports and solicit proxies or voting instructions from their US shareholders, although a foreign private issuer is permitted to follow its home country practice instead. Materials distributed to shareholders would also be furnished to the SEC under the cover of a Form 6-K, as discussed below.

SEC periodic filings

As long as a company continues to meet the definition of "foreign private issuer" described above, its required periodic reporting with the SEC is limited to:

- Furnishing to the SEC, from time to time, by means of a simple cover page report known as the Form 6-K, copies of significant press releases, reports, and other disclosures that the issuer otherwise makes public.
- Filing an annual report on Form 20-F.

Form 6-K. A foreign private issuer must furnish a Form 6-K to the SEC from time to time. This is required by the SEC to report information that:

- The company makes public pursuant to the law of its home country.
- The company files with any non-US stock exchange on which its securities are listed and that is made public by the exchange.
- The company distributes to its security holders.

This information could concern changes in management or control, acquisitions or dispositions of a material amount of assets, changes in the company's certifying accountants, the company's financial condition and results of operations, material legal proceedings, or any other information that the company deems of importance.

Interim financial statements. Under Nasdaq rules, a foreign private issuer is required to publicly disclose its interim balance sheet and income statement as of the end of its second quarter by submitting such information on Form 6-K to the SEC. This information does not have to be reconciled to US GAAP.

Form 20-F. A listed company has financial reporting obligations under the US federal securities law. A foreign private issuer is required to file an annual report on Form 20-F with the SEC that includes audited financial statements. The Form 20-F is required to be filed within four months after the conclusion of the foreign private issuer's fiscal year. This report must be made available to shareholders through the company's website, and the company must state that holders of stock and bonds may receive a hard copy of the company's complete audited financial statements free of charge.

The financial statements required by the Form 20-F annual report are the same as those required under a Form 20-F registration statement, discussed above. They may be prepared in accordance with US GAAP, IFRS (as issued by IASB) or local GAAP. If the statements

are in compliance with IFRS, the compliance must be explicitly stated, and an auditor's certification must be provided. If financial statements and schedules are prepared according to local GAAP, the principles must be disclosed and the material variations with US GAAP and SEC Regulation S-X must be discussed.

For Domestic Issuers:

Domestic issuers must file periodic and current reports on Form 10-K (annual reports), Form 10-Q (quarterly reports) and Form 8-K (current reports). The Form 10-K must include annual financial statements (prepared in conformity with US GAAP) along with information updating previously filed information regarding the issuer and its business. The Form 10-K must be filed within 90 days after the end of the fiscal year of the issuer or in a shorter period prescribed by regulation for certain larger reporting companies that are "accelerated filers". Quarterly reports containing unaudited quarterly financial information regarding the issuer must be filed within 45 days after the end of the fiscal quarter for the first three quarters of the year with shorter filing deadlines applying to accelerated filers. Current reports on Form 8-K are required for a variety of enumerated circumstances including *inter alia*, material acquisitions or dispositions, reporting of financial results (such as earnings releases) entering into material financing arrangements, changes to senior management and the board of directors, any change in the issuer's accounting firm and certain insolvency events. In most cases a Form 8-K is due within four business days of the prescribed event. Form 8-Ks are often typically filed or furnished by issuers to report other material developments that are not subject to mandatory disclosures.

Further, unlike foreign private issuers, domestic issuers are subject to the SEC's proxy statement regime which requires the filing with the SEC and distribution to shareholders of a lengthy mandated report in relation to any annual or special meetings of shareholders that contains certain mandated disclosures regarding the matters to be considered the meeting (such as the election of directors at an annual meeting). Most domestic issuers include their disclosures relating to

executive compensation in their proxy statement for the issuer's annual meeting of shareholders. As a result of increased SEC and shareholder focus on compensation, the disclosures around executive compensation are very complex and lengthy.

Sales and holdings by affiliates

US securities laws limit the extent to which officers, directors and other control persons of a public company can sell their securities publicly in the US. Generally, in the absence of any available exemption (such as SEC Rule 144, which provides for resales subject to limitations on the quantity and timing) none of the principal officers or directors of a public company may sell their shares in the US market unless there is a registration statement then in effect, covering their shares. However, sales by officers and directors of a foreign private issuer of ordinary shares through ordinary brokerage transactions on most major non-US stock exchanges are unrestricted by US federal securities laws.

In addition, if a person or group of persons acting in concert acquires beneficial ownership of more than 5% of any registered class of voting equity securities, they will need to make a filing with the SEC on Form 13D or 13G. These filings also must be amended or updated from time to time.

Anti-fraud laws and insider trading

SEC and stock exchange disclosure rules are intended to ensure that securities markets receive information regarding material events that might affect the trading prices of public company securities so that investors have adequate information available to them on a timely basis. These disclosures are subject to the antifraud provisions of US federal securities laws, including SEC Rule 10b-5. This rule makes it unlawful to engage in fraudulent or manipulative practices or "to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the

light of the circumstances under which they were made, not misleading."

These anti-fraud laws provide the basis for a significant amount of securities litigation, which is relatively prevalent in the US. As a result, public companies and their "insiders" (such as officers, directors and controlling persons) have potential liability if they fail to deal fairly with investors with respect to matters that could affect the price of the company's stock. A public company must have a policy of prompt and complete disclosure to stockholders and the financial community of all material developments, good or bad, that could reasonably be expected to influence the price of the company's stock. The company and its officers, directors and other insiders must refrain from all transactions in the company's securities during any period when there is undisclosed material information about the company. For this reason, most public companies have formal trading policies applicable to insiders. Similarly, the company should ensure that all material information is disseminated uniformly to the marketplace and must avoid activities designed to manipulate the company's stock price.

5. Corporate governance

As mentioned above, a company listed on Nasdaq must comply with a broad set of corporate governance requirements set forth in the Nasdaq rules. Rather than being required to follow all of the corporate governance requirements that apply to domestic companies, a foreign private issuer may follow the corporate governance practice in its home country, except that it must:

- Disclose publicly each requirement that it does not follow and describe the home country practice that it does follow.
- Refrain from a disparate reduction or restriction of voting rights of common stockholders, subject to certain exceptions if not prohibited by home country law.

- Provide a prompt notification if an executive officer of the company becomes aware of any noncompliance by the company of Nasdaq rules.
- Have an audit committee that meets certain requirements, as discussed below.

A foreign private issuer seeking to follow home country practices in lieu of corporate governance practices ordinarily required by Nasdaq must submit to Nasdaq a written statement from independent counsel in the issuer's home country certifying that the issuer's practices are not prohibited by the home country's laws.

While the US has now added new requirements effectively mandating the use of compensation committees of independent directors for most listed issues, foreign private issuers listed on Nasdaq may continue to follow home country practices in relation to executive compensation decisions as long as they describe how their practices diverge from US practices in their Form 20-F disclosures.

Audit committee

Under Nasdaq rules, a foreign private issuer must have an audit committee composed of at least three members who satisfy the independence requirements of SEC Rule 10A-3. This rule generally requires each member of the audit committee to be a member of the board of directors of the company, but otherwise independent of the company. With respect to non-investment company issuers, an audit committee member is considered independent if he or she does not accept directly or indirectly any consulting, advisory or other compensatory fee from the issuer or a subsidiary of the issuer (other than in the capacity of a member of an audit committee, the board of directors or any other board committee). Additionally, in order to be independent, the audit committee member may not be an affiliated person of the company or any subsidiary. In certain situations, exemptions from these requirements are available to foreign private issuers.

In the context of an IPO, at least one member of the audit committee must meet the independence requirement, and the others are exempt from the audit committee independence requirements for 90 days from the date of the effectiveness of the registration statement filed with the SEC. Additionally, less than half of the audit committee members are exempt from the independence requirements for a year from the date of effectiveness of the IPO registration statement.

Rule 10A-3 and the related Nasdaq rules also set out responsibilities of the audit committee relating to registered public accounting firms, procedures regarding complaints, engaging advisers and funding.

However, a foreign private issuer that already has a board of auditors (or similar body or statutory auditors) would be exempt from all or a portion of the audit committee requirements if certain conditions are met.

Other SEC-imposed corporate governance requirements

In addition to the corporate governance requirements outlined above, the SEC imposes a number of corporate governance requirements on all public companies (domestic and foreign). These include:

- CEO/CFO certifications in the company's Form 20-F filed with the SEC.
- Prohibitions on loans to executive officers.
- Requirements that issuers review their relationships with their auditors to ensure continued independence.
- Stringent rules requiring attorneys to report evidence of material violations.
- Protection of whistleblowers.
- Adoption and maintenance of a code of ethics for senior and financial officers.

- Potential forfeiture of CEO and CFO bonuses or certain other types of compensation in the event of an accounting restatement.

Other implications for corporate governance

In addition to complying with its express obligations under the US securities laws, a foreign private issuer should also consider the following practical implications of becoming a public company in the US:

- The company will be required to provide public disclosure about annual compensation (including non-cash compensation, such as stock options and other equity-based compensation) paid to executive officers and directors. This disclosure may generally be furnished on an aggregate, rather than an individual, basis.

- Transactions with the company's stockholders, officers, directors and other affiliates must be carefully scrutinized for fairness and appropriately approved. Public disclosure of these transactions may be required.

- The company must publicly disclose information about material ongoing litigation, which may make it more difficult to conduct or settle the litigation on a favorable basis.

- Material information about the company that is not yet disclosed to the public should be restricted to a small group on a "need-to-know" basis.

- Clear lines of communication must be established for dealing with analysts and others interested in the company's financial affairs.

- Review of all public disclosures must be centralized.

- Officers and directors must be fully informed with respect to their responsibilities and potential liabilities. Indemnification of officers and directors and the availability of directors' and

officers' liability insurance coverage will be of concern, particularly to outside directors.

- Officers, directors and other affiliates must be sensitive to the timing of sales and purchases of the company's securities. Procedures must be implemented to monitor transactions in the company's securities, including assistance to officers and directors in filing reports and effecting sales of securities.

- Routine corporate actions must be subject to formal procedures and timetables, including advance schedules for director and stockholder meetings and other corporate actions.

6. Specific situations

There are no additional Nasdaq requirements that apply to very large multinational companies or smaller companies nor to companies in particular industries (other than investment companies, which are outside the scope of this summary). SEC disclosure and other requirements may vary for companies in specialized industries (such as oil and gas companies, investment companies and financial companies). In 2012, the SEC adopted special disclosure rules for all listed companies (foreign and domestic) requiring an annual specialized disclosure report on Form SD if "conflict minerals" (as defined within the rules) are contained in products a company manufactures or contracts to be manufactured and necessary to the functionality of those products or their production processes.

No explicit procedure currently exists for fast track or expedited listing, but the process may be expedited with Nasdaq if scheduling and timing permit. Most companies find that the SEC registration process is more time-consuming than the Nasdaq listing process.

7. Presence in the jurisdiction

Nasdaq does not impose any requirements for a listed foreign company to maintain a presence in the US or keep any original records there. However, US laws require public companies to keep

reasonable records and to devise an adequate system of internal accounting for the protection of assets. A public company should establish procedures and consult with its auditors to ensure that its compliance systems and its auditors' accounting systems are adequate to meet these requirements.

8. Fees

Entry fees

A company seeking to list on Nasdaq must pay an entry fee that is based on the number of shares being listed, a portion of which constitutes a non-refundable application fee.

Nasdaq Global Select and Global Markets. Entry fees are based on the number of shares and range from US$150,000 to US$295,000. Of this amount, the application fee, which must be submitted with the company's listing application, is US$25,000.

Nasdaq Capital Market. The entry fee ranges from US$50,000 to US$75,000. Of this amount, US$5,000 constitutes the application fee.

Annual fees

In January 2018, all Nasdaq-listed companies became subject to Nasdaq's all-inclusive fee program, which first came into effect in 2015 for newly listed companies. Under the all-inclusive fee program, companies pay a single annual fee to Nasdaq that covers all the ordinary costs of listing for the year but still have to pay separate fees for any review of a delisting determination or the listing of new classes of securities. The approach, which was designed to simply billing, eliminates transactional fees related to the issuance of additional shares of an already listed class, record-keeping changes, substitution listing events and for requests for written interpretation of Nasdaq's listing rules.

The all-inclusive annual fee for equity securities is calculated based on total shares outstanding or ADRs listed. For companies listed on the

Nasdaq Global Market or Nasdaq Global Select Market, the amount of the all-inclusive annual fee ranges from:

- US$46,000 to US$159,000 for companies other than ADR issuers.
- US$46,000 to US$82,000 for ADR issuers.

For companies listed on the Nasdaq Capital Market, the amount of the all-inclusive annual fee ranges from:

- US$43,000 to US$77,000 for companies other than ADR issuers.
- US$43,000 to US$51,500 for ADR issuers.

Other situations

Other fees and exceptions are applicable to convertible debt securities, to companies that already have another class of securities listed on Nasdaq or the NYSE, to subsequent issuances of additional securities and to a company that makes certain changes to its name or securities after listing.

Additional costs include printing expenses and registration fees with the SEC, as well as legal and accounting fees.

9. Additional information

All information for registration with the Nasdaq and the SEC should be submitted in the English language.

Key differences in requirements for domestic companies

As highlighted above, there are important differences between the requirements for domestic and foreign companies looking to register their securities with the SEC and list with Nasdaq. The key differences in requirements between US companies and foreign private issuers listing on the Nasdaq markets relate mainly to corporate governance and continuing disclosure obligations. US companies are subject to certain corporate governance and disclosure

obligations that foreign private issuers are not, including the following.

- US companies must file with the SEC current, quarterly and annual reports on Forms 8-K, 10-Q and 10-K, respectively, while foreign private issuers are required to furnish the SEC with Forms 6-K (with respect to information released in their home markets or to their shareholders) and file with the SEC an annual report on Form 20-F. The disclosure obligations for foreign private issuers in Form 20-F are somewhat less demanding than those for US companies in Form 10-K.

- Foreign private issuers are not required to follow US rules covering the solicitation of proxies for annual or special meetings of shareholders, which require US companies to file with the SEC (and provide to their shareholders) proxy statements containing detailed information on the matters to be considered at the meeting and the compensation of individual executive officers and directors. Foreign private issuers are required to provide only aggregate information on compensation of executive officers and directors when filing their annual reports on Form 20-F.

- Executive officers, directors and holders of 10% of the outstanding shares of US companies are subject to insider trade reporting on Form 3 (initial ownership report) and Form 4 (changes in beneficial ownership) and short-swing profit disgorgement requirements pursuant to Section 16 of the Exchange Act, while foreign private issuers and their executive officers, directors and shareholders are not.

- Foreign private issuers generally may follow home country practices in relation to corporate governance, rather than following the rules that apply to US companies. Foreign private issuers are, however, subject to certain disclosure obligations when doing so, which are further described in section 5 above. Domestic issuers, however, are subject to additional governance requirements relating to the composition of audit, compensation

and nominating committee, codes of ethics, and trading blackouts relating to benefit plans, descriptions of which are beyond the scope of this note.

The quantitative standards for initial and continued listing on the Nasdaq markets (that is, revenue, income, share price) are the same for domestic issuers and foreign private issuers, and are further described in section 2 above.

10. Contacts within Baker McKenzie

Christopher Bartoli in the Chicago office and Carol Stubblefield in the New York office, and Ashok Lalwani in the Singapore office, are the most appropriate contacts within Baker McKenzie for inquiries about prospective listings on Nasdaq.

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Nasdaq Dubai

Initial financial listing requirements

To qualify under the Market Rules of the Dubai Financial Services Authority (DFSA), a company seeking a listing on Nasdaq Dubai typically must have:

- A market capitalization of at least US$10 million.
- Sufficient working capital available for its present requirements to the satisfaction of the DFSA.

A working capital report is required.

Other initial listing requirements

Share price. Nasdaq Dubai allows a book building process for IPOs and thus issuer can price their IPO share price.

Distribution. To list its existing securities or to transfer its listing to Nasdaq Dubai, a company must satisfy the following requirements:

- At least 250 shareholders, each holding at least US$2,000 of shares.
- At least 25% of shares held by the public.

Shares must be duly authorized, validly issued, fully paid, freely transferable and free from any liens or restrictions on transfer.

Accounting standards. Audited financial statements must be prepared in compliance with IFRS (as issued by IAASB).

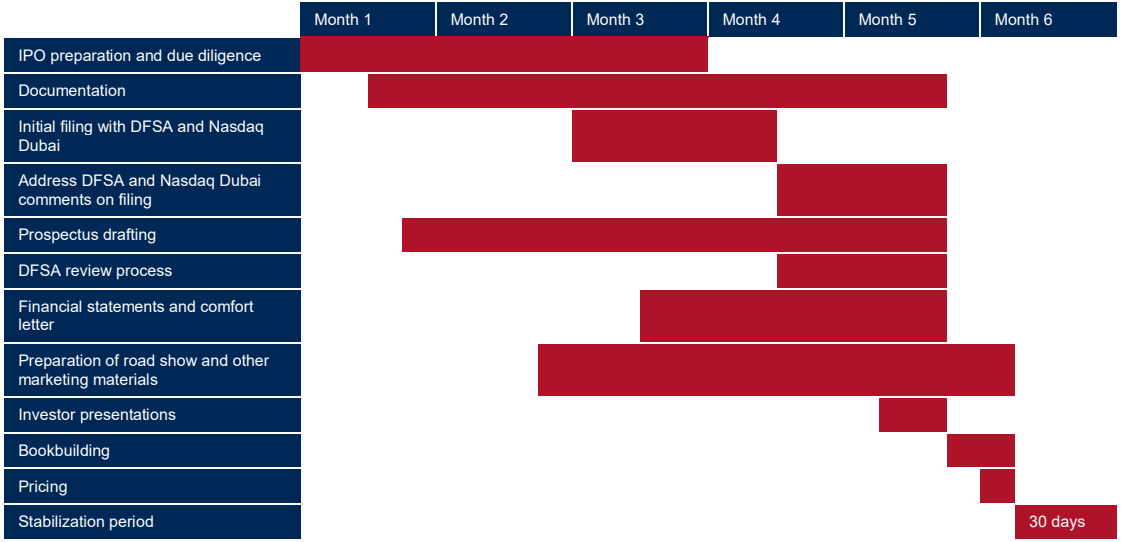
Financial statements. Generally, three years of audited financial statements are required.

Operating history. An operating history of three years is generally required.

Management continuity. Nasdaq Dubai does not require any specific period of continuity of management.

Listing process

Listing involves registering the class of securities on the Official List of Securities. The DFSA will review and approve the prospectus. The following is a fairly typical process and timetable for a listing on Nasdaq Dubai.



Corporate governance and reporting

The DFSA's corporate governance principles generally cover the following areas:

- Role of the board of directors.
- Division of responsibility between board and management.
- Board composition and resources.
- Risk management and internal control systems.
- Shareholder rights and effective dialogue.
- Financial position and prospects.
- Remuneration structures and strategies.

The DFSA adopts a "comply or explain" approach to its corporate governance best practice standards.

A listed company has disclosure and reporting obligations both to the DFSA and Nasdaq Dubai.

There are no UAE residency requirements for directors or officers.

Fees

A company seeking to list on Nasdaq Dubai must pay application fees, initial listing fees and annual fees. Application fees are US$5,000. Initial listing fees for shares are calculated based on total number of securities admitted, ranging from US$70,000 to US$250,000. The annual fees for shares are calculated based on total number of securities admitted, ranging from US$20,000 to US$50,000. Application and initial listing fees for secondary listings where no capital is raised are between US$20,000 and US$50,000.

1. Overview of exchange

Nasdaq Dubai is an international exchange located in the Dubai International Financial Centre (DIFC). Nasdaq Dubai is owned by the Dubai Financial Market (DFM) and Borse Dubai. Nasdaq Dubai is a shareholder of DFM. Nasdaq Dubai was established in 2005 as Dubai International Financial Exchange and was rebranded as Nasdaq Dubai in 2008.

In July 2010, an Exchange consolidation occurred whereby Nasdaq Dubai started using the DFM platform in a push to create a single regional liquidity pool.

In 2011, the exchange transferred the listing authority from its own control to the Dubai Financial Services Authority (DFSA), which, in 2012, reduced the minimum market capitalization requirement for listed companies from US$50 million to US$10 million.

Nasdaq Dubai does not specialize in or encourage listings by particular types of companies. It does, however, position and market itself as the international stock exchange in the region, where companies not based in the DIFC or United Arab Emirates can seek a listing. Indeed, in 2014 there was an agreement with the Misr for Central Clearing, Depository and Registry to support the dual listings by Egyptian companies, in 2017 Nasdaq Dubai was recognized by the ESMA under EU regulations, in 2018 the DFM futures index launched and in January 2019 the Saudi Equity Futures index launched.

Nasdaq Dubai permits dual-listed and cross-listed companies, but maintains the same listing standards for companies regardless of whether they are listed on another exchange. The listing standards of Nasdaq Dubai, as developed by the DFSA, are in line with international best practices.

Nasdaq Dubai's regulator is the DFSA, which is the financial regulator of the DIFC. The DFSA is an independent regulator with a

regulatory mandate that covers asset management, banking and credit services, securities, collective investment funds, custody and trust services, commodities futures trading, Islamic finance, insurance, an international equities exchange and an international commodities derivatives exchange. The DFSA is also responsible for the regulation and oversight of anti-money laundering, counter-terrorist financing and sanctions compliance.

2. Principal listing and maintenance requirements and procedures

Jurisdiction of incorporation

Nasdaq Dubai does not consider any jurisdictions of incorporation or industries to be unacceptable for a listed company. Nasdaq Dubai allows local, DIFC-based and international companies to list on the exchange.

Market capitalization; working capital

A company must have a market capitalization of at least US$10 million. In addition, the issuer must satisfy the DFSA that it (together with its subsidiaries) has sufficient working capital available for its present requirements, a minimum period of 12 months from the date of listing.

Free float

At least 25% of an issuer's securities must be held by the public, both at the time of listing and on an ongoing basis. Care must be taken that this minimum free float is not breached as a result of trades or new issuance of securities. An issuer that continually breaches the minimum free float requirement could be delisted if the breach is not remedied.

Securities are not considered held by the public if they are held directly or indirectly by a director of the company, a person connected with the director of the company, the trustees of an employee share

scheme for the benefit of any director or employees of the company, any person who under any agreement has a right to nominate a person to the board of directors of the company, or any person or persons in the same group acting in concert who have interest in 5 % or more of the company.

Shareholders

There must be a sufficient number of shareholders holding at least US$2,000 of shares. Nasdaq Dubai generally considers 250 to be a sufficient minimum number of shareholders.

There are no restrictions as to the nationality of the shareholders of a listed company. However, shareholdings in excess of 5% must be disclosed, together with increases or decreases of 1% or more for those shareholdings.

Financial statements

Typically, three years of audited financial statements are required. The DFSA may, however, waive or modify this requirement. The financial statements must be prepared on a comprehensive accounting basis such as IFRS or any other accounting basis acceptable to the DFSA. The financial statements must contain:

- A review of the operations during the year and the results of those operations.
- Details of any significant changes in the state of affairs during the financial year.
- Details relating to the principal activities and any significant changes in the nature of those activities during the year.
- Details of any matter or circumstance that has arisen since the end of the year that has significantly affected, or may significantly affect, the operations and state of affairs in future financial years.

- Likely developments of the operations in future financial years and the expected results of those operations.
- A statement by the directors whether or not, in their opinion, the company is a going concern with supporting assumptions or qualifications as necessary.

In addition, the company must prepare and file a semi-annual financial report for the first six months of each financial year in accordance with the applicable IFRS standards or other standards acceptable to the DFSA. The semi-annual report must include:

- An indication of important events that have occurred during the first six months of the financial year and their impact on the financial statements.
- A description of the principal risks and uncertainties for the remaining six months.
- A condensed set of financial statements.
- An interim management report.
- Associated responsibility statements.

Corporate governance

The DFSA imposes a general corporate governance principle that requires a company to have a corporate governance framework that is adequate to promote prudent and sound management in the long term interests of the company and its shareholders. In addition, companies wishing to list on Nasdaq Dubai must comply with certain specific corporate governance principles, which are further described in section 5 below.

Sponsor

The DFSA may require a company who intends to make a prospectus offer to appoint a sponsor in respect of the prospectus offer or provide

third party certification in respect of any specific matters relating to the prospectus offer.

A sponsor, if required and appointed, must satisfy itself to the best of its knowledge and belief, having made due and careful enquiry, that the company that intends to make a prospectus offer has satisfied all applicable conditions for offering securities and other relevant legal and regulatory requirements. The sponsor also must provide to the DFSA any information or explanation known to it in such form and within such time limit as the DFSA may reasonably require for the purpose of verifying whether the company making the prospectus offer complies with the laws and regulations.

Meetings with the exchange and regulator

A meeting with the exchange and the regulator are generally the first steps to take for a company wishing to list on Nasdaq Dubai. There may be other meetings with the exchange and the regulator for an update and monitoring of progress.

Additional requirements

All trades on Nasdaq Dubai are denominated and quoted in US dollars only. All securities transactions must be settled and cleared by clearing members of the exchange.

The DFSA may require a company to appoint a compliance adviser. The DFSA also may impose conditions or restrictions in respect of the admission of the securities to the official list of securities, or vary or withdraw such conditions or restrictions.

3. Listing documentation and process

Issuers are required to provide to investors, Nasdaq Dubai and the DFSA a prospectus that presents information in a form that is comprehensible and easy to analyze. The DFSA may, in some cases, approve an offering document produced under rules in another

jurisdiction if the DFSA is satisfied with the information provided in the document and the level of regulation imposed by that jurisdiction.

A prospectus must contain:

- Financials (typically three years' audited statements).
- Working capital statement.
- Management discussion and analysis of financial information.
- Risk factors.
- Description of the business.
- Strength and strategy.
- Industry overview.
- Overview of markets in which the company operates.
- Reasons for the offer.
- Intended use of proceeds.
- Dividend policy.
- Information about the company's current shareholding structure, board and senior management.
- Selling restrictions.
- Certain regulatory disclaimers.

The most recent three years of financial audited statements must be included. The financial statements must be prepared on a comprehensive accounting basis such as IFRS or any other accounting basis acceptable to the DFSA.

A dialogue will have to be established with the DFSA for the vetting and approval of the prospectus and the submission of various documents, application and forms, along with an application to Nasdaq Dubai for the admission to trading.

The following preliminary documents must be submitted to Nasdaq Dubai:

- Draft of an application form completed as far as possible and including all available information.
- Final draft of the prospectus.
- Any security specific documents required by Nasdaq Dubai.
- Resolutions passed at a meeting of the issuer's shareholders authorizing the issue of securities for which admission is sought.
- Resolutions of the board of directors of the issuer authorizing the issue and allotment of such securities, the raising of capital including an indicative amount or an upper limit for the capital to be raised, and the filing of the application with Nasdaq Dubai.
- Articles of association.
- Where Nasdaq Dubai is considered a secondary exchange, evidence that the issuer is subject to a primary listing.

Final application documents should be submitted to Nasdaq Dubai in sufficient time prior to approval for admission, and include a properly completed application form signed by the relevant authorized parties and a copy of the prospectus approved by the DFSA.

In considering an application, Nasdaq Dubai may in its sole discretion:

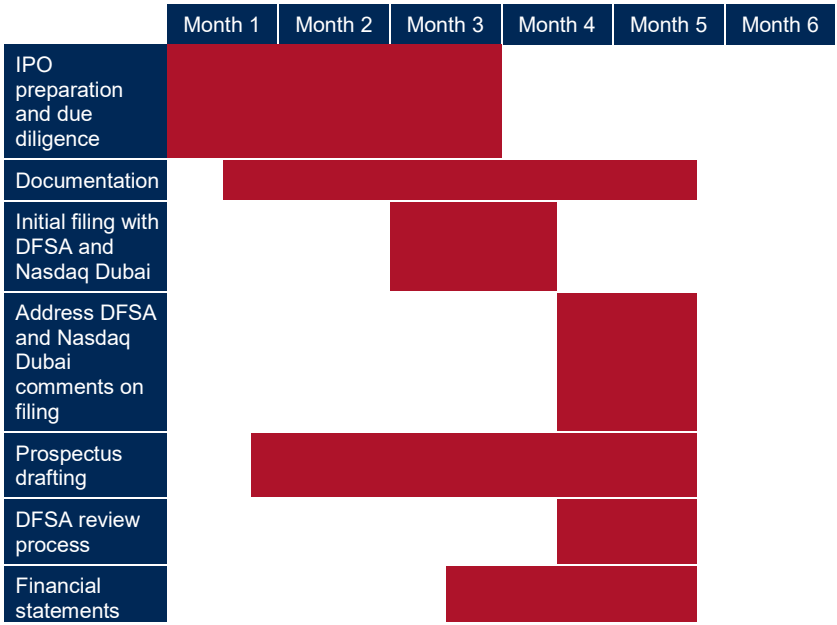
- Carry out any enquiry and require any information which it considers appropriate.

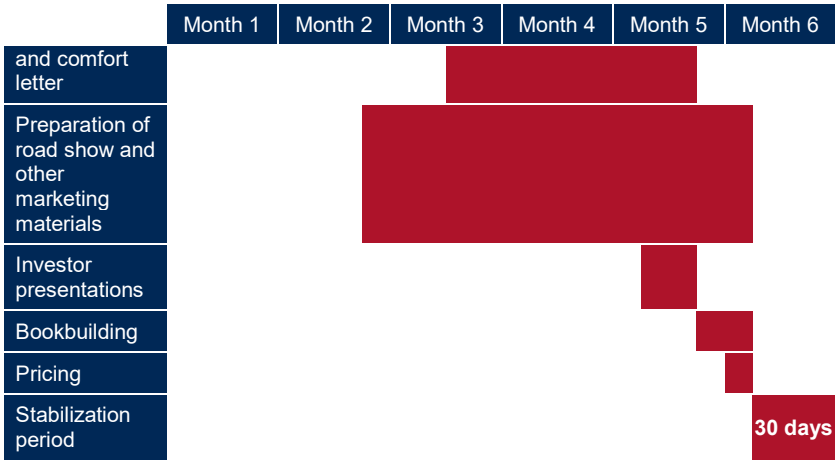
- Require an issuer to provide supplementary or amended information.
- Require any information submitted by an issuer to be verified in such a manner as Nasdaq Dubai may specify.
- Require information specific to Nasdaq Dubai rules in a manner prescribed by Nasdaq Dubai.

Nasdaq Dubai will issue written confirmation of its approval by letter upon determination that the securities are eligible to be admitted to trading, receipt of documents relating to an application in final form to the satisfaction of Nasdaq Dubai and receipt of an issuer's payment of the fees.

Timetable

The following is a typical process and timetable for a listing on Nasdaq Dubai.





4. Continuing obligations/periodic reporting

A Nasdaq Dubai listed company has disclosure and reporting obligations both to Nasdaq Dubai and the DFSA. Generally, a listed company must release quickly to the public any news or information that might reasonably be expected to materially affect security values or influence investment decisions. Further, Nasdaq Dubai strives to ensure that listed companies provide timely and regular financial information.

Disclosure of material information

Generally, Nasdaq Dubai seeks to avoid a situation where unusual market activity or substantial changes in price occurs shortly before an important corporate action or development is announced, particularly because these changes may indicate trading on the basis of inside information. Nasdaq Dubai believes these risks are prevalent in the context of negotiations and preparations regarding mergers and acquisitions, new contracts, products or discoveries. Nasdaq Dubai recommends that companies exercise caution to keep these matters confidential. If confidentiality can be maintained, a public announcement may not be necessary, but if unusual market activity

appears to be taking place while important corporate developments are under discussion or undertaken, Nasdaq Dubai recommends that the company be ready to make a public announcement.

A listed company must also give Nasdaq Dubai prompt written notice of a variety of corporate events affecting the company and its securities.

DFSA disclosures

A listed company must make timely disclosure of inside information. Such disclosures must not be misleading, false or deceptive and does not omit anything likely to affect the import of the information.

Such disclosures must be made as soon as possible and must be made to the DFSA, Nasdaq Dubai, on the website of the listed company and to any approved regulatory announcement service.

Periodic financial disclosures

Periodic disclosures are required in a number of circumstances and can include interim financial reports and accounts, prospectuses, bidder's statements and target statements. A listed company must disclose to the market its annual financial report, its semi-annual financial report and its preliminary financial results.

The annual financial report must be disclosed as soon as possible after the financial statements have been approved, but no later than 120 days after the end of the financial period. The semi-financial annual report must be disclosed as soon as possible and in any event no later than 60 days after the end of the period to which the report relates. Preliminary financial results must be disclosed as soon as possible but no later than 30 minutes before market opens on the day after the approval of the board of directors.

Disclosure of interest by connected persons

Connected persons are defined as board members, senior managers or persons owning directly or indirectly securities carrying more than 5%

of the voting rights of the company or of an entity controlling the company. Connected persons must file a report with the DFSA and the company upon becoming or ceasing to become a director of a controller of the company, or upon acquiring or ceasing to hold (either alone or with an associate) any securities in the company or in a controller of the company or upon an increase or decrease of 1% of its shareholding in the company.

Insider trading

A company must establish effective arrangements to deny access to inside information to any person other than those who require it inside the company for the exercise of their functions. A company must establish and maintain adequate systems and controls to enable it to identify at all times any person working for it who has or may reasonably be likely to have access to inside information whether on a regular or occasional basis.

A company must take necessary measures to ensure that its directors and employees who have or may have access to inside information acknowledge the legal and regulatory duties entailed including dealing restrictions in relation to the company's securities, and are aware of the sanctions attaching to the misuse or improper use or circulation of such information.

Dealings by restricted persons

"Restricted persons" involved in the senior management of a company listed on Nasdaq Dubai (such as executive directors and other senior executives) are prohibited from dealing in the company's securities during "close periods", unless prior clearance for those dealings is obtained. The prohibition applies to any dealing by restricted persons whether or not such dealings are with another restricted person or any other person.

A person is a "restricted person" in relation to a listed company if involved in the senior management of the company. Persons are considered as involved in the senior management if they are in a

position of authority and influence in making management or executive decisions with regard to the day-to-day management of the business of the company. Some members of the board of directors, such as executive directors, are considered restricted persons because they undertake managerial functions and responsibilities relating to the day-to-day management of the company.

However, the following dealings are considered as "exempt dealings" and will not trigger the prohibition:

- A rights issue or dividend reinvestment offer, or allowing such an entitlement or offer to lapse.
- Undertakings to accept, or the acceptance of, a takeover offer as defined under the DFSA Takeover Rules.
- Dealings where the beneficial interest in the relevant security does not change.
- Transactions between the Restricted Person and an associate of such a person.
- Transactions relating to dealings in an employee share scheme in accordance with the terms of such a scheme.

A "close period" is the period from the relevant financial year end up to and including the time of the announcement or publication of the annual financial reports. If the listed company reports on a semi-annual or on a quarterly basis, the period from the end of the relevant semi-annual or quarter up to and including the time of the announcement.

A restricted Person can obtain prior written clearance to deal in the company's securities from a director designated by the board of directors for these purposes. However, a clearance must not be given at any time if the director believes that the dealing in securities involves any matter which constitutes "inside information" as defined under the Markets Law.

Related party transactions

A person is a "related party" to a listed company if that person:

- Is, or was within the 12 months before the date of the transaction, either a director or a person involved in the senior management of the listed company or a member of its group, or an "associate" of that director or person.
- Owns, or has owned within 12 months before the date of the transaction, voting securities carrying more than 5% of the voting rights attaching to all the voting securities of either the listed company or a member of its group.
- Is, or was within the 12 months before the date of the transaction, a person exercising or having the ability to exercise significant influence over the reporting entity (this may include an advisor or consultant to the company) or an associate of such a person.

In any related party transaction of a listed company, the listed company must ensure that:

- If the transaction value is greater than 5% of the company's net assets (as stated in its most recent financial reports), it does not enter into the transaction unless the transaction has been duly approved by a majority of the shareholders with voting power.
- If the transaction value is less than the 5% threshold discussed above, it notifies the DFSA as soon as possible after the transaction of the relevant terms and the basis on which the terms are considered fair and reasonable, supported by a written confirmation by an independent third party acceptable to the DFSA.

For purposes of determining the 5% threshold, a series of related party transactions with the same related party in any 12 month period generally are aggregated.

The following transactions are considered related party transactions:

- Transaction between the listed company (or a subsidiary) and a related party.
- Transaction under which the listed company (or a subsidiary) invests in another undertaking or asset, or provides financial assistance to another undertaking, in which a related party also has a financial interest.
- Transaction between the listed company (or a subsidiary) and any other person the purpose or effect of which is to benefit a related party.

The related party transaction rules do not apply if the transaction:

- Is made in the ordinary course of business and on commercial terms no less favorable than those of an arm's length transaction with an unrelated party.
- Where it, or any series of transactions with the same related party in any 12 month period, does not exceed 0.25% of the value of the net assets of the listed company as stated in its most recent financial reports.
- Where it is made in accordance with the terms of an employee share scheme or other employee incentive scheme approved by the board of directors of the listed company.
- Where it involves the issue of new securities for cash or pursuant to the exercise of conversion or subscription rights attaching to securities issued to existing shareholders where the securities are traded on a Nasdaq Dubai.

Other corporate actions

The board of directors of the company must ensure that all necessary information and facilities are available to its shareholders to enable

them to exercise the rights attaching to their securities on a well-informed basis, such as matters to be determined at shareholders meetings. All shareholders must have access to any relevant notices or circulars giving information in relation to rights attaching to the securities.

5. Corporate governance

A company wishing to list on Nasdaq Dubai must comply with the following corporate governance principles.

Principle 1 – Board of directors

Every company must have an effective board that is collectively accountable for ensuring that the company's business is managed prudently and soundly.

Principle 2 – Division of responsibilities

The board must ensure that there is a clear division between the board's responsibility for setting the strategic aims and undertaking the oversight of the company and the senior management's responsibility for managing the company's business in accordance with the strategic aims and risk parameters set by the Board.

Principle 3 – Board composition and resources

The board, and its committees, must have an appropriate balance of skills, experience, independence and knowledge of the company's business, and adequate resources, including access to expertise as required and timely and comprehensive information relating to the affairs of the company.

Principle 4 – Risk management and internal control systems

The board must ensure that the company has an adequate, effective, well- defined and well-integrated risk management, internal control and compliance framework.

Principle 5 – Shareholder rights and effective dialogue

The board must ensure that the rights of shareholders are properly safeguarded through appropriate measures that enable the shareholders to exercise their rights effectively, promote effective dialogue with shareholders and other key stakeholders as appropriate, and prevent any abuse or oppression of minority shareholders.

Principle 6 – Position and prospects

The board must ensure that the company's financial and other reports present an accurate, balanced and understandable assessment of the company's financial position and prospects by ensuring that there are effective internal risk control and reporting requirements.

Principle 7 – Remuneration

The board must ensure that the company has remuneration structures and strategies that are well aligned with the long-term interests of the entity.

Annual reporting on compliance

The annual financial report of a company must:

- State whether the best practice standards have been adopted by the company for the purposes of complying with the Corporate Governance Principles.
- If the best practice standards in have not been fully adopted or have been only partially adopted explain why and what actions, if any, have been taken by the company to achieve compliance.
- Include a statement by the directors whether or not, in their opinion, the corporate governance framework of the company is effective in promoting compliance with the Corporate Governance Principles, with supporting information and assumptions, and qualifications if necessary.

6. Specific situations

There are no additional Nasdaq Dubai requirements that apply to very large multinational companies or smaller companies.

No explicit procedure currently exists for fast track or expedited listing, but the process may be expedited if the IPO is not targeted to retail investors.

7. Presence in the jurisdiction

Nasdaq Dubai does not impose any requirements for a listed foreign company to maintain a presence in the DIFC or keep any original records there.

8. Fees

A company seeking to list on Nasdaq Dubai must pay application fees, initial listing fees and annual fees.

Application and initial listing fees

Application fees are US$5,000. The initial listing fees for shares are calculated based on total number of securities admitted, ranging from US$70,000 to US$250,000. Application and initial listing fees for secondary listings where no capital is raised are between US$20,000 and US$50,000.

Annual fees

The annual fees for shares are calculated based on total number of securities admitted, ranging from US$20,000 to US$50,000.

9. Additional Information

All information for registration with Nasdaq Dubai and the DFSA must be submitted in the English language.

Key differences in requirements for domestic companies

Listing requirements for domestic companies are the same as those for foreign companies.

10. Contacts within Baker McKenzie

Mazen Boustany of Baker McKenzie Habib Al Mulla, a member firm of Baker McKenzie International, in Dubai is the most appropriate contact for inquiries about prospective listings on Nasdaq Dubai.

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Nasdaq Stockholm

Initial listing requirements

Key requirements for companies seeking a primary listing on Nasdaq Stockholm:

- *Market value*. Total market value of at least €1 million (approximately US$1.12 million), estimation of the market value is typically based on the offering price in the initial public offering, but other means of evaluation can be used as well. This requirement only applies prior to the admission to trading on Nasdaq Stockholm.
- *Recorded profitability*. Documented capacity for profitability and three years of operation and accounting records for those years. The issuer must demonstrate that it possesses documented earnings capacity on a business group level. If the issuer lacks such documented earnings capacity, it must demonstrate that it has sufficient working capital available for its planned business for at least 12 months after the first day of trading.
- *Minimum shareholders*. Must have a sufficient number of shareholders and a sufficient numbers of shares must be held by the public. A distribution of 25% of the shares within the same class is considered to be sufficient. The term "public" means a person who owns less than 10% of the issuer's shares or voting rights. A lower percentage may be accepted if it satisfied that the market will operate properly with a lower percentage in view of the large number of financial instruments that are distributed to the public.
- *Management and control systems*. Certain criteria are required regarding management, composition of the board, financial controls and supplying information to the market. The management, being either the CEO or the CFO, and the board of directors of the issuer must, for example, possess the competence and experience required to manage a listed issuer and to comply with the obligations of the company. The CEO must be employed by the issuer.
- *Listing prospectus*. In accordance with (EU) Prospectus Regulation, prior to the listing taking place, an issuer must prepare and publish a prospectus which must be scrutinized and approved by the relevant national competent authority (in terms of Sweden - the Swedish Financial Supervisory Authority). The board of directors is responsible for the prospectus and its content.

Other initial listing requirements

Share price. There is no minimum closing or offering price for shares to be listed.

Free negotiability of shares. The shares must be freely negotiable, which is a general prerequisite for becoming publicly traded and listed. The listing application must cover all issued shares of the same class.

Disclosure requirements. The issuer must establish and maintain adequate procedures, controls and systems, including systems and procedures for financial reporting, to enable compliance with its obligation to provide the market with timely, reliable, accurate and non-discriminatory disclosure of inside information in accordance with the (EU) Market Abuse Regulation (MAR) and other disclosure requirements as required by Nasdaq Stockholm.

Nasdaq Stockholm may waive a listing requirement if the objectives behind the requirement or any statutory requirements are not compromised and provided that the objectives behind the waived requirement can be achieved by other means.

Accounting standards. For an issuer incorporated in an EEA member state, the accounts must be prepared under IFRS. For an issuer incorporated outside the EEA, the accounts should be prepared under IFRS but local GAAP is acceptable for certain jurisdictions.

Financial statements. The admission documents must generally include audited annual accounts for at least three years and financial statements demonstrating the issuer's profitability. Where applicable, the accounts must also include consolidated accounts for the issuer and all its subsidiaries.

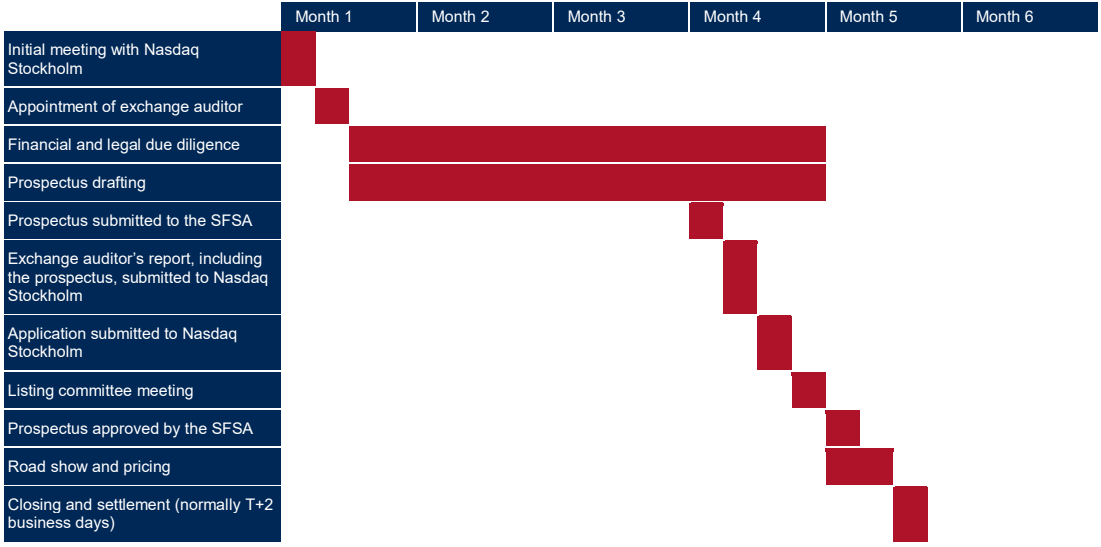
Secondary listings

Companies incorporated in Sweden shall be considered as having their primary listing on Nasdaq Stockholm. However, if an issuer can demonstrate that the majority of the trading interest in its securities relates to a foreign exchange, the exchange may accept such foreign exchange to be the place of the primary listing.

Companies incorporated in a country other than Sweden may be considered as having their primary listing in the country where they are incorporated, if such companies are listed on a regulated market in the particular country and the majority of the trading interest in the shares can be referred to such market. In certain cases, Nasdaq Stockholm may approve a listing application even if the issuer does not fulfill all the listing requirements.

Listing process

In accordance with the (EU) Prospectus Regulation, a prospectus must be prepared prior to the admission to trading of securities on a regulated market such as Nasdaq Stockholm. The prospectus must be approved by the national competent authority, the Swedish Financial Supervisory Authority (SFSA) (Sw. *Finansinspektionen*), and be submitted to Nasdaq Stockholm together with a listing application. The listing process normally takes four to six months, in each case depending on the particular circumstances. Key factors are how much time the management can devote to the process, the strength of the organization, the issuer's history and previous listing experience, composition of the board of directors and existing accounting practices. The following is a fairly typical process and timetable for the listing of a listing on Nasdaq Stockholm:



Corporate governance and reporting

A Swedish issuer with shares listed on a regulated market must comply with the Swedish Code of Corporate Governance (the Code) or explain the deviation.

The Code provides specific requirements with respect to:

- Shareholder meetings.
- Nominating committees and their composition.
- Board of directors and its composition.
- Audit committees, remuneration committees.
- Executive compensation.
- Corporate Governance disclosure requirements.

A listed issuer has continuing disclosure obligations under Nasdaq Stockholm's Rule Book for Issuers.

Foreign companies listed on Nasdaq Stockholm must either comply with the Code or such corporate governance code applicable in its jurisdiction of incorporation or where its shares are primary listed.

Fees

A listing on Nasdaq Stockholm involves initial listing fees and, when listed, annual fees. The initial listing fee consists of (i) a fixed fee at initiation amounting to SEK500,000 (approx. US$53,350), (ii) an Exchange Auditor Fee of SEK900,000 (approx. US$96,000) and (iii) a variable fee of SEK200 (approximately US$21.30) per market cap million, with a maximum of SEK500,000 (approx. US$53,350). The annual recurring fee is SEK48 (approx. US$5.10) per market cap million, with a minimum of SEK205,000 (approx. US$21,900) and maximum of SEK3,105,000 (approx. US$331,000). When the issuer has been listed for one year, the exchange auditor may conduct a follow-up review of the issuer at a fee of SEK200,000 (approx. US$21,350). All amounts are exclusive of VAT.

1. Overview of the exchange

Nasdaq Stockholm, often referred to as the "Stockholm Stock Exchange" (*Stockholmsbörsen*) or the "main market", is operated by Nasdaq Stockholm AB and is one of two regulated markets in Sweden. Nasdaq Stockholm is substantially larger than the other regulated market, Nordic Growth Market Equity (NGM Equity), both in terms of trading volume as well as the aggregated value of shares traded. However, NGM operates a fairly large regulated derivatives exchange. The remaining part of this summary addresses matters relating to Nasdaq Stockholm.

Overview of Nasdaq Stockholm

Nasdaq Stockholm is part of the world's largest stock exchange company, Nasdaq, Inc., which has more than 4,000 listed companies on Nasdaq's US, Nordic and Baltic exchanges. As at 31 December 2019, a total of 340 companies were listed on Nasdaq Stockholm, compared to 333 companies as at 31 December 2018. There are two separate marketplaces within Nasdaq Nordic — the Nordic Market, which includes the stock exchanges in Stockholm, Copenhagen, Helsinki, and Iceland — and the Baltic Market, which includes the stock exchanges in Riga, Tallinn and Vilnius. As at 31 December 2019, a total of 610 companies were listed on Nasdaq Nordic. The total market cap of listed companies on Nasdaq Nordic and the Baltic Market as at 31 December 2019 amounted to €1,415 billion (approximately US$1,586.50 billion) compared to €1,142 billion (approximatley US$1,280.41 billion) as at 31 December 2018.

Nasdaq Stockholm and NGM Equity, the only two regulated markets in Sweden, are governed by the Swedish Securities Market Act (*lag (2007:528) om värdepappersmarknaden*) and are subject to supervision by the Swedish Financial Supervisory Authority (the SFSA) (*Finansinspektionen*). The SFSA is also authorized to issue additional regulations upon which Nasdaq Stockholm and NGM base their respective rules. The rules for Nasdaq's regulated markets and MTFs in Stockholm, Copenhagen, Helsinki and Iceland are in

substance harmonized and the rules are adapted to existing EU-directives and regulations such as the (EU) Market Abuse Regulation (MAR), the (EU) Transparency Directive, the (EU) Directive regarding Markets for Financial Instruments (MiFID II) and the (EU) Takeover Directive.

Companies whose shares are admitted to trading on Nasdaq Stockholm are presented on the Nordic List together with companies whose shares are admitted to trading on the main market in Helsinki, Copenhagen and Iceland. The Nordic List is divided into three segments based on the market capitalization of the issuer concerned - Large Cap, Mid Cap and Small Cap.

As at 31 December 2019, the market capitalization of the shares listed on Nasdaq Stockholm amounted to SEK7,730 billion (approximately US$824.79 billion), compared to a value of SEK5,943 billion (approximately US$634.12 billion) as at 31 December 2018.

Nasdaq First North Growth Market (alternative market place)

An alternative marketplace to Nasdaq Stockholm is Nasdaq First North Growth Market Stockholm, which is also operated by Nasdaq Stockholm AB. Nasdaq First North Growth Market is a multilateral trading facility (MTF) and, since 1 September 2019, has also been licensed as a SME Growth Market in accordance with MiFID II. As the name states, Nasdaq First North Growth Market is generally more suitable for small and medium growth companies seeking less stringent requirements than on the main market. Historically, Nasdaq First North Growth Market has attracted growth companies within various sectors such as oil exploration, mining, medical, gaming, properties and technology. As at 31 December 2019, a total of 307 companies were listed on Nasdaq First North Growth Market, compared to 292 as at 31 December 2018.

Companies listed on Nasdaq First North Growth Market can also choose to apply for a special segment called Nasdaq First North Premier Growth Market. Nasdaq First North Premier Growth Market

has higher requirements in terms of disclosure and accounting compared to Nasdaq First North Growth Market. In order to qualify for the Premier segment, companies are required to prepare their financial statements in accordance with IFRS and prior to the listing required to publish at least one reviewed (by an auditor) financial report (for example a quarterly report or a year-end report). Companies on Nasdaq First North Premier Growth Market are further obliged to follow the same disclosure requirements as on the main market Nasdaq Stockholm. The Premier segment is particularly appropriate for companies preparing for a main market listing. Nasdaq First North Growth Market has over the years grown substantially in terms of listed companies and the Premier segment has not only become a stepping stone to the main market but also a way to separate the high amount and differentiation of companies on Nasdaq First North Growth Market. Due to the popularity of the marketplace and sufficient liquidity proved by the companies on Nasdaq First North Growth Market, the market place has become more acknowledged among investment banks, institutional investors and private equity firms. As at 31 December 2019, 54 companies were listed on Nasdaq First North Premier Growth Market Stockholm.

2. Principal listing and maintenance requirements and procedures

The application process in brief

Nasdaq Stockholm's Rule Book for Issuers (the Rule Book) stipulates that the applicant issuer must prepare itself and establish that it will be able to comply with the listing requirements well in advance of the listing. This is a multi-step application process where the issuer is subject to a review. The review process includes, but is not limited to, the issuer's business, profitability, policies, ability to comply with listing requirements and tax situation. In addition, a legal due diligence must be conducted by a legal advisor. The due diligence also includes preparation of documented procedures for all material events of the issuer, corporate governance, significant agreements, conduct in relation to competition laws and other similar legislation.

Furthermore, in accordance with (EU) Prospectus Regulation, a prospectus must be prepared and approved by the SFSA. When an issuer requests Nasdaq Stockholm to initiate an admission review, a fee must be paid and Nasdaq Stockholm will appoint an exchange auditor who will prepare and provide an assessment of the issuer's suitability for a listed environment. The complete application, including the prospectus, is reviewed by Nasdaq Stockholm's Listing Committee (the Listing Committee) which decides whether or not to approve the application. Formally, the Listing Committee is a subcommittee of Nasdaq Stockholm AB's board of directors, although half of its members represent external interests. The documentation upon which the Listing Committee bases its decisions consists primarily of the report provided by the appointed exchange auditor and the applicant's prospectus. The Listing Committee normally convenes once a month but may decide to convene additional meetings upon request from an applicant. The Listing Committee can also make an advance ruling regarding the listing requirements.

An issuer applying for listing may, in exceptional cases, be deemed as unsuitable for listing even though it fulfills the listing requirements. This could be the case when Nasdaq Stockholm, in its sole discretion, deems that the listing of the issuer's shares may damage the public confidence in the securities market. Nasdaq Stockholm may, however, in special circumstances approve an application for listing even though the listing requirements have not been satisfied by waiving the relevant requirement. These waivers are granted under the condition that Nasdaq Stockholm is assured that the purpose and objective behind the waived requirement is not compromised or if the purpose and objective is satisfied by other means.

Formal requirements

In order for an issuer to list its shares on Nasdaq Stockholm, it must be duly incorporated or otherwise validly established under the relevant laws of its jurisdiction of incorporation or establishment. The issuer's shares must be freely transferable and negotiable and must conform to the laws of the issuer's jurisdiction of incorporation. If the

issuer's articles of association include limitations on the transferability of the shares, such limitations would generally be regarded to restrict transferability. Other arrangements with a comparable effect may lead to a similar interpretation and the issuer must then remedy such arrangements prior to listing. Further, the listing must cover all issued shares of the same series. Subsequent issues of new shares of the same series must also be listed.

Accounts and operational history

The issuer shall have published annual accounts for at least three years in accordance with the accounting laws applicable to the issuer in its home jurisdiction. Where applicable, the accounts shall also include consolidated accounts for the issuer and all its subsidiaries. The evaluation of the issuer's accounts and operating history must, if applicable, also cover the issuer's subsidiaries. At least the two last years' annual reports of the issuer should be prepared in accordance with IFRS. The issuer shall further have a business plan, ongoing operations and be able to demonstrate its operations in a way that enables for Nasdaq Stockholm and investors to assess the development of the business.

Profitability and working capital

The issuer must demonstrate that it possesses a documented earnings capability on a business group level. An issuer that does not possess a documented earnings capability may instead demonstrate that it has sufficient working capital available for its planned business where sufficient in this context means being able to cover at least 12 months of business following the first day of trading. This means that the issuer, in principle, must be able to show that its business is profitable on a business group level. Accordingly, the issuer's financial statements must demonstrate that the issuer has generated profits or *has the capacity* to generate profits of a reasonable size in comparison with the industry in general.

The general rule is that profit shall have been reported during the most recent fiscal year. For companies which lack financial history, stringent requirements are imposed regarding the quality and scope of the non-financial information set forth in the prospectus and the listing application in order for investors and Nasdaq Stockholm to be able to make a well-informed assessment of the issuer and its business. At the very least, it should be made clear when the issuer expects to be profitable and how the issuer intends to finance its operations until such time. The general rule is that a profit must have been reported during the most recent fiscal year.

In terms of demonstrating the existence of sufficient working capital to Nasdaq Stockholm and investors for the 12 months following the listing, various factors may be considered. These may include cash-flow estimates, planned and available measures for financing, descriptions of the planned business investments, and well-informed assessments of the future prospects of the issuer. It is important that the basis for the issuer's well-informed assessment is clearly stated. Despite such financing, the requirement is not considered to be fulfilled in a case where, for some other reason, the issuer's financial status is extraordinary or threatened. This may be the case where, for example, an issuer is restructuring or a similar voluntary financial recovery process has taken place.

Liquidity

A prerequisite for trading on Nasdaq Stockholm is that there is a satisfactory demand and supply for the financial instrument in order to support reliable price formation in connection with trading in the share. A sufficient number of financial instruments shall be considered as being distributed to the public when 25% of the financial instruments within the same class are in public hands. The assessment of whether this requirement is fulfilled is based on various factors and may include previous trading history. In addition, the issuer must have a sufficient number of shareholders.

The term "public hands" means a person who directly or indirectly owns less than 10% of the issuer's financial instruments or voting rights. In addition, all holdings by natural or legal persons that are closely affiliated or are otherwise expected to employ concerted practices in respect of the issuer shall be aggregated for the purposes of the calculation. The holdings of members of the board and the executive management of the issuer, as well as any closely affiliated legal entities such as pension funds operated by the issuer itself, are not considered to be publicly owned. When calculating financial instruments that are not publicly owned, shareholders who have pledged not to divest their financial instruments during a protracted period of time (so-called lock-up) are included. However, Nasdaq Stockholm may accept a lower percentage than 25%, if the requirement for a properly operating market is satisfied with a lower percentage in view of the large number of shares that are distributed to the public. Additionally, the expected aggregate market value of the shares (in connection with an initial listing on the exchange) must be at least €1,000,000 (approximately US$1.12 million or SEK9.50 million).

Organizational requirements

The board of directors of the issuer shall be composed in such a way that it possesses the competence required to manage a listed issuer and has the ability to comply with the obligations of the issuer. Thus, it is important that the directors have an adequate degree of experience and knowledge regarding the special requirements for listed issuers. It is equally important that directors understand the demands and expectations to which listed issuers are subject. Members of the board and the management should know the issuer and its business, and be familiar with the way the issuer has structured its internal reporting lines, the management pertaining to financial reporting, its investor relation management and its procedures for disclosing ad hoc and regular information to the stock market.

The board of directors and members of management will normally be deemed to be familiar with these circumstances if (i) they have been

active in their current respective positions of the issuer for at least three months and (ii) have participated in the preparation of at least one annual or interim report issued by the issuer prior to the listing. In addition, Nasdaq Stockholm considers it important that all directors and members of management have a general understanding of stock exchange rules, in particular such rules directly attributable to the issuer and its listing. Such understanding may be acquired by participating in one of the seminars regularly offered by Nasdaq Stockholm.

All listed issuers must have a CEO whom is appointed by the board of directors and employed by the issuer. The CEO may not be the chairman of the board of directors. The issuer must also have at least one authorized auditor. Appointments of managing directors, board members and auditors must be made public as soon as possible.

Well in advance of the listing, the issuer must establish and maintain adequate procedures and control systems (including systems and procedures for financial reporting) in order for the issuer to comply with its obligation to provide the market with timely, reliable, accurate and up-to-date information.

3. Listing documentation and process

Initiation of the listing process and the appointment of an exchange auditor

An issuer may at any time request to initiate a listing process at Nasdaq Stockholm and the exchange will normally arrange a meeting with the issuer to discuss the listing process. If a listing process is initiated by Nasdaq Stockholm, it aims to ensure that the issuer, its board of directors and its management meet the exchange's suitability requirements and have adequate systems for financial management and disclosure of information to the public. These requirements must be met throughout the issuer's time as a listed issuer on Nasdaq Stockholm. All particulars provided by the issuer to the exchange during the listing process are treated confidentially.

If the issuer and Nasdaq Stockholm agree to initiate the listing process, the exchange will appoint a so-called "Exchange Auditor" (a representative from a leading auditing firm) and the issuer will be required to pay (i) a fixed fee at initiation of SEK500,000 (approximately US$53,350) and (ii) the Exchange Auditor fee of SEK900,000 (approximately US$96,000). The Exchange Auditor's role in the process is to assess whether it is appropriate to list and admit the applicant issuer's shares to trading. These assessments include, among others:

- An evaluation of whether there will be suitable conditions for appropriate trading in the shares.
- Whether the issuer will be able to comply with the listing requirements and in particular the requirements pertaining to disclosure of financial and other share price-sensitive information.
- Whether the issuer's board of directors and members of management are capable of managing the issuer's responsibilities towards Nasdaq Stockholm and the stock market in general.
- The information provided in the prospectus prepared by the issuer.

After the assessment has been completed, the exchange auditor will submit a report to Nasdaq Stockholm reflecting its considerations. In addition to the report, the exchange auditor will also provide the exchange with a recommendation on whether it is appropriate to list the shares or not.

The entire listing process takes approximately four to six months to complete, in each case depending on the particular circumstances.

Legal examination

Prior to the listing, an attorney must conduct a legal examination of the issuer. The legal examination must include, among other things:

- A statement that there is an adequate description of the legal and tax risks in the prospectus.
- A review of all material agreements to which the issuer is a party.
- An assessment of the issuer's tax situation (this assessment must be made by an attorney who is independent in relation to the issuer).
- Confirmation that all formalities in respect of the issuer's corporate matters have been handled properly.
- An examination whether the board of directors and members of management of the issuer meet the requirements of the Rule Book, the Swedish Code of Corporate Governance (the Code) or if there are any other impediments for the listing including the issuer's board members' and management members' honesty and integrity.

The Exchange Auditor must be provided with a written summary report of material observations from the legal examination. The applicant issuer must also ensure that the Exchange Auditor has access to all information pertaining to the legal examination required in order for the Exchange Auditor to carry out the listing assessment. The Exchange Auditor may require a separate or supplementary legal review if there is a need to investigate any specific legal or regulatory issue that the Exchange Auditor deems to be of material importance for the Listing Committees listing decision.

Required documentation

The following documents must be submitted to Nasdaq Stockholm no later than five working days prior to the meeting with the Listing Committee:

- Formal request for admission assessment, by means of which the issuer requests the Exchange's assessment as to whether the issuer fulfills the listing requirements.
- Excerpt from the minutes of a board meeting resolving the request.
- A certificate of incorporation from the Swedish Companies Registration Office or, if the issuer is not domiciled in Sweden, from an equivalent authority in the issuer's home jurisdiction.
- A company classification form (to be sent by e-mail to Nasdaq Stockholm).

Prior to the first day of trading, the following documents must also be submitted to Nasdaq Stockholm:

- Formal application for admission to trading, by means of which the issuer requests admission to trading of their financial instruments.
- A certificate from an authorized authority approving the prospectus (for Swedish issuers, the SFSA).
- Electronic copy of the approved prospectus.
- A certificate of distribution of shares.

An issuer will not be deemed to have filed a complete application until Nasdaq Stockholm has been provided with all the above information. The issuer must also sign a listing agreement with the exchange and undertake to comply with the exchange's rules prior to the first day of trading. The listing agreement is a short document

where the issuer undertakes to adhere to the rules, as applicable from time to time, and be subject to sanctions which could follow from a potential breach of the rules.

The Listing Committee is the body that assesses whether the issuer fulfils the listing requirements and whether the issuer's financial instruments should be admitted to trading on Nasdaq Stockholm. The Listing Committee is a committee under the board of directors of Nasdaq Stockholm which normally convenes once a month. Nasdaq Stockholm may, however, decide to convene additional meetings upon request from an applicant issuer. An extraordinary meeting of the Listing Committee is subject to a fee of SEK75,000 (approximately US$8,000).

If the issuer is unable to fulfill some of the listing requirements, the exchange may grant an exception provided that the purpose of the listing requirement is not jeopardized and the purpose of the requirement can be fulfilled by other means. The Listing Committee can make an advance ruling regarding the listing requirements.

Prospectus

In accordance with the (EU) Prospectus Regulation, and in order to complete the listing process, an applicant issuer must prepare and publish a prospectus which must be approved and scrutinized by the relevant national competent authority, the SFSA if the issuer is domiciled in Sweden.

If the applicant issuer is domiciled in another country than Sweden, but within the EEA, the issuer must submit the prospectus to Nasdaq Stockholm together with a certificate of approval by the national competent authority in the issuer's home jurisdiction. The certificate of approval must include any and all omissions from the requirements in the Prospectus Regulation that may have been granted. In addition, the issuer must provide a confirmation that the approved prospectus has been passported and submitted to the SFSA. The exchange may require that the applicant issuer posts supplementary information on

its website if it considers the information to be important and in the interest of the investors. The board of directors is responsible for the prospectus and its contents.

Passporting of a prospectus

A prospectus that has been approved and registered by a national competent authority within the EEA can normally be passported into Sweden, provided that the prospectus is prepared in English or Swedish together with a Swedish translation (if the prospectus is in English) of the prospectus summary and is submitted to the SFSA. Investors should be able to review the prospectus summary as a separate document.

Prospectus exemptions when an offering of securities is made to the public

When securities are offered to the public, a prospectus must normally be completed and registered with the relevant national competent authority. However, there are exemptions from the prospectus requirements and the most common exemptions are:

- The aggregate sum which the investors within the EEA shall pay calculated over a period of 12-months does not exceed the equivalent of €2.5 million (approximately US$2.80 million).
- The offer of securities is directed solely to qualified investors.
- In a country within the EEA, the offer is directed to fewer than 150 natural or legal persons per Member State, other than qualified investors.
- The offer relates to a purchase of transferable securities for a sum equivalent to not less than €100,000 (approximately US$112,000) for each investor.
- Each of the transferable securities has a nominal value equivalent to not less than €100,000 (approximately US$112,000).

Approval

The Listing Committee makes the decision on whether or not to approve the applicant issuer's listing application, provided that the SFSA formally approves the prospectus. Prior to the decision, the Listing Committee reviews the exchange auditor's final report and may also set up a meeting with the issuer in order to verify that the listing requirements are satisfied and that the issuer is able to meet all the requirements of the listing agreement (for example, the undertaking of adherence to the Rule Book), including the Code. For more information about the Code, please see below under *Corporate Governance.*

4. Continuing obligations/periodic reporting

General disclosure requirements and inside information

Article 17 in MAR sets out the disclosure obligations in respect of inside information.

"Inside information" means information of a *precise nature*, which *has not been made public*, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, *would be likely to have a significant effect on the prices* of those financial instruments or on the price of related derivative financial instruments.

A listed issuer must at all times, as soon as practically possible, disclose inside information to the market. The issuer should normally not wait to make the disclosure any longer than absolutely required to compile and disseminate the information. The issuer should ensure that all market participants have simultaneous access to any inside information about the issuer. The issuer should therefore ensure that inside information is treated confidentially and that no unauthorized party is given such information prior to public disclosure. Unless the inside information is simultaneously made public to the market, it should not be disclosed to analysts, journalists, or any other parties (either individually or in groups).

Inside information must accurately reflect the issuer's situation and be correct, relevant, clear and not misleading. Information regarding decisions made by the board of directors or management of the issuer must furthermore be sufficient enough for the market to assess the importance of the information in relation to the issuer (including its financial results and standing as well as the share price). Corrections to significant errors in information disclosed by the issuer must be disclosed as soon as possible after the error has been noted.

A listed issuer cannot evade its disclosure obligation by entering into an agreement with another party stating that specific information, or details in such information, should not be disclosed by the issuer. The determination of what constitutes inside information must be based on the facts and circumstances in each case.

In evaluating what may constitute inside information the factors to be considered may include:

- The expected extent or importance of the decision, fact or circumstance in relation to the issuer's entire operations.
- The relevance of the new information in relation to the factors that determine the price of the issuer's shares.
- Other factors that could affect the price of the listed shares.
- Whether similar information has previously affected the price of the shares.

Even though the issuer is ultimately responsible for fulfilling its disclosure obligations, an issuer which is uncertain of whether or not certain information constitutes inside information may consult Nasdaq Stockholm.

Announcements must contain information stating the time and date of disclosure, the issuer's name, website address, contact person and phone number. The most important information in an announcement must be clearly presented at the beginning, and each announcement

shall have a heading which gives the reader a clear indication of the substance of the announcement. Press releases which contain inside information must clearly state the information is deemed to be inside information in accordance with MAR. The issuer should not combine the disclosure of inside information to the public with the marketing of its activities.

Website

An issuer must have its own website on which it must post information disclosed by it on the basis of the disclosure requirements imposed. Such information must be available for at least five years. However, financial reports must be available for a minimum of ten years from the date of disclosure. The information must be made available on the website as soon as possible after the information has been disclosed.

An issuer domiciled outside the EEA must publish a general description of the main differences in minority shareholders' rights between the Issuer's place of domicile and Sweden on its website. Such description should be updated when necessary. See section 9 with regard to special requirements applicable to foreign issuers.

Disclosure of financial Information

Issuers with their primary listing on Nasdaq Stockholm and Nasdaq First North Premier Growth Market must (in addition to any obligations under any applicable legislation) disclose annual financial statements and interim reports on a quarterly basis in accordance with IFRS. Companies listed on Nasdaq First North Growth Market are only required to disclose annual financial statements and interim reports on a half-year basis but may choose to disclose interim reports on a quarterly basis. The issuer's annual financial statements should normally be so comprehensive that the annual report does not provide the market with any inside information.

The annual financial statement must include information regarding the proposed dividend per share (if the board of directors proposes that no

dividend shall be paid to the shareholders, this should be clearly stated in the report) and the planned date of the annual general meeting. Further, the annual financial statement must contain information where and in which week the annual financial report will be made available to the public. Each annual financial statement and interim report must begin with a summary of the most important information, which should at least include the issuer's net turnover, earnings per share and forecasts, if any. The half year report must at least contain the information required under *IAS 34 – Half Year Reporting*.

Annual financial statements and interim reports must be disclosed within two months after the end of the reporting period. Statutory annual reports must be disclosed within four months after the end of the issuer's financial year. Interim reports must also include information on whether or not the issuer's auditor has reviewed the report. Audit reports are deemed to form an integral part of an issuer's annual financial report.

Specific disclosure requirements

Requirements relating to forecasts and other forms of forward-looking statements

If the issuer decides to disclose a forecast, it must contain supporting information regarding the underlying assumptions or conditions upon which the forecast is based. Forecasts and other forward-looking statements must be presented in a clear and consistent manner. If there are reasons to believe that the issuer's financial result or financial position deviates from a disclosed forecast, the issuer is obliged to disclose information regarding the deviation.

"Forecast" is interpreted as an explicit figure for the current financial period and/or following financial periods. It could also, for instance, include a comparison to previous periods (for instance "slightly better than last year") or indicate a figure or a minimum or maximum figure for the likely level of profits or losses for the current financial period

and/or following financial periods. A "forward-looking statement" is a more general description of the issuer's expected future developments.

When deciding whether a change in forecast is significant enough to require a public announcement, the issuer must evaluate the deviation based on the last known actual financial performance. In deciding whether to make an announcement, the issuer should consider performance prospects and publicly known changes in financial conditions during the remainder of the review period. Matters affecting such prospects may include changes in the issuer's operating environment and seasonal patterns in the issuer's line(s) of business. Importance may also be given to any information the issuer has disclosed about the effect of external factors of the issuer, such as a sensitivity analysis regarding commodity prices or in relation to specific market developments. Market expectations, such as analyst estimates, are not decisive for such evaluation, instead, the information disclosed by the issuer itself and justifiable conclusions from such information is decisive.

Requirements relating to general meetings of the shareholders

As a general rule, a listed issuer must issue and disclose notices to attend general meetings of the shareholders. The issuer must also disclose resolutions adopted at the general meeting of the shareholders and resolutions adopted by the board of directors based on authorizations by the general meeting of the shareholders, unless the matters are of a minor significance.

In accordance with the Swedish Companies Act (*aktiebolagslagen (2005:551)*), a Swedish company must hold its annual general meeting of the shareholders within six months after the end of each financial year. At the annual general meeting, the board of directors must present the company's annual report and auditor's report. If the company is a parent company required to prepare group accounts, the group accounts and the auditor's report for the group must be presented.

Issuance of shares (and other securities)

A listed issuer must disclose all proposals and resolutions to change the issuer's share capital, number of shares, or other securities related to the shares in the issuer, unless the proposal or resolution is not significant. All significant information regarding the share issuance must be disclosed, including, among other things, the reasons for the issuance, the amount that is expected to be raised and the subscription price.

Information on the terms and conditions in connection with the share issue, as well as the actual outcome of the issuance, must also be disclosed. The information regarding the outcome should include information on whether or not the issue was fully subscribed. The Swedish Financial Instruments Trading Act provides that a listed issuer which increases or reduces the number of shares or votes must disclose information regarding the total number of shares and voting rights on the last trading day of the calendar month in which the change occurs.

Changes in board of directors, management and auditors

Proposals and actual changes with respect to the board of directors and senior management of the Issuer must be disclosed. The disclosure regarding a new board member or a new senior manager must include relevant information about the experience and former positions held by the board member or senior manager. An auditor change must also be disclosed.

Closely-related party transactions

A transaction between the issuer and closely-related parties which is not entered into in the normal course of business must be disclosed when the decision regarding such a transaction is taken, unless the transaction is insignificant to the parties involved. "Closely-related parties" include managing directors, members of the board of directors, and other managers in the issuer or significant subsidiaries who control or exercise significant influence in making financial and

operational decisions in the issuer or in the relevant significant subsidiary. Legal entities controlled by these persons and shareholders controlling more than 10% of the financial instruments or voting rights of the issuer are also considered as closely-related parties.

Sanctions

In the event of a failure by the issuer to comply with the law, other regulations, the Rule Book or generally acceptable practice on the stock market, Nasdaq Stockholm may, where such violation is serious, resolve to delist the issuer's traded securities or, in other cases, impose on the issuer a fine corresponding to not more than 15 times the annual fee paid by the issuer to the exchange. Delisting may not take place if such measure is generally unsuitable. Where the non-compliance is of a less serious nature or is excusable, the exchange may issue a warning to the issuer in lieu of imposing a fine.

5. Corporate governance

The Rule Book does not contain specific corporate governance provisions. However, as of 1 July 2008, the Code is applicable to all Swedish companies whose shares are traded on Nasdaq Stockholm and other Swedish regulated markets, which means that the issuers either must comply with the Code or explain the deviation. A listed issuer must start to comply with the Code as of the first day of trading.

The Code contains specific rules on the composition of the board of directors, notably their dependence on the shareholders, the issuer and major trading partners. The Code also sets out the audit committee and the nominating committee as bodies whose roles are to monitor the review functions of the issuer and the nomination of new directors of the board respectively. The nominating committee is elected by the shareholders at the meeting of shareholders. It is not uncommon for an issuer to set out rules for the composition of its nominating committee to ensure that it reflects the shareholding in the issuer.

6. Specific situations

Nasdaq Stockholm may offer a fast track listing for issuers already listed on Nasdaq, Deutsche Börse, London Stock Exchange, NYSE, Euronext, Oslo Börs, Hong Kong Exchanges and Clearing, Australian Securities Exchange, Singapore Exchange, Borsa Istanbul or Toronto Stock Exchange. Listings may be made with respect to IPOs, including a simultaneous US IPO, or an offering of shares, that is, with or without a simultaneous capital raising. The process is initiated through a formal listing meeting with Nasdaq Stockholm approximately two to four months prior to the target listing date. The prospectus must include audited financial statements, including balance sheets for the past three years, as well as documented profitability or sufficient working capital for 12 months. Both US GAAP and IFRS accounting are recognized as meeting the EU Prospectus Regulation and Transparency Directives. Additionally, the prospectus filed with the SFSA must be accompanied by a summary in Swedish which includes a description of the main characteristics of the issuer and the listed securities, information relating to tax and a statement from the issuer on liability and disclosure.

If a foreign issuer is not listed on one of the above mentioned exchanges or is the subject of an initial listing on Nasdaq Stockholm, then there is no explicit procedure for a fast track or expedited listing. However, the process may be expedited with Nasdaq Stockholm if scheduling and timing permit. Most issuers find that the SFSA registration process is more time-consuming than the Nasdaq Stockholm listing process.

7. Presence in the jurisdiction

Nasdaq Stockholm does not impose any requirements for a foreign listed issuer to maintain a presence in Sweden or keep any original records there.

8. Fees

A listing on Nasdaq Stockholm involves an initial listing fee and annual fees when listed. The initial listing fee consists of (i) a fixed fee at initiation amounting to SEK500,000 (approximately US$53,350), (ii) an Exchange Auditor Fee of SEK900,000 (approximately US$96,000) and (iii) a variable fee of SEK200 (approximately US$21.30) per market cap million, with a maximum of SEK500,000 (approximately US$53,350). The annual recurring fee is SEK48 (approximately US$5.10) per market cap million, with a minimum of SEK205,000 (approximately US$21,900) and maximum of SEK3,105,000 (approximately US$331,000). When the issuer has been listed for one year, the exchange auditor may conduct a follow-up review of the issuer at a fee of SEK200,000 (approximately US$21,350). All amounts are exclusive of VAT.

If substantial changes are made to an issuer during a short period of time, or in its business activities in other respects, to such a degree that the issuer may be regarded as a new undertaking, Nasdaq Stockholm may initiate an examination comparable to that conducted for an entirely new issuer applying for listing on Nasdaq Stockholm. If this is considered to be the case, Nasdaq Stockholm may charge application fees in accordance with the above.

9. Additional information

Nasdaq Stockholm has from time to time been used as a secondary market by issuers who wish to list on more than one marketplace. The main market will normally be the main or home market and the supervision of the issuer will be the main responsibility of that exchange. Still, the secondary market and its rules will apply to the issuer. Violations will be reported to the main market for disciplinary measures. Nasdaq Stockholm and the Trading Act set the rules for secondary market listings.

With respect to takeover bids, prior to the launch of a bid for shares in an issuer listed on Nasdaq Stockholm, the bidder must enter into an

agreement with the exchange to follow the takeover rules set out in the Swedish Stock Market (Takeover Bids) Act (*lag (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden*). In addition, the bidder must comply with the rules concerning takeover bids on the stock market issued by Nasdaq Stockholm and forming part of the Rule Book.

Key differences in requirements for domestic companies

Listing requirements for Swedish issuers are generally the same as those for foreign issuers. Key differences, however, include the following.

- Swedish issuers listed on a regulated market in Sweden must comply with the Code, which is further described in section 5. Foreign issuers may choose to comply or may follow their local corporate governance code.
- Following a statement made by the Swedish Securities Council in 2012, foreign issuers are not subject to the specific rules governing transactions with closely related parties.
- Foreign issuers listed on Nasdaq Stockholm may be exempt from the Swedish Takeover Rules in certain cases (such as if the issuer's shares are listed on a regulated market in the jurisdiction where the issuer has its registered office).
- As of 1 July 2014 it is required that foreign issuers incorporated outside the EEA and listed on Nasdaq Stockholm, publish a general description of the main differences in minority shareholders' rights between the issuer's place of domicile and Sweden on their website.
- A foreign issuer seeking a listing on Nasdaq Stockholm is required to file a Swedish prospectus with the SFSA. However, the SFSA may grant exemptions from the language requirement and allow the prospectus to be completed in another language

(mainly English). A Swedish summary of the prospectus is, however, required.

- For an issuer incorporated in an EEA member state, the accounts must be prepared under IFRS. For an issuer incorporated outside the EEA, the accounts may be prepared under IFRS or, subject to certain restrictions, local GAAP.

10. Contacts within Baker McKenzie

Joakim Falkner and Henric Roth in the Stockholm office are the most appropriate contacts within Baker McKenzie for inquiries about prospective listings on Nasdaq Stockholm.

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New York Stock Exchange

Initial financial listing requirements

To qualify under the general standards, a company typically must have at least one of the following:

- Three years' aggregate pre-tax income of at least US$10 million, with at least US$2 million in each of the two preceding years and positive income in all three years.
- Three years' aggregate pre-tax income of at least US$12 million, with at least US$5 million in the most recent fiscal year and US$2 million in the next most recent year.
- Global market capitalization of at least US$200 million.

A "foreign private issuer" may also choose to qualify under alternate standards, typically by having at least one of the following:

- Three years' aggregate pre-tax income of at least US$100 million, with at least US$25 million in pre-tax income in each of the last two years.
- Six months' average global market capitalization of at least US$750 million and revenues of at least US$75 million in the most recent year.
- Global market capitalization of at least US$500 million, revenues of at least US$100 million in the most recent 12-month period and three years' aggregate cash flow of at least US$100 million (including at least US$25 million in cash flow in each of the last two years).

An "emerging growth company" that avails itself of certain provisions under the US securities laws allowing the company to report only two years of audited financial statements may qualify under alternate tests.

Other initial listing requirements

Share price. Shares must have a closing price (or, if listing in connection with an IPO, an offering price) of at least US$4.

Distribution. To list its existing securities or to transfer its listing to the NYSE, a company must have at least 1.1 million publicly held shares and meet one of the following three criteria:

- At least 400 US holders of 100 shares or more.
- At least 2,200 total shareholders and an average monthly trading volume of at least 100,000 shares for the most recent six months.
- At least 500 total shareholders, with an average monthly trading volume of at least 1 million shares for the most recent 12 months.

To list securities in connection with an IPO, a company must have at least 400 holders of 100 shares or more and at least 1.1 million publicly held shares.

To list under the alternate "foreign private issuer" standards, a company must have at least 5,000 holders of 100 shares or more and at least 2.5 million publicly held shares worldwide.

Market value. The market value of public shares must be US$40 million for IPO companies under the general domestic standards and US$100 million for other companies.

Accounting standards. Audited financial statements must be prepared in compliance with US GAAP or IFRS (as issued by IASB), or, if prepared in compliance with local GAAP (including any non-IASB IFRS), they must be reconciled to US GAAP. Domestic issuers must have US GAAP financials.

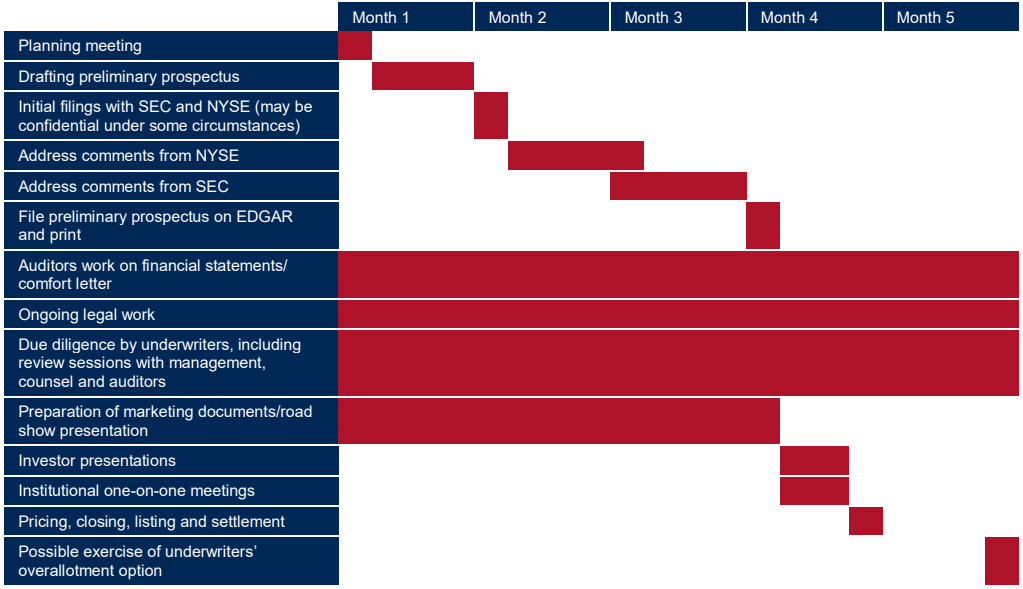
Financial statements. The registration statement must generally include five years' selected historical financial data, as well as three years' audited financial statements, provided that only two years of audited financials are required for "emerging growth companies".

Operating history. An operating history of three years is generally required.

Management continuity. The NYSE does not require any specific period of continuity of management.

Listing process

Listing involves registering the class of securities with the Securities and Exchange Commission. The SEC will typically review the registration statement, including the prospectus. The following is a fairly typical process and timetable for a listing of an issuer on the NYSE via underwritten public offering in the United States.



Corporate governance and reporting

Requirements for public companies generally include:

- Audit committee of independent directors, or a board of auditors or similar body.
- CEO/CFO certifications in certain SEC filings.
- Prohibitions on loans to executive officers.
- Review of relationships with auditors.
- Required reports by attorneys of evidence of material violations.
- Protection of whistleblowers.
- Code of ethics for senior and financial officers.
- Potential forfeiture of CEO and CFO bonuses or certain other types of compensation.

A listed "foreign private issuer" must publicly disclose how its corporate governance practices differ from domestic NYSE companies'.

A listed company has disclosure and reporting obligations both to the NYSE and the SEC.

There are no US residency requirements for directors or officers.

Fees

A company seeking to list must pay both initial listing fees and annual fees. The initial listing fee for common stock typically ranges from US$150,000 to US$295,000. Additional shares listed subsequently will require additional payments. The annual fee is a minimum of US$71,000 and increases depending on the number of shares listed. Additional costs include printing expenses and registration fees required by the SEC, as well as legal and accounting fees.

1. Overview of exchange

The New York Stock Exchange (NYSE) is owned by Intercontinental Exchange, (NYSE: ICE) a leading operator of global markets and clearing houses.

The NYSE does not specialize in or encourage listings by particular types of companies, but the NYSE does position and market itself as the premier exchange which lists the world's leading companies. The listing standards of the NYSE are designed to include companies that lead their industry in terms of assets, earnings, shareholder interest and market acceptance.

The NYSE reported that as of 31 October 2019, 506 non-US issuers from 46 countries were listed on the NYSE or the smaller NYSE American (previously American Stock Exchange).

Any proposed listing would be subject to regulation by the appropriate divisions of the NYSE and the US Securities and Exchange Commission (SEC). A proposed listing may also be subject to review by the US Financial Industry Regulatory Authority (FINRA).

The NYSE permits dual listed and cross-listed companies, but maintains the same listing standards for companies regardless of whether they are listed on another exchange. Alternative listing standards are available to foreign private issuers, as summarized below.

2. Principal listing and maintenance requirements and procedures

The NYSE does not consider any jurisdictions of incorporation or industries to be unacceptable for a listed company.

The NYSE allows "foreign private issuers" (a term of art under US securities laws, described further below) to qualify for listing either under the domestic listing criteria or under alternate listing standards for foreign private issuers. The alternate listing standards allow more

flexibility because they do not have same minimum distribution requirements for securities in the US and North America. The alternate listing standards are only available if there is a broad liquid market for the company's shares in its country of origin.

Under both standards, an operating history of three years is required for a company to list on the NYSE. The NYSE will consider allowing a joint history, if a company without the requisite history is acquiring a company that has the required history.

Domestic standards (general NYSE standards)

In order to list under general NYSE standards, a company must satisfy minimum distribution requirements, market value requirements and financial standards:

Distribution. A company seeking to list existing securities or transfer to the NYSE must have at least 1.1 million publicly held shares and meet one of the following three criteria:

- Have at least 400 US holders of 100 shares or more.
- Have at least 2,200 total shareholders and an average monthly trading volume of at least 100,000 shares for the most recent six months.
- Have at least 500 total shareholders, with an average monthly trading volume of at least 1 million shares for the most recent 12 months.

A company seeking to list in connection with its initial public offering (IPO), must have at least 400 holders of 100 shares or more and at least 1.1 million publicly held shares.

Market value. The aggregate market value of publicly held shares must be at least US$40 million for IPO companies, or US$100 million for companies seeking to list their existing securities or to transfer to NYSE. Additionally, the shares must have a closing price (or, if

listing in connection with an IPO, an offering price) of at least US$4 per share at the time of listing.

Financial. The issuer must meet one of the following two financial standards tests:

- *Earnings tests*
    - *Standard earnings test*. Pre-tax earnings from continuing operations and after minority interest, amortization and equity in the earnings or losses of investees, must total (i) at least US$10 million in the aggregate for the last three fiscal years together with a minimum of US$2 million in each of the two most recent fiscal years, and positive amounts in all three years or (ii) at least US$12 million in the aggregate for the last three fiscal years together with a minimum of US$5 million in the most recent fiscal year and US$2 million in the next most recent fiscal year.
    - *Alternative for emerging growth companies*. An "emerging growth company" (as that term is defined in the US Jumpstart Our Business Startups Act (JOBS Act)) that avails itself of certain provisions under the US securities laws allowing the company to report only two years of audited financial statements can qualify under the earnings test if its pre-tax earnings from continuing operations and after minority interest, amortization and equity in the earnings or losses of investees (as adjusted) total at least US$10 million in the aggregate for the last two fiscal years together with a minimum of $2 million in each year.
- *Global market capitalization test*
    - At least US$200 million in global market capitalization (public shares). Note that current public companies must also have a closing price of at least US$4 per share for at least 90

consecutive trading days to be considered for listing under this standard.

Note – In the case of companies listing in connection with an IPO, the companies' underwriter must provide a written representation that demonstrates the issuer's ability to meet the global market capitalization requirement based upon the completion of the offering.

Alternate listing standards for foreign private issuers (worldwide standards)

A company that qualifies as a "foreign private issuer" receives special treatment under US securities laws. In order to be a foreign private issuer, the company:

- Must be a foreign (non-US), non-governmental issuer.
- Must have 50% or less of its outstanding voting securities directly or indirectly held of record by US residents—or, if over 50% of these securities are so held by US residents, must not:
    - Have a majority of its executive officers or directors who are US citizens or residents.
    - Have more than 50% of its assets located in the US.
    - Administer its business principally in the US.

A foreign private issuer may elect to qualify for listing on the NYSE under either: (i) the following alternate listing standards, or (ii) the domestic standards described above.

In order to list under the alternate listing standards, a foreign private issuer must satisfy certain minimum distribution requirements, market value requirements and financial standards.

Distribution. The company must have at least 5,000 holders of 100 shares or more and at least 2.5 million publicly held shares worldwide.

Market value. The aggregate worldwide market value of the publicly held shares must be at least US$100 million (US$60 million in the case of companies that have a parent or affiliate that is NYSE listed and in good standing with the NYSE ("controlled companies")). Additionally, the shares must have a closing price (or, if listing in connection with an IPO, an offering price) of at least US$4 per share at the time of listing.

Financial. The issuer must meet one of the following sets of financial standards:

- *Earnings tests*
    - *Standard earnings test*. The pre-tax earnings (from continuing operations and after minority interest, amortization and equity in the earnings or losses of investees, subject to certain adjustments) of the foreign private issuer must be at least US$100 million in the aggregate for the last three fiscal years, including a minimum of US$25 million in each of the most recent two fiscal years.
    - *Alternative for emerging growth companies*. An "emerging growth company" (as that term is defined in the JOBS Act) that avails itself of certain provisions under the US securities laws allowing the company to report only two years of audited financial statements can qualify under the earnings test if its pre-tax earnings from continuing operations and after minority interest, amortization and equity in the earnings or losses of investees (as adjusted) total at least US$100 million in the aggregate for the last two fiscal years together with a minimum of $25 million in each year.
- *Valuation/revenue tests*
    - *Valuation/revenue with cash flow test*. At least US$500 million in global market capitalization, at least US$100 million in revenues during the most recent 12-month period,

and at least US$100 million in the aggregate cash flows for the last three fiscal years including at least US$25 million in each of the two most recent fiscal years (subject to certain adjustments).

- *Pure valuation/revenue test*. At least US$750 million in global market capitalization and at least US$75 million in revenues during the most recent fiscal year.
- *Alternative for emerging growth companies*. An "emerging growth company" (as that term is defined in the JOBS Act) that avails itself of certain provisions under the US securities laws allowing the company to report only two years of audited financial statements can qualify under the valuation/revenue tests if it has at least US$500 million in global market capitalization, at least US$100 million in revenues during the most recent 12-month period, and at least US$100 million aggregate cash flows for the last two fiscal years with at least US$25 million in each year.
- *Alternative for Controlled Companies.* At least US$500 million in global market capitalization and at least 12 months of operating history.

Note – In the case of companies listing in connection with an IPO, the companies' underwriter must provide a written representation that demonstrates the issuer's ability to meet the global market capitalization requirement based upon the completion of the offering.

Other requirements of listing and special situations

In addition to meeting NYSE requirements, a listing company must register its securities with the SEC before admission to dealings on the NYSE. As discussed further below, this registration is a significant undertaking.

In order to list on the NYSE, a foreign private issuer must comply with certain corporate governance standards set out in the NYSE's

listed company manual (see section 5 below). A domestic company is subject to a variety of additional corporate governance standards and distribution requirements for shares in the US and North America.

In order to be listed, the shares must also receive a CUSIP number from CUSIP Global Services. This is a fairly simple administrative process.

The NYSE also requires that the company have a designated market maker. The company may either select an eligible designated market maker as part of its listing application or delegate authority to the NYSE to select an eligible designated market maker. The NYSE will provide the company with a list of eligible designated market makers, along with contact information and market performance information.

If a company with bearer shares has difficulty demonstrating its number of shareholders worldwide, it may request to be sponsored by a NYSE member firm that would ensure the company has adequate liquidity and depth of market for its shares.

In addition, in order to list American depository receipts or shares (ADRs) on the NYSE, the ADRs must be sponsored. A foreign private issuer can obtain a sponsor by entering into a depository agreement with a US depository bank. Under the agreement, the bank agrees to provide services such as cash and stock dividend payments, transfer of ownership and distribution or relevant materials such as notices and shareholder meeting materials.

Shares do not have to be placed into escrow or otherwise be restrained from being traded, such as through “lock-in” or “lock-up” arrangements, in connection with the listing under NYSE rules.

No interview with the NYSE is typically required in order to list securities.

There are no restrictions on the currency denomination of securities.

A company is not required to retain a compliance adviser in order to list its securities on the NYSE.

Continued listing standards

In order to maintain its listing on the NYSE, a company must maintain minimum distribution levels, minimum financial standards and a minimum price. If these criteria are not met, a listed company may be the target of suspension and delisting procedures.

- *Distribution*. The NYSE will give consideration to the prompt initiation of suspension and delisting procedures with respect to a security of either a domestic or non-US issuer when:
    - The number of total stockholders is less than 400 (includes beneficial owners holding through NYSE member brokers); or
    - The number of publicly-held shares is less than 600,000 (that is, shares held by non-affiliated parties); or
    - The number of total stockholders is less than 1,200 (includes beneficial owners holding through NYSE member brokers) and average monthly trading volume for the most recent twelve months is less than 100,000 shares.
- *Financial.* An issuer will not be in compliance with the required minimum continuing financial standards and will be eligible to be delisted or suspended from the NYSE if:
    - Its average global market capitalization over a consecutive 30 trading-day period is less than US$50 million.
    - At the same time, total stockholders' equity is less than US$50 million.

Note – The NYSE will initiate suspension and delisting if a company is determined to have an average global market capitalization of less than US$15 million throughout a consecutive 30 trading-day period, regardless of the standard under which it initially listed.

Further if a company is initially listed under any of the NYSE's financial standards on the basis of financial statements covering a period of 9 to 12 months and the issuer does not qualify under the regular standard at the end of such fiscal year or qualify at such time for original listing under another listing standard, the NYSE will promptly initiate suspension and delisting procedures with respect to the issuer.

- *Price criteria for continuing listing:*
    - A company will be considered to be below compliance standards and accordingly may be subject to suspension and delisting if the average closing price of its listed security is less than US$1 over a consecutive 30 trading-day period.
    - A company generally has six months to bring its share price and average share price back above US$1 but must notify the NYSE, within 10 business days of receipt of the notification, of its intent to cure the deficiency.
    - A failure to satisfy the minimum price requirement will be deemed cured if the price promptly exceeds US$1 per share, and the price remains above US$1 per share for at least the following 30 trading days.
- *Certain other criteria*. The NYSE may also remove a company's listing for, among other things, violations of its listing agreement with the exchange, loss of its SEC registration for the listed securities, certain insolvency situations, failure to maintain a properly constituted audit committee and similar circumstances. Companies that fail to make their required SEC filings typically lose their listing in short order.

3. Listing documentation and process

For non-US companies listing in the US for the first time, the listing process involves both the relevant exchange (for example, the NYSE) and the SEC.

NYSE

The original NYSE listing application typically requires submission of a number of documents, including:

- Listing application
- A set of financial statements and any required adjustments to historical financial data.
- An opinion of counsel about the permissibility under home country law of any non-complying corporate governance or interim earnings release practices.
- Copies of any proxy statement or prospectus made within the past year that pertains to the securities to be listed (for an IPO, copies of the preliminary prospectus must be submitted as well as copies of the final prospectus when it becomes available).
- Copies of the SEC registration form.
- Opinion(s) of counsel issued in connection with any recent public offering or certificate of good standing from the company's jurisdiction of incorporation.
- For public companies, a recent distribution schedule for the shares.
- Letter from the registrar certifying the number of shares.
- Letter from the transfer agent regarding the supply of stock certificates.

- Proofs of temporary stock certificates.
- If a company is listing in connection with an IPO, a letter from the underwriter stating that distribution will occur in accordance with NYSE standards.
- Certified copy of board resolutions (and shareholder resolutions, where locally required) authorizing the actions necessary to list on the NYSE.
- Listing agreement and listing fee agreement.
- Copy of the corporate charter and bylaws and all amendments thereto.
- Copy of any certificate or order of a public authority that may approve or authorize the issuance of securities for the listing.
- Memorandum regarding dividends declared, rights issued or imminent record dates.
- Other documents as may be required by the NYSE.

A prospective applicant for listing may use the NYSE's free confidential review process to learn whether the company is eligible for listing and whether it may need to satisfy any additional conditions. In order for the NYSE to conduct such a confidential eligibility review, the company must provide the NYSE with a variety of corporate documents and information.

SEC registration

In addition to the NYSE-related requirements, a foreign private issuer must register the class of securities it intends to list with the SEC by filing a registration statement (Form 20-F). If a sale or offering is to be made in connection with the listing (such as an IPO), the offering must be registered by filing a registration statement (typically on

Form F-1 for an initial US listing), including a prospectus. The Form 20-F and Form F-1 require largely the same information.

The Form 20-F registration statement must include selected historical financial data regarding the company for the most recent five years (or a shorter period if the company has not been in operation for five years). It must also include consolidated financial statements, audited by an independent auditor and accompanied by an audit report. These consolidated financial statements must include:

- A balance sheet.
- Income statement.
- Statement of changes in equity.
- Statement of cash flows.
- Any related notes or schedules required by the accounting standards under which the statements were prepared.

Any audited financial statements included in a registration statement or annual report must be prepared in compliance with US GAAP or IFRS (as issued by IASB), or, if prepared in compliance with local GAAP (including any non-IASB IFRS), they must be reconciled to US GAAP.

- If the statements are in compliance with IFRS, the compliance must be explicitly stated, and an auditor's certification to the same must be provided.
- If the financial statements and schedules are prepared according to local GAAP, the material variations with US GAAP and SEC Regulation S-X must be disclosed.

Audited comparative financial statements for the past three years must also be included. The last year of the audited financial statements generally may not be older than 15 months at the time of listing, and,

in the case of an IPO, may not be older than 12 months at the time the document is filed. Consolidated interim financial statements may have to be provided if the registration statement becomes effective more than nine months after the end of the last audited financial year.

A statement regarding capitalization and indebtedness must also be included in the registration statement. If the registration with the SEC and listing on the NYSE is being made pursuant to an IPO, then financial information regarding proceeds and use of proceeds may also be required. If an issuer is registering debt securities, a ratio of earnings to fixed charges must also be provided.

These financial statement requirements may be difficult for non-US companies to comply with, because the US requirements are somewhat unique.

The Form 20-F or Form F-1, in addition to financial statements, must publicly disclose a variety of information, such as:

- The company's business, property, legal proceedings and controlling shareholders.
- The trading market for its shares.
- Exchange controls and tax and other foreign governmental limitations affecting US shareholders.
- Management's discussion and analysis of financial condition and results of operations.
- Officers' and directors' background, compensation, management options and interests in transactions with the company.
- Corporate governance policies and practices, disclosure controls and internal accounting controls as assessed by management.
- Off-balance sheet arrangements, contractual obligations and contractual commitments.

- Changes in the company's certifying accountant and ADR fees and payments.

With limited exceptions, all filings with the SEC must be made electronically through the SEC's electronic EDGAR system. Documents are publicly available as soon as they are filed. Under certain circumstance (for example, an issuer already listed on a non-US exchange or an issuer seeking an initial listing both on a US and a non-US exchange) the SEC will permit a foreign private issuer to make its initial filing in paper form, on a draft confidential basis. In addition, an "emerging growth company" (as that term is defined in the JOBS Act), including one that is also a foreign private issuer, may make an initial filing of its registration statement to the SEC on a confidential basis. All amendments (including amendments responding to the SEC's comments on the initial confidential filing) must be publicly filed through the EDGAR system.

From the time the company decides to make a public offering in the US, through the SEC's confidential review process, the company must not engage in publicity for the offering or that may stimulate interest in the company or its securities. After the registration statement is filed publicly, but before the securities are all distributed to investors and final prospectuses delivered, the company must continue to restrict its public communications and use of offering-related materials.

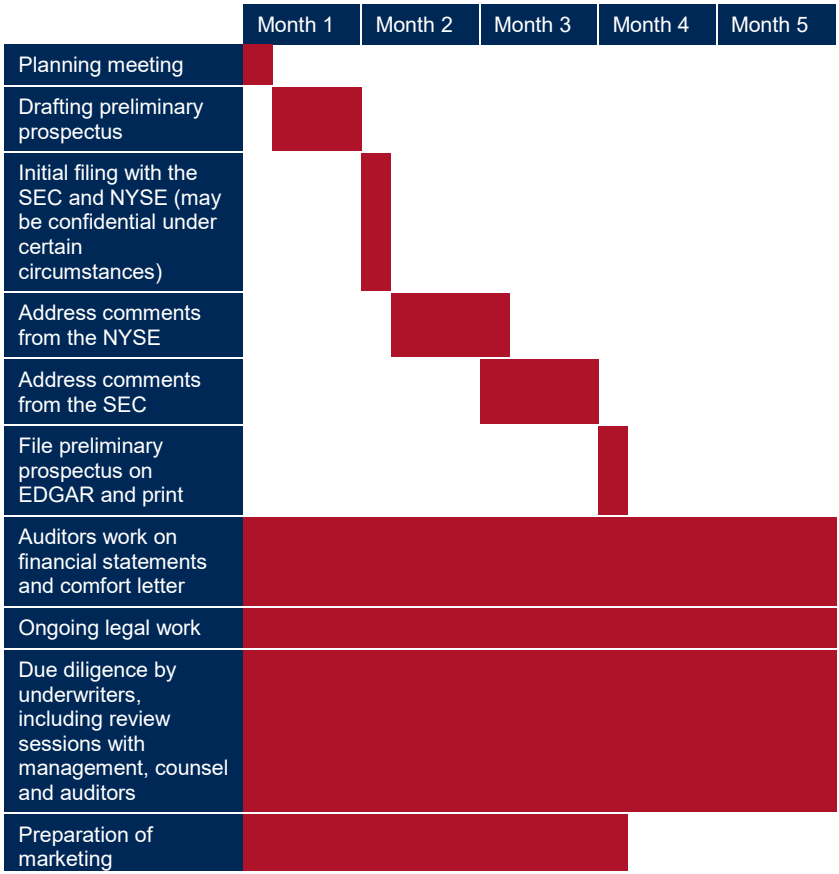
The SEC will not declare the registration statement effective until FINRA clears the underwriting arrangements for any related public offering.

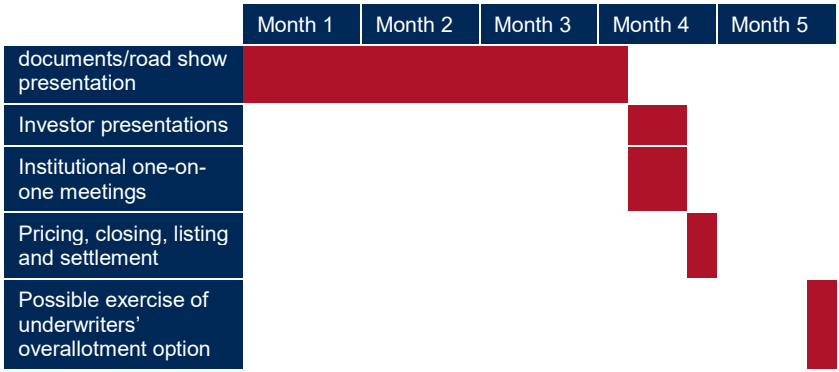
US domestic companies are also required to register their listed class of securities with the SEC. To register a class of securities other than in connection with a sale of securities, the issuer must file on Form 10. If a sale or offering is to be made in connection with the listing (such as an IPO), the offering must be registered by filing a registration statement (typically on Form S-1), including a prospectus. The Form 10 and Form S-1 require largely the same information. The Form S-1

is similar to the Form F-1 but generally requires more extensive disclosure regarding executive compensation and corporate governance practices. US domestic issuers are required to provide US GAAP audited financial statements and may not, at this time, report their financial results under IFRS.

Timetable

The following is a fairly typical process and timetable for a listing of either a foreign private issuer or a domestic issuer on the NYSE via underwritten public offering in the US.





4. Continuing obligations/periodic reporting

An NYSE listed company has disclosure and reporting obligations both to the NYSE and the SEC. Generally, a listed company must release quickly to the public any news or information that might reasonably be expected to materially affect security values or influence investment decisions. Further, the NYSE strives to ensure that listed companies provide timely and regular financial information.

Disclosure of material information

Generally, the NYSE seeks to avoid a situation where unusual market activity or substantial changes in price occur shortly before an important corporate action or development is announced, particularly because these changes may indicate the trading on the basis of material non-public ("inside") information. The NYSE believes these risks are prevalent in the context of negotiations and preparations regarding mergers and acquisitions, stock splits, exchanges or tender offers, changes in dividend rates or earnings, calls for redemption and new contracts, products or discoveries. The NYSE recommends that companies exercise caution to keep these matters confidential. If confidentiality can be maintained, a public announcement may not be necessary, but if unusual market activity appears to be taking place while important corporate developments are under discussion or

undertaken, the NYSE recommends that the company be ready to make a public announcement.

The NYSE also recommends that information provided to security analysts, financial writers and shareholders should be supplied in a consistent manner without favoring one over the others. For example, a company should not give advance information to analysts regarding matters like earnings, stock splits, mergers or tender without providing notice of the same to the press.

Once listed, a company is also subject to the NYSE's market surveillance program. This on-line system monitors price movements and volume changes. Significant shifts will be flagged and may result in a review, during which the issuer may be contacted for an explanation. If information leaks occur or rumors circulate in connection with significant corporate transactions, the NYSE may halt or delay trading in the security. The NYSE may require the company to make a public announcement, if the market appears to be reacting to undisclosed information. The information can be disclosed through any means that complies with the SEC's Regulation FD (fair disclosure), although the NYSE recommends that information be disclosed through a press release.

A listed company must also give the NYSE prompt written notice of a variety of corporate events affecting the company and its securities.

SEC periodic filings

For Foreign Private Issuers:

As long as a company continues to meet the definition of "foreign private issuer" described above, its required periodic reporting with the SEC is limited to:

- Furnishing to the SEC, from time to time, by means of a simple cover page report known as the Form 6-K, copies of significant press releases, reports and other disclosures that the issuer otherwise makes public.

- Filing an annual report on Form 20-F.

Form 6-K. A foreign private issuer must furnish a Form 6-K to the SEC from time to time. This is required by the SEC to report information that either:

- The company makes public pursuant to the law of its home country.
- The company files with any non-US stock exchange on which its securities are listed and that is made public by the exchange.
- The company distributes to its security holders.

This information could concern changes in management or control, acquisitions or dispositions of a material amount of assets, changes in the company's certifying accountants, the company's financial condition and results of operations, material legal proceedings, or any other information that the company deems of importance.

Semi-Annual Financial Information. NYSE-listed foreign private issuers must in all cases comply with the NYSE's requirement to disclose interim financial information in a Form 6-K on, at a minimum, a semi-annual basis, including:

- An interim balance sheet as of the end of its second fiscal quarter.
- A semi-annual income statement that covers its first two fiscal quarters.

This unaudited financial information must be submitted on Form 6-K no later than six months after the end of the issuer's second fiscal quarter and presented in English, but the unaudited financial information need not be reconciled to US GAAP.

Form 20-F. A listed company has financial reporting obligations under the US federal securities laws. A foreign private issuer is required to file an annual report on Form 20-F with the SEC that

includes audited financial statements. The Form 20-F is required to be filed within four months after the conclusion of the foreign private issuer's fiscal year. This report must be made available to shareholders through the company's website and the company must state that holders of stock and bonds may receive a hard copy of the company's complete audited financial statements free of charge. A company must also issue a press release, compliant with NYSE policies, stating that its annual report has been filed with the SEC. The NYSE has issued guidance as to what constitutes effective dissemination of this press release.

The financial statements required by the Form 20-F annual report are the same as those required under a Form 20-F registration statement, discussed above. They may be prepared in accordance with US GAAP, IFRS (as issued by IASB) or local GAAP. If the statements are in compliance with IFRS, the compliance must be explicitly stated, and an auditor's certification must be provided. If financial statements and schedules are prepared according to local GAAP, the principles must be disclosed and the material variations with US GAAP and SEC Regulation S-X must be discussed.

For Domestic Issuers:

Domestic issuers must file periodic and current reports on Form 10-K (annual reports), Form 10-Q (quarterly reports) and 8-K (current reports). The Form 10-K must include annual financial statements (prepared in conformity with US GAAP) along with information updating previously filed information regarding the issuer and its business. The Form 10-K must be filed within 90 days after the end of the fiscal year of the issuer or in a shorter period prescribed by regulation for certain larger reporting companies that are "accelerated filers". Quarterly reports containing unaudited quarterly financial information regarding the issuer must be filed within 45 days after the end of the fiscal quarter for the first three quarters of the year with shorter filing deadlines applying to accelerated filers. Current reports on Form 8-K are required for a variety of enumerated circumstances

including *inter alia*, material acquisitions or dispositions, reporting of financial results (such as earnings releases) entering into material financing arrangements, changes to senior management and the board of directors, any change in the issuer's accounting firm and certain insolvency events. In most cases a Form 8-K is due within four business days of the prescribed event. Form 8-Ks are often typically filed or furnished by issuers to report other material developments that are not subject to mandatory disclosures.

Further, unlike foreign private issuers, domestic issuers are subject to the SEC's proxy statement regime which requires the filing with the SEC and distribution to shareholders of a lengthy mandated report in relation to any annual or special meetings of shareholders that contains certain mandated disclosures regarding the matters to be considered the meeting (such as the election of directors at an annual meeting). Most domestic issuers include their disclosures relating to executive compensation in their proxy statement for the issuer's annual meeting of shareholders. As a result of increased SEC and shareholder focus on compensation, the disclosures around executive compensation are very complex and lengthy.

Sales and holdings by affiliates

US securities laws limit the extent to which officers, directors and other control persons of a public company can sell their securities publicly in the US. Generally, in the absence of any available exemption (such as SEC Rule 144, which provides for resales subject to limitations on the quantity and timing) none of the principal officers or directors of a public company may sell their shares in the US market unless there is a registration statement then in effect, covering their shares. However, sales by officers and directors of a foreign private issuer of ordinary shares through ordinary brokerage transactions on most major non-US stock exchanges are unrestricted by US federal securities laws.

In addition, if a person or group of persons acting in concert acquires beneficial ownership of more than 5% of any registered class of

voting equity securities, they will need to make a filing with the SEC on Form 13D or 13G. These filings also must be amended or updated from time to time.

Anti-fraud laws and insider trading

SEC and stock exchange disclosure rules are intended to ensure that securities markets receive information regarding material events that might affect the trading prices of public company securities so that investors have adequate information available to them on a timely basis. These disclosures are subject to the antifraud provisions of US federal securities laws, including SEC Rule 10b-5. This rule makes it unlawful to engage in fraudulent or manipulative practices or "to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading."

These anti-fraud laws provide the basis for a significant amount of securities litigation, which is relatively prevalent in the US. As a result, public companies and their "insiders" (that is, their officers, directors and controlling persons) have potential liability if they fail to deal fairly with investors with respect to matters that could affect the price of the company's stock. A public company must have a policy of prompt and complete disclosure to stockholders and the financial community of all material developments, good or bad, that could reasonably be expected to influence the price of the company's stock. The company and its officers, directors and other insiders must refrain from all transactions in the company's securities during any period when there is undisclosed material information about the company. For this reason, most public companies have formal trading policies applicable to insiders. Similarly, the company should ensure that all material information is disseminated uniformly to the marketplace and must avoid activities designed to manipulate the company's stock price.

5. Corporate governance

As stated previously, a foreign private issuer must comply with certain corporate governance standards set out in the NYSE's listed company manual, although there are a much greater number of corporate governance requirements applicable to domestic companies. Listed foreign private issuers must publicly disclose any significant ways in which their corporate governance practices differ from those followed by domestic companies under the NYSE listing standards. For example, while the US has now added new requirements effectively mandating the use of compensation committees of independent directors for most listed issuers, foreign private issuers listed on the NYSE may continue to follow home country practices in relation to executive compensation decisions as long as they describe how their practices diverge from US practices in their Form 20-F disclosures.

Additionally, the CEO of a listed company must notify the NYSE in writing if any executive officer of the company becomes aware of non-compliance with any of the applicable NYSE corporate governance provisions, and each listed company must submit an annual written affirmation to the NYSE on these and similar matters.

Audit committee

Under NYSE rules, a foreign private issuer must have an audit committee that satisfies the requirements of SEC Rule 10A-3. This rule generally requires each member of the audit committee to be a member of the board of directors of the company, but otherwise independent of the company. With respect to non-investment company issuers, an audit committee member is considered independent if he or she does not accept directly or indirectly any consulting, advisory or other compensatory fee from the issuer or a subsidiary of the issuer (other than in the capacity of a member of an audit committee, the board of directors or any other board committee). Additionally, in order to be independent, the audit committee member may not be an affiliated person of the company or any subsidiary. In

certain situations, exemptions from these requirements are available to foreign private issuers.

In the context of an IPO, at least one member of the audit committee must meet the independence requirement, and the others are exempt from the audit committee independence requirements for 90 days from the date of the effectiveness of the registration statement filed with the SEC. Additionally, less than half of the audit committee members are exempt from the independence requirements for a year from the date of effectiveness of the IPO registration statement.

Rule 10A-3 also sets out responsibilities of the audit committee relating to registered public accounting firms, procedures regarding complaints, engaging advisers and funding.

However, a foreign private issuer that already has a board of auditors (or similar body or statutory auditors) would be exempt from all or a portion of the audit committee requirements if certain conditions are met.

Additional specific independence requirements are imposed by the NYSE on the composition of the audit committee of US domestic issuers.

Other SEC-imposed corporate governance requirements

In addition to the corporate governance requirements outlined above, the SEC imposes a number of corporate governance requirements on all public companies (domestic and foreign). These include:

- CEO/CFO certifications in the company's Form 20-F or Form 10-K filed with the SEC.
- Prohibitions on loans to executive officers.
- Requirements that issuers review their relationships with their auditors to ensure continued independence.

- Stringent rules requiring attorneys to report evidence of material violations.
- Protection of whistleblowers.
- Adoption and maintenance of a code of ethics for senior and financial officers.
- Potential forfeiture of CEO and CFO bonuses or certain other types of compensation in the event of an accounting restatement.

Other implications for corporate governance

In addition to complying with its express obligations under the US securities laws, a foreign private issuer should also consider the following practical implications of becoming a public company in the US:

- The company will be required to provide public disclosure about annual compensation (including non-cash compensation, such as stock options and other equity-based compensation) paid to executive officers and directors. This disclosure may generally be furnished on an aggregate, rather than an individual, basis.
- Transactions with the company's stockholders, officers, directors and other affiliates must be carefully scrutinized for fairness and appropriately approved. Public disclosure of these transactions may be required.
- The company must publicly disclose information about material ongoing litigation, which may make it more difficult to conduct or settle the litigation on a favorable basis.
- Material information about the company that is not yet disclosed to the public should be restricted to a small group on a "need-to-know" basis.

- Clear lines of communication must be established for dealing with analysts and others interested in the company's financial affairs.
- Review of all public disclosures must be centralized.
- Officers and directors must be fully informed with respect to their responsibilities and potential liabilities. Indemnification of officers and directors and the availability of directors' and officers' liability insurance coverage will be of concern, particularly to outside directors.
- Officers, directors and other affiliates must be sensitive to the timing of sales and purchases of the company's securities. Procedures must be implemented to monitor transactions in the company's securities, including assistance to officers and directors in filing reports and effecting sales of securities.
- Routine corporate actions must be subject to formal procedures and timetables, including advance schedules for director and stockholder meetings and other corporate actions.

6. Specific situations

There are no additional NYSE requirements that apply to very large multinational companies or smaller companies. SEC disclosure and other requirements may vary for companies in specialized industries (such as oil & gas companies, investment companies and financial companies). In 2012, the SEC adopted special disclosure rules for all listed companies (foreign and domestic) requiring an annual specialized disclosure report on Form SD if "conflict minerals" (as defined within the rules) are contained in products a company manufactures or contracts to be manufactured and necessary to the functionality of those products or their production processes.

The NYSE provides alternative listing standards for companies that operate primarily to provide venture capital for small and medium sized business equity listings. These standards are only available to companies registered under the Investment Company Act of 1940 or

the Small Business Investment Act of 1958. Under these standards the earnings requirement is modified, and the net tangible assets applicable to common stock must be at least US$18 million (including a minimum of US$8 million in paid-in-capital or retained earnings).

No explicit procedure currently exists for fast track or expedited listing, but the process may be expedited with the NYSE if scheduling and timing permit. Most companies find that the SEC registration process is more time-consuming than the NYSE listing process.

7. Presence in the jurisdiction

The NYSE does not impose any requirements for a listed foreign company to maintain a presence in the US or keep any original records there. However, US laws require public companies to keep reasonable records and to devise an adequate system of internal accounting for the protection of assets. A public company should establish procedures and consult with its auditors to ensure that its compliance systems and its auditors' accounting systems are adequate to meet these requirements.

8. Fees

A company seeking to list on the NYSE must pay both initial listing fees and annual fees. The NYSE's initial listing fee for common stock typically ranges from US$150,000 to US$295,000. Additional shares listed subsequently will require additional payments. The annual fee is a minimum of US$71,000, and increases depending on the number of shares listed. Subject to limited exceptions, the total fees that may be billed to an issuer in a calendar year are capped at US$500,000. Other fees are applicable to such corporate events as the listing of additional securities.

Additional costs include printing expenses and registration fees required by the SEC, as well as legal and accounting fees.

9. Additional Information

With very few exceptions, all information for registration with the NYSE and the SEC must be submitted in the English language.

Key differences in requirements for domestic companies

As highlighted above, there are important differences between the requirements for domestic and foreign companies looking to register their securities with the SEC and list with the NYSE. The key differences in requirements between US companies and foreign private issuers listing on the NYSE relate mainly to corporate governance and continuing disclosure obligations. US companies are subject to certain corporate governance and disclosure obligations that foreign private issuers are not, including the following.

- US companies must file with the SEC current, quarterly and annual reports on Forms 8-K, 10-Q and 10-K, respectively, while foreign private issuers are required to furnish the SEC with Forms 6-K (with respect to information released in their home markets or to their shareholders) and file with the SEC an annual report on Form 20-F. The disclosure obligations for foreign private issuers in Form 20-F are somewhat less demanding than those for US companies in Form 10-K.

- Foreign private issuers are not required to follow US rules covering the solicitation of proxies for annual or special meetings of shareholders, which require US companies to file with the SEC (and provide to their shareholders) proxy statements containing detailed information on the matters to be considered at the meeting and the compensation of individual executive officers and directors. Foreign private issuers are required to provide only aggregate information on compensation of executive officers and directors when filing their annual reports on Form 20-F.

- Executive officers, directors and holders of 10% of the outstanding shares of US companies are subject to insider trade

reporting on Form 3 (initial ownership report) and Form 4 (changes in beneficial ownership) and short-swing profit disgorgement requirements pursuant to Section 16 of the Exchange Act, while foreign private issuers and their executive officers, directors and shareholders are not.

- Foreign private issuers generally may follow home country practices in relation to corporate governance, rather than following the rules that apply to US companies. Foreign private issuers are, however, subject to certain disclosure obligations when doing so, which are further described in section 5 above. Domestic issuers, however, are subject to additional governance requirements relating to the composition of audit, compensation and nominating committee, codes of ethics, and trading blackouts relating to benefit plans, descriptions of which are beyond the scope of this note.

In addition, a foreign private issuer may choose to apply for initial listing on the NYSE under either the US domestic standards or the alternative criteria for foreign private issuers, both of which are further described in section 2 above, while a domestic company must follow the domestic standards. The quantitative criteria for continued listing on the NYSE (for example, distribution, financial standards and share price) is the same for domestic issuers and foreign private issuers.

10. Contacts within Baker McKenzie

Christopher Bartoli in the Chicago office, Carol Stubblefield in the New York office, and Ashok Lalwani in the Singapore office are the most appropriate contacts within Baker McKenzie for inquiries about prospective listings on the NYSE.

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Prague Stock Exchange

Initial financial listing requirements

There are two main segments of the PSE:

- The EU-regulated market segment with highest transparency requirements, consisting of the Prime Market and the Standard Market.
- The exchange-regulated market segment, consisting of the Free Market and the Start Market, with a lower level of transparency.

With respect to all segments, there are no particular financial requirements in terms of profits, revenues or cash flows to be met in order to obtain a listing. There is no minimum market capitalization for companies applying for admission to the EU-regulated market (the Prime Market or the Standard Market); however, if such companies wish to be listed on the Prime Market or Standard Market operated as "official markets" (that is, not "regulated markets"), they must fulfil certain stricter statutory conditions. Such conditions include that the market capitalization of their shares must amount to a sum in Czech crowns equivalent to at least €1 million (approx. US$1.12 million).

There is no requirement specifically to appoint a sponsor or a broker for the listing. However, it is market practice for the issuer to appoint a broker and a law firm experienced in capital markets law in connection with its listing.

There are no ongoing financial requirements that must be met by the issuer in order to maintain a listing on the exchange.

There are only very few differences in listing requirements between foreign and domestic companies and there are no jurisdictions of incorporation or industries that would not be acceptable for a listed company.

Other initial listing requirements

Prospectus. A listing on the Prime Market or the Standard Market requires a prospectus agreed by the local regulatory authority, the Czech National Bank, or in case of issuers from another EEA member state, the competent authority in their home member state.

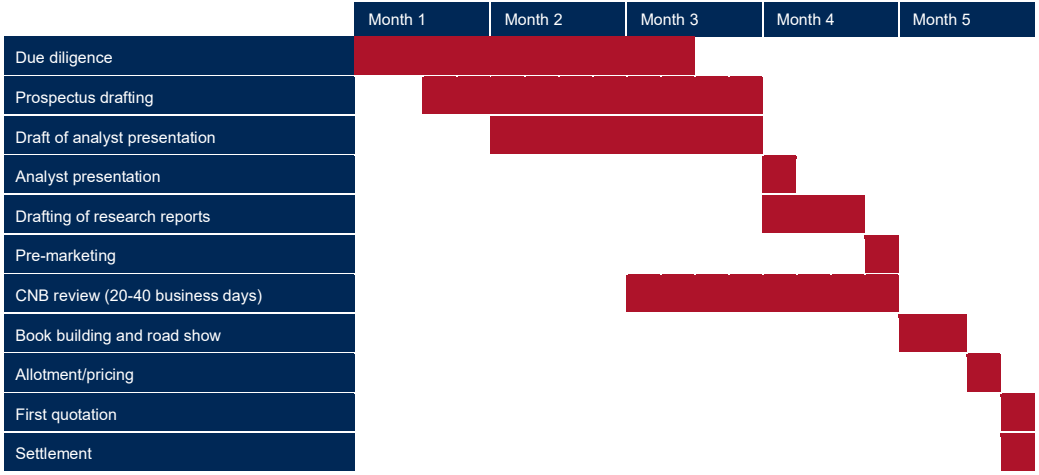
Free float; distribution. If a company applies for a listing on the Prime Market or the Standard Market operated as "official markets", more stringent statutory rules apply, including that such company must distribute a minimum free-float of 25% of the class of its shares to be listed to the public in one or more EEA states. There is no requirement for listed companies to have or maintain a specific minimum number of security holders or to have or maintain a minimum trading price for their securities.

Accounting standards. For a company incorporated in an EEA member state, the accounts must generally be prepared under IFRS. For a company incorporated outside the EEA, the accounts should be prepared either under IFRS or a national GAAP that is deemed equivalent by the European Commission (for example, US, Japanese, Chinese, Canadian or South Korean GAAP).

Financial statements. In the case of the Prime Market and the Standard Market, the applicant must submit audited annual financial statements for the last three business years with the corresponding auditor certificates.

Listing process

The formal review period according to the Rules of the PSE is 10-15 days, depending on the specific market, and obtaining the formal approval is very quick, as the whole set of all necessary documents is usually agreed with the PSE in advance. However, listing cannot occur until the shares to be listed have been validly issued and the prospectus has been approved. The following is a typical process and timetable for a listing of a foreign company on the PSE in the Prime Market or the Standard Market.



Corporate governance and reporting

There are no corporate governance requirements that a company must meet in order to qualify to list its securities on the PSE. The only relevant obligation is that the issuer applying to list its shares on the Prime Market or the Standard Market must submit any codes of corporate control and management, which are mandatory or voluntarily complied with by the issuer.

However, a foreign issuer's legal status must comply with the legal framework of the country where the issuer has its registered office (a fact that must also be declared by the issuer in its application for admission).

Companies listed on the Prime Market or the Standard Market are subject to a number of continuing reporting obligations. They include the obligation to publish notices of general meetings and certain related information, dividend distributions, or the issuance of new shares.

After being listed on the PSE, the company's securities become subject to the prohibitions on insider dealing and market manipulation. These prohibitions apply in the regulated market, that is to the Prime Market and to the Standard Market.

Any market manipulation, meaning any conduct by a person that might distort capital market participants' view on the value of, supply of or demand for a financial instrument, or that might otherwise distort the price of a financial instrument, is also expressly prohibited under Czech law.

Fees

In general, the fees are rather low. A company seeking to list on the Start Market or the Free Market must pay an admission fee of CZK10,000 (approx. US$440). There are no further annual fees for companies listed on the Start Market and a very low annual fee for companies listed on the Free Market - CZK10,000 (approx. US$440). A company seeking to list on the Standard Market or the Free Market must pay no admission fee, but annual fees do apply. In the case of the Standard Market, the annual fee amounts to CZK10,000 (approx. US$440), and in case of the Prime Market, the annual fee amounts to 0.05% of issue market capitalization (max. CZK300,000 (approx. US$13,230)). Additional fees apply to a prospectus review by the CNB and to third party services (such as lawyers, accountants, banks and trading members).

1. Overview of exchange

The Prague Stock Exchange (commonly referred to as the PSE) is the largest and oldest organizer of the securities market in the Czech Republic. The PSE is operated by Burza cenných papírů Praha, a.s. Currently, the largest shareholder of Burza cenných papírů Praha, a.s. with over 99.5% interest is the holding company CEE Stock Exchange Group (CEESEG AG), which also holds a majority interest in the Vienna Stock Exchange.

Trading on the PSE is conducted via licensed securities traders who are also PSE members. These are primarily major Czech banks and non-bank investment firms. If a common investor decides to invest in the PSE, he/she needs to contact one of these PSE members.

Each issue of shares traded on the PSE is classified into one of the four trading markets. These trading markets differ from each other mainly in terms of requirements on reporting obligations of issuers. The Prime Market and the Standard Market are regulated markets, whereas the Free Market and Start Market are unregulated multilateral trading facilities. The Free Market allows attractive foreign securities to be admitted for trading without engaging the issuer (so-called unsponsored listing). The Start Market – a market for Czech SMEs (small and medium-sized companies) – was developed for advanced investors who are aware that investing in SMEs may bear higher risks.

Prime Market trading is intended for the largest and most prestigious issues of shares of Czech and foreign companies.

The Standard Market is intended for trading of other large and prestigious issues of shares by Czech and foreign companies. Shares already traded on another regulated market in the European Union may be admitted to trading on the Standard Market without further consent of the issuer.

The Free Market and the Start Market are multilateral trading facilities regulated only by the PSE. Their rules are adjusted to best suit the issuers while ensuring sufficient liquidity of the traded shares.

Market name	Premium segment with enhanced transparency requirements?	Legal status
Prime Market	Yes	EU-regulated market
Standard Market	No	EU-regulated market
Free Market	No	Multilateral trading facility
Start Market	No	Multilateral trading facility

Companies admitted to the Prime Market and the Standard Market fulfill the transparency requirements under the EU Transparency Directive and gain all the advantages of a full listing. With the Free Market and the Start Market, the PSE provides a simple, quick and cost-efficient way of including shares in exchange trading without applying the EU Transparency Directive, but with some elements of comparable transparency, which is particularly suited for SMEs.

The PSE generally does not differentiate between primary and secondary listings. However, certain rules, mostly procedural, may apply differently, based on specific characteristics of dual listing. For example, as mentioned above, securities already traded on another regulated market in the European Union may be admitted to trading on the Standard Market without further consent of the issuer. Also, some specific rules apply for certain notification and application duties related to dual listing (such as the duty to provide information about the authority exercising supervision over the issuer or the duty to submit an application for admission of dual listed securities simultaneously on all markets where the securities will be traded).

The Czech stock exchange market is rather small and the number of liquid securities traded on the PSE is relatively low. As of 31 December 2018, the aggregate market capitalization of all companies

listed on the Prime Market, Standard Market, Free Market and Start Market was €841.49 billion (approximately US$943.48 billion). This represents a steep increase since 31 December 2017, when aggregate market capitalization was €49.56 billion (approximately US$55.57 billion), which is caused mainly by inclusion of about 30 companies whose shares are dual-listed on the PSE.

Due to its rather small scope, the PSE does not currently specialize in, or encourage listings by, any particular types of companies, though some of the leading companies from the relevant industry sectors (for example, banking, telecoms, energy and media) are listed. As of 31 December 2018, 53 companies had their shares admitted to trading on the PSE compared to 23 companies listed the year earlier. This increase in the number of listings on the PSE can be attributed mainly to an increase in unsponsored dual listings by companies on the PSE.

State supervision of the PSE is carried out by the Czech National Bank (commonly referred to as the CNB) which is empowered to supervise the financial markets in general. The CNB has regulatory authority over both the PSE operator, which needs the CNB's permission to operate the PSE, as well as the respective PSE members, which generally need either a banking license or a non-bank investment firm license. As the listing on the PSE generally requires approval of a prospectus, it is, in such case, necessary to obtain the CNB's approval of such prospectus before listing the securities on the PSE.

In general, the rules governing listings of securities apply equally to both domestic and foreign companies. However, PSE rules recognize certain information reporting requirements for foreign issuers relating to the listing process (such as the duty of a foreign issuer to submit a statement declaring that the issuer's legal status complies with the legal code of the country where the issuer has its registered office and that the securities comply with the legal code of the country according to which they have been issued).

2. Principal listing and maintenance requirements and procedures

The listing requirements are set forth in Act No. 256/2004 Coll., the Czech Capital Market Act and in the Prague Stock Exchange Rules and Regulations (including the Conditions for the Admission of Shares for Trading on the Prime Market of the Exchange) (referred to as the Rules of the PSE), which are available on the PSE's website.

There are very few differences in listing requirements between foreign and domestic companies and there are no jurisdictions of incorporation or industries that would not be acceptable for a listed company.

A foreign issuer needs to submit, together with its application, a statement declaring that its legal status complies with the legal code of the country where the issuer has its registered office and that the shares comply with the legal code of the country in which they have been issued. As regards issues admitted for trading on multiple European regulated markets which wish to be dual listed, the name and address of the relevant capital markets supervisory authority must be provided. The domestic or foreign regulated market on which the issue is traded or on which an application was filed for admission to trading, including the date of admission, must also be specified.

There are no particular financial requirements in terms of profits, revenues or cash flows to be met in order to obtain a listing. There is no minimum market capitalization of the shares for companies applying for admission to the EU-regulated market (the Prime Market or the Standard Market), however, if such companies wish to be listed on the Prime Market or Standard Market operated as "official markets" (that is, not "regulated markets"), they must fulfil certain stricter statutory conditions. Such conditions include that the market capitalization of their shares must amount to a sum in Czech crowns equivalent to at least €1 million (approx. US$1.12 million). However, this minimum amount plays only a small role in practice, since all the listed companies have a much higher market capitalization.

There are no ongoing financial requirements that must be met by the issuer in order to maintain a listing on the exchange.

In order to list its securities, the company does not need to demonstrate a particular length of trading history or a particular length of time in operation. Generally, the application for admission to the Prime Market must contain unconsolidated or consolidated regular financial statements of an issuer for the last three fiscal years before the submission of the application, or both unconsolidated and consolidated regular financial statements of an issuer, depending on which of them the issuer produces, compiled in compliance with valid, generally binding legal regulations. However, if the issuer has been in existence in its current legal form for less than three years, it may submit financial statements of its legal predecessor or statements from the time of the company's founding.

No other conditions as to the operation history apply for admission to one of the PSE trading markets. Holding companies may therefore serve as a listing vehicle immediately prior to the listing.

There are no ownership requirements specifically applicable to a listing of a foreign company's securities, in terms of holders of a particular nationality or size of individual shareholdings.

There are no corporate governance requirements that a company must meet in order to qualify to list its securities on the PSE. The only relevant obligation is that the issuer applying to list its shares on the Prime Market or Standard Market must submit any codes of corporate control and management, which are mandatory or voluntarily complied with by the issuer.

There is no requirement specifically to appoint a sponsor or a broker for the listing. However, it is market practice for the issuer to appoint a broker and a law firm experienced in capital markets law in connection with its listing.

A company does not need to conduct any interviews with the PSE. However, it is good market practice for the representatives of the appointed broker and the law firm to meet several times with the PSE before the listing to discuss the process, organization and timing of all steps before the application for listing is made.

There is no requirement for listed companies to have or maintain a specific minimum number of security holders or to have or maintain a minimum trading price for their securities.

There is no requirement for any shares to be placed into escrow (or otherwise be restrained from being traded, such as through "lock-in" or "lock-up" arrangements) in connection with the listing. However, for market reasons, the underwriters may ask for undertakings from existing shareholders not to sell their shares for a certain period of time and may also ask the company to agree not to issue further shares for an agreed period of time.

Normally, whilst a company applying for a listing does not need to fulfil any specific free float requirements, it is usual that during the pre-listing stage, the amount of free float is agreed with the PSE representatives in order to allow sufficient liquidity for trading. However, if a company applies for a listing on the Prime Market or the Standard Market operated as "official markets", more stringent statutory rules apply and such company must distribute a minimum of 25% of the class of its shares to be listed to the public in one or more EEA states. This free float requirement can, in practice, be lowered in the case of very large issues which secure sufficient liquidity for trading.

There are no restrictions on the currency denomination of securities.

The securities to be listed or traded must be freely transferable. It is a market practice that dematerialized (book-entry) securities of Czech issuers are registered with and settled through the Czech Central Depository, a subsidiary of the PSE, through one of its participants (usually the same bank or broker that provides consultancy services

with the PSE). In the case of shares in foreign companies, the securities are usually registered with a foreign central depository and, to allow their settlement in connection with the listing, such depository is either connected directly to the Czech Central Depository or there is an intermediary foreign depository that has a direct settlement link with both the Czech Central Depository and the foreign central depository that keeps the register of the shares.

Normally, a company applying for a listing does not need to obtain a compliance adviser that is established with the PSE. However, as mentioned above, it is a usual market practice that both a broker as well as a law firm are engaged in this process.

In addition to the details above, there are two further considerations when applying for admission of securities to the PSE's unregulated trading markets: (i) any issuer applying for admission of shares to the Start Market must have a guarantor for the issue that is a trading member with the PSE (the role of such guarantor is to assist the issuer in entering this market; the guarantor formally checks all the particulars of the application for admission to the Start Market, including the relevant annexes, and also oversees compliance with the disclosure duty of the issuer); and (ii) any issuer applying for admission of shares to the Free Market must either fulfil the conditions for this admission or otherwise obtain a guarantee from a trading member with the PSE.

3. Listing documentation and process

Primary listings

Prime Market or Standard Market (operated as regulated markets)

An application and a prospectus are required for the admission of each issue.

The listing application must relate to all securities in the same issue.

Companies that apply for admission to a regulated market (the Prime Market or the Standard Market) must have published a prospectus approved by the CNB or by another competent national authority of the relevant EEA state. The prospectus must be drafted in accordance with the relevant EU regulations and Czech law in Czech or English language, if it is to be approved by the CNB. In the case of an issuer from another EEA country, the regulator of the home state will have to review and approve the prospectus according to its law, which will be substantially identical as it will also be based on the EU Prospectus Regulation.

Besides an approved prospectus, the applicant must submit an application to the PSE (including relevant annexes) in writing and in electronic form, if the nature of the documents so permits, in Czech, English, or Slovak, containing the following details:

- Data regarding the issuer:
    - The issuer's name or registered business name, registered office, identification number and Legal Entity Identifier (LEI).
    - Amount of the equity capital, or the amount of the issued and approved capital for international issuers.
    - Identification of the issuer according to NACE (*Nomenclature générale des Activités économiques dans les Communautés Européennes*).
    - For a foreign issuer it is necessary to submit a statement declaring that the issuer's legal status complies with the legal code of the country where the issuer has its registered office and that the shares comply with the legal code of the country in which they have been issued.
    - For issues admitted for trading on multiple European regulated markets (dual listing), the name and address of the relevant capital market supervisory authority.

  - Codes of corporate control and management, which are mandatory or voluntarily complied with.

- Data regarding the share issue:
  - ISIN.
  - (Prime Market only) FISN.
  - Class and type of the shares.
  - Detail on whether the shares are shares, immobilized shares or book-entry shares.
  - Information on the legal code of the country under which the shares were issued.
  - Volume of the issue to be traded.
  - Nominal value.
  - Identification of the investment security according to ISO 10962.
  - Specification of the domestic or foreign regulated market on which the issue is traded or on which an application was filed for admission to trading, including the date of admission.
  - Reference price.
- The following declarations for a Prime Market listing (only the last two declarations in the list below apply in the case of Standard Market listing):
  - The issuer agrees to comply with all obligations arising from admission of the shares for trading on the Prime Market, as established by the Exchange Rules and by generally binding legislation.

- The issuer declares that all conditions for admission of the issue for exchange trading, as required by the Rules of the PSE and by applicable law, have been met (or shall be met no later than upon admission of the issue for exchange trading).
- The issuer declares that all annexes, documents and information that are a part of the application pursuant to the Exchange Rules, or have been requested in accordance with the Exchange Rules, have been provided or will be provided before the beginning of trading.
- The issuer agrees to the publication of all information it provides to the PSE in connection with the application or otherwise after the possible admission of the shares on the Prime Market (with the exception of any information regarding which the PSE and the issuer may agree otherwise).
- The issuer declares that the information contained in the application, documents and attachments is true, up-to-date and complete.
- The issuer declares that all conditions for admission to an official or regulated market (as applicable) according to the Czech Capital Markets Act No. 256/2004 Coll. have been fulfilled.

In addition, an application for listing on the Standard or Prime Market must have the following annexes:

- Certification of ISIN allocation.
- (Prime Market only) Certification of FISN allocation.
- Power of attorney by the issuer, if a current trading member requests admission on behalf of the issuer (original or certified copy).

- A prospectus stating the date, manner and place of its publication, and – if the prospectus is not approved by the supervisory authority as of the date of the application – a draft prospectus or similar document which, according to a decision of the supervisory authority, comprises data equivalent to the data from a prospectus; however, a prospectus is not required if an exception from the obligation to publish the prospectus applies.
- Articles of association of the issuer.
- Two originals of the Framework Agreement for Admission of Investment Instruments for Trading on the Market of the Exchange signed by the issuer.
- In the case of a foreign issuer, an extract from a public register maintained in the country where the issuer has its registered office (original or authenticated copy).

An application for Listing on the Prime Market must have the following additional annexes:

- Unconsolidated or consolidated regular financial statements of an issuer for the last three fiscal years before the submission of the application, or both unconsolidated and consolidated regular financial statements of an issuer, depending on which of them the issuer produces, compiled in compliance with valid, generally binding legal regulations.
- If the issuer has been in existence in its current legal form for less than three years, it shall submit financial statements of its legal predecessor or statements from the time of its founding.
- For foreign issuers that compile their financial reports in accordance with accounting standards other than IFRS, together with such reports, it must present an overview of the relevant differences between such accounting standards and IFRS.

- If the issuer complies with the official market rules according to the Czech Capital Markets Act No. 256/2004 Coll., confirmation that the issuer has published financial statements for at least three consecutive years preceding the year the application is submitted, if so required by applicable legislation.

An application for Listing on the Standard Market must have the following additional annexes:

- A document proving the entry of the shares in the register of securities maintained by the central depository or a document proving a bulk safekeeping of the shares.
- In the case of collection securities, the affidavit of the person authorized to maintain records on the share owners in the collection security that such record has been established.

Free Market and Start Market

Trading on the unregulated markets does not require formal listing approval, only a decision by the Chief Executive Officer of the PSE about the admission to trading of an investment instrument on either the Free Market or the Start Market in order to "include" the security in trading. The issuer itself must apply for inclusion in the respective unregulated market.

The obligation to obtain a prospectus applies only where required by applicable Czech law and the EU Prospectus Regulation, and may therefore not apply where there is a statutory exemption. It is therefore possible to avoid the prospectus requirement in the unregulated segment by a private placement with institutional investors only.

The application for inclusion in the Start Market or the Free Market must be sent to the PSE in writing and in electronic form, if the nature of the documents so permits, in Czech, English, or Slovak, containing the following details:

- Data regarding the issuer:

- The issuer's name or registered business name, registered office, the law of the country where the issuer was established and LEI.
- The identification number of the issuer or the number under which the issuer is entered in the Commercial Register or a similar register kept in the country of the issuer's seat.
- The amount of the issuer's equity capital or the amount of the issued and approved capital as regards international issuers.
- Identification of the issuer according to NACE (*Nomenclature générale des Activités économiques dans les Communautés Européennes*).
- (Free Market only) The name or registered business name and registered office of the person requesting admission (if different from the issuer), or the number of its entry in the register.
- (Free Market only) Power of attorney, if the issuer or a trading member is represented.

- Data regarding the share issue:
  - ISIN and FISN.
  - Type, form and category of the investment instrument.
  - Volume of the issue to be traded.
  - Nominal value, if specified.
  - Identification of the investment instrument according to ISO 10962.
  - Reference price.
  - (Free Market only) Repayment date of the investment instrument (if specified).

- (Free Market only) A statement of all Czech or foreign regulated or unregulated markets, where the issue is traded.

The application for listing on the Start Market or the Free Market must include the following documents:

- A document proving the entry of the investment instrument in the register maintained by the depository or four specimens of the investment instrument (if the investment instrument is issued in a physical form) together with its technical description. The physical investment instrument certificates must be issued in accordance with applicable Rules of PSE.
- Two originals of the Framework Agreement on the Admission of Investment Instruments for Trading on the Market of the Exchange signed by the issuer.
- If it exists, an agreement concluded with a trading member, who will act as a patron with regard to the issue admitted.

In addition, the application for listing on the Start Market must include the following documents:

- Power of attorney by the issuer, if a current member requests admission on behalf of the issuer.
- Certification of ISIN allocation.
- Information document featuring the particular details contained in the Annex to the Rules of the PSE applicable to Start Market.
- A security prospectus, if there is an obligation to publish a security prospectus in accordance with the law or if the prospectus is published on a voluntary basis.
- If the prospectus is not published, an information document contained in the Annex to the Rules of the PSE applicable to Start Market.

- The issuer's articles of association and other similar documents.
- The issuer's affidavit featuring the particulars provided in the Annex to the Rules of PSE applicable to the Start Market regarding the fulfilment of all the terms of the subscription.
- If the prospectus or the information document has been prepared by one or more shareholders of the issuer, an affidavit issued by the issuer that it provided such shareholder(s) with all due cooperation and that all information stated in the prospectus is true and accurate.

In addition, the application for listing on the Free Market must include the following documents:

- In the case of a shares listing, the issuer's articles of association and other similar documents.
- In the case of a bond listing, the respective issuance terms and conditions.
- An extract from the Commercial Register of the issuer, or in the case of a foreign issuer, an extract from a commercial register maintained in the country where the issuer is headquartered.
- In the case of immobilized shares or immobilized collection securities, collective bonds or foreign collective documents, the nature of which allows for fair, proper and effective trading, the affidavit of the person authorized to maintain records on the established of such record.
- Other information and documents as may reasonably be required by the PSE.

In case the application for listing on the Free Market does not fulfil some of the conditions for admission to the Free Market, a guarantee from a trading member with the PSE must be obtained. In such case,

some other documents may be required to be attached to the application.

Secondary listings

There are no major differences between an application for a primary listing and a secondary listing. For the relevant differences in the documents which are required for the secondary listing, please refer to section 3 (Listing documentation and process) above for a description of any differences in secondary trading (as opposed to a true listing) on the PSE.

The prospectus requirements are contained in the EU Prospectus Regulation.

In particular, the prospectus must include disclosure relating to the following topics:

- Details of the persons responsible for the prospectus.
- Details of the auditors.
- Selected financial information.
- Risk factors relating to the company and its industry.
- General information about the company.
- A description of the company's operations, principal activities, significant new products and services and principal markets.
- Organizational structure.
- Property, plant and equipment.
- A narrative description of the company's financial condition, changes in financial condition and results of operations for the periods covered by the financial statements, and any significant factors affecting its operating results.

- The company's research and development policies.
- Details of the company's management.
- Corporate governance.
- Number of employees and their share options.
- Major shareholders.
- Recent related party transactions.
- Dividend policy.
- Legal and arbitration proceedings.
- Profit forecast.
- Details of the company's share capital, objects, articles of association or charter, rights attaching to shares, procedure for conducting general meetings of shareholders and other related information.
- A summary of material contracts.

The prospectus must also contain historical financial information, in the form of consolidated financial statements for at least the last three completed fiscal years. If the balance sheet date of the last annual financial statements is older than nine months, interim financial statements must be provided. The last balance sheet date of the annual financial statements must not be older than 18 months (if the prospectus contains audited interim financial statements) or 15 months (in the case of unaudited financial statements). In any event, the latest semi-annual or quarterly financial statements must be included in the prospectus if they have been published by the company.

In addition to consolidated financial statements, the CNB requires the company's standalone financial statements for the last three fiscal

years to be included in the prospectus because such financial statements show the company's distributable profits.

If there has been a recent significant change in the company's position, such as a significant acquisition or merger, it is necessary to include pro forma financial information to reflect how the transaction would have affected its assets and liabilities and earnings if it had occurred at the beginning of the period covered by the report. Also, in the case of a complex financial history (such as mergers with other companies or other major transactions), additional historical financial information for the company or companies that was or were merged into or acquired by the issuer may have to be provided, in order to give a complete picture of the consolidated company's financial history over the last three years.

For a company incorporated in an EEA member state, the accounts must generally be prepared under IFRS. For a company incorporated outside the EEA, the accounts should be prepared either under IFRS or under US, Japanese, Chinese, Canadian or South Korean GAAP (which have been deemed equivalent to IFRS by the European Commission).

In all cases, audited financial statements must be provided together with the auditor certificates.

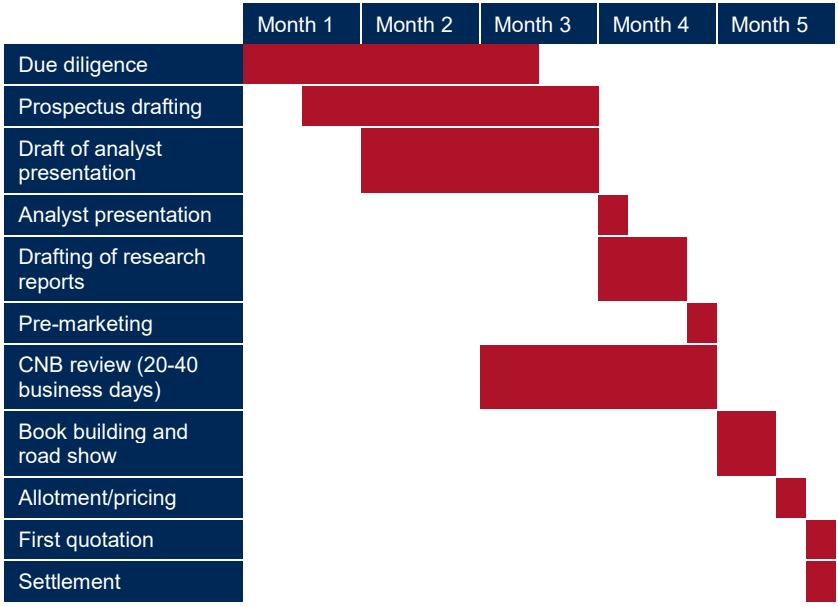
The prospectus must be approved by the CNB or in case of issuers from another EEA member state, the competent authority in their home member state. The review period is 10 working days from receipt of the application, if the application includes documents proving that the issuer of the security given in the prospectus previously had securities admitted to trading on a regulated market, or previously offered securities to the public. In other cases, this time limit is extended to a maximum of 20 working days.

However, in practice, the approval process is usually discussed with the CNB well in advance (roughly two months) for the purposes of agreeing the contents and satisfaction of all statutory requirements,

with the formal filing being just a formal conclusion of the whole approval process. Thanks to this cooperation with the CNB, the period between filing the application for approval of the prospectus and issuing a decision approving the prospectus can be as short as 1 day, which enables effective management of the related steps, such as listing the securities on the PSE or launching a public offer.

The listing process is much quicker than the prospectus approval process. The formal review period according to the Rules of the PSE is 10-15 days, depending on the specific market. However, listing cannot occur until the shares to be listed have been validly issued and the prospectus has been approved. In practice, due to the prior meetings with the PSE representatives, the formal approval is also very quick as the whole set of all necessary documents is usually agreed in advance.

Typical process and timetable for a listing of a foreign company on the PSE



There are no major variations in the documentation required for an offering of shares of a foreign company, compared to a domestic company. For any specific differences, please refer to section 3 (*Listing documentation and process*) above.

4. Continuing obligations/periodic reporting

The continuing obligations of a company depend on which PSE market the listing is made.

Regulated Markets

Any company whose securities are listed on one of the PSE's regulated markets must treat all holders of the same securities equally.

In addition, companies listed on the Prime Market or the Standard Market are subject to a number of continuing reporting obligations, some of which are periodic, while others are event-driven. They include the obligation to publish notices of general meetings and certain related information, dividend distributions, or the issuance of new shares.

A listed company whose home state is the Czech Republic must also publish details of directors' dealings in its shares. The members of the management board (or comparable senior executives) and members of the supervisory board (or a comparable body) are covered by this obligation. They must report their own trades, as well as trades by certain relatives and entities controlled by them.

Such companies must also publish all threshold notices received from their shareholders. Investors are also obliged to report holdings in instruments which entitle or enable them to achieve a respective shareholding.

An issuer with shares listed on the Prime Market must comply with the disclosure duty under the applicable legal regulation and the Rules of the PSE regarding, in particular, the following information, to be

provided without undue delay (unless otherwise specified below) to the PSE in Czech, Slovak or English:

- An annual report and consolidated annual report, no later than four months after the end of each fiscal year.
- A semi-annual report or consolidated half-yearly report, if the issuer is obliged to compile consolidated semi-annual reports, within three months following the end of the first six months of each fiscal year (the consolidated semi-annual report must be compiled in accordance with IAS34).
- If applicable, a report on remuneration paid to a state no later than six months after the end of each fiscal year.
- Any draft resolution for an increase or decrease of registered capital.
- Personnel changes to the board of directors, supervisory board and top management.
- All information required for the protection of investors or for securing the smooth functioning of the market (such as legal and commercial disputes, new patents and licenses, closure or cancellation of new contracts, appointment of a new auditor).
- Each change in the rights associated with a particular class of shares or similar securities representing the right to a share in the issuer's business, also if there are changes made to the rights associated with the shares which the issuer has issued and with which a right is associated to acquire shares issued by the issuer or similar securities representing the right to a share in the issuer's business.
- Notification of any decision by the issuer to exclude the shares concerned from trading on the regulated market, including information about whether and when a public offering for a

contract has been made in accordance with the law and the full wording of the public offering.

- A calendar regarding the fulfilment of the disclosure duty, before the commencement of trading and, thereafter, within 30 days of the beginning of the fiscal year for that fiscal year. This calendar contains data on, for example, the publication of preliminary financial results, the annual report and the semi-annual report, interim report and date of the general meeting.

- The complete balance sheet and profit/loss statement, if the issuer compiles them, or preliminary financial results showing selected indicators from the balance sheet and profit/loss statement.

- An interim report on the first and third quarter of each fiscal year published not earlier than after the first 10 weeks and not later than six weeks before the expiration of each six months of a fiscal year. The interim report shall: (i) contain an explanation of the most important affairs and transactions and of their impact on financial situation of an issuer and its subsidiaries; (ii) give a true and fair view of the financial position, undertaking activities and profit or loss of an issuer and its subsidiaries; and (iii) include, at least, a condensed balance sheet, a condensed statement of profit or loss and other comprehensive income, a condensed statement of cash flows, and a condensed statement of changes in equity.

- A Declaration on the Code of Corporate Governance that the issuer willingly or voluntarily complies with in the same form as is a part of the annual report.

- Information about the issuer's business results and commentary on its financial situation as required during the year by the Committee of the PSE.

- Information about the convocation of an annual or extraordinary general meeting, the payout of dividends, the issuance of new

shares, the exercising of rights from convertible or priority bonds and the exercising of subscription rights.

- The percentage of own shares, if these shares reach, exceed or fall below the relevant thresholds of shareholding interest.
- Minutes of regular and extraordinary general meetings of the issuer.
- Changes to the issuer's entry in the Commercial Register.
- All changes to rights relating to the listed shares.
- Information regarding the shareholder structure, including upon receipt of an extract from the register of shareholders and the designation of the persons acting in concert.
- Information about ownership interest of the issuer in the businesses of other parties.

Where listing on the Standard Market, only the first 8 duties listed above apply.

The issuer of shares admitted for trading on one of the PSE's regulated markets must also notify the PSE, without any undue delay, about any significant changes that are not publicly known and that relate to the financial situation of the issuer, changes to the data specified in the prospectus, and also about other facts that could directly or indirectly cause changes to the price of the admitted shares or could lessen the ability of the issuer to fulfil obligations arising from the share issue.

Unregulated markets

With regards the Start Market and the Free Market, the issuer must provide the PSE with the following information in Czech, Slovak or English, immediately after the compilation or receipt thereof:

- An audited annual report.

- Information on any changes regarding rights relating to the traded shares (such as participation in an ordinary or extraordinary general meeting or claim for a dividend).
- Information on any changes in the volume of issue, par value, form or ISIN.
- Information that may lead to a significant change in the price of the shares or deteriorate the issuer's ability to comply with obligations arising from the shares (including, for example, the commencement of bankruptcy or settlement proceedings, suspension of the issuer's activities on the basis of an official decision, approval of a business transformation plan).

Director's dealing, insider trading and market manipulation

After being listed on the PSE, the company's securities become subject to the prohibitions on insider dealing and market manipulation contained in the Czech Capital Market Act and the EU Growth Market Abuse Regulation. These prohibitions apply in both segments of the regulated market, that is to the Prime Market and to the Standard Market.

An insider may not use inside information by acquiring or disposing of, or by trying to acquire or dispose of, a financial instrument to which the inside information relates and may not, either directly or indirectly, recommend another person to acquire or dispose of a financial instrument to which the inside information relates. Moreover, it is obligated to keep inside information confidential and prevent any other person from accessing such information unless the disclosure of such information is part of his normal activity, duties or employment.

An issuer of a financial instrument is obligated immediately to make public, in a manner allowing remote access, and send to the CNB in electronic form, all inside information which directly concerns it. The information made public must be understandable and must not be

distorted. Such public disclosure may be delayed only for serious reasons.

Any market manipulation, meaning any conduct by a person that might distort capital market participants' view on the value of, supply of or demand for a financial instrument, or that might otherwise distort the price of a financial instrument, is also expressly prohibited under Czech law.

5. Corporate governance

There are no corporate governance requirements for a company in order to qualify to list or to maintain a listing of its securities on the PSE. However, a foreign issuer's legal status must comply with the legal framework of the country where the issuer has its registered office (a fact that must also be declared by the issuer in its application for admission).

6. Specific situations

There are no additional requirements, or any changes in the normal requirements, that apply to very large multinational companies. In practice, these companies are listed on the Prime Market, in order to provide the highest quality reporting and to be included in a selection index.

Similarly, there are no special requirements for smaller companies. Smaller companies that want to operate under a less stringent regime may opt for trading on the Standard Market or Free Market.

There are no industries for which the normal listing or maintenance rules do not apply, or apply only in modified form, and no industries for which additional listing or maintenance requirements apply. There are no situations in which a "fast track" or expedited listing can be procured on the regulated market.

7. Presence in the jurisdiction

Foreign companies listed on the PSE are not required to maintain offices in the Czech Republic or to have directors resident in the Czech Republic.

There is no requirement to keep corporate records of such companies within the jurisdiction of the Czech Republic.

8. Fees

PSE fees are set out in the PSE Exchange Rules, available online at: https://www.pse.cz/storage/documents/en/PSE_Exchange_fees.pdf

In general, the fees are rather low. The following table contains an overview of exchange fees set out by the PSE for the issue of shares traded on its markets.

Market	Admission fee	Annual fee
Prime Market	0	0.05% of issue market capitalization (max. CZK300,000 (approx. US$13,230))
Standard Market	0	CZK10,000 (approx. US$440)
Free Market	CZK10,000 (approx. US$440)	CZK10,000 (approx. US$440)
Start Market	CZK10,000 (approx. US$440)	0

Additional costs must be taken into account, such as those of the broker, lawyers and accountants in connection with preparing the prospectus, negotiating with the PSE, arranging for the listing and registration of securities, and drafting and negotiating the related agreements.

If the listing is combined with an offering, the underwriting bank will charge a commission for its services (usually defined as a percentage of the offering proceeds) and also charge its out-of-pocket expenses.

In larger offerings, a financial communications firm may also be involved to assist in the preparation of marketing materials.

Further costs include the fee payable to the CNB for review and approval of the prospectus (CZK10,000 (approx. US$440)), costs for custody of securities and costs in connection with the issue of shares, such as court and notary fees.

Other costs may include human resources costs for maintaining an investor relations department and a compliance department, travel, accommodation and room rent for meetings with analysts, the costs of publication of financial documents and legal notices and (a major cost item) the holding of the annual meeting. Finally, additional costs may be incurred by maintaining a larger financial department and, if the company has not been reporting its financial data under IFRS prior to its listing, higher auditor costs could result.

9. Additional information

All communications, materials and documents provided to the PSE must be made in Czech, Slovak or English. It is generally not necessary to provide documents in more than one language, however, the Committee of the PSE may determine which documents provided in English or Slovak must also be subsequently provided in Czech. All the disclosure duties may therefore be fulfilled in English.

The PSE's website (https://www.pse.cz/en/) is available in Czech, with a majority of the content (including the Rules of PSE) translated to English. The website of the Czech regulator (https://cnb.cz/en) also contains many useful materials and guidance in the English language.

10. Contacts within Baker McKenzie

Libor Basl in the Prague office is the most appropriate contact within Baker McKenzie for inquiries about prospective listings on the PSE.

Libor Basl
Prague
libor.basl
@bakermckenzie.com
+420 236 045 001

Santiago Stock Exchange

Initial listing requirements

There are neither initial nor ongoing financial requirements that local or foreign companies must meet in order to qualify to list their securities on the Santiago Stock Exchange (SSE). In the case of foreign entities, the basic requirement imposed for the offer of foreign securities to the general public is to ensure that:

The foreign issuer is duly supervised by a foreign regulator.

The foreign regulator is a IOSCO member.

The reporting obligations of the foreign issuer with the foreign regulator and/or exchange are complied with in English or Spanish.

The foreign securities being registered can be publicly offered in a country which forms part of the list of "Recognized Markets."

The issuer's annual report and financial statements are audited.

Other types of offerings and exemptions

Qualified investors. Registration of foreign securities that are not registered with a foreign authority may be permitted if they are restricted to "qualified investors" (that is institutional investors such as banks, insurance companies, funds and others). In this case, the registration and listing in Chile will correspond to a secondary listing.

Collaboration agreements. The Financial Market Commission (CMF) may exempt foreign securities from the registration obligation when they correspond to issuers under the supervision of entities with which the CMF has executed collaboration agreements, including securities regulators of Spain, Colombia, Mexico, Peru, the Canadian provinces of Alberta, British Columbia, Quebec and Ontario and, subject to certain restrictions, Argentina.

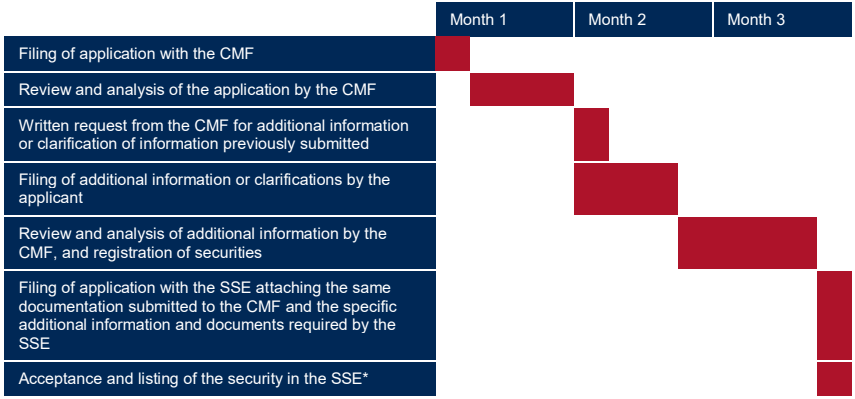
Integration agreements. Foreign securities traded on foreign exchanges with which the SSE has executed integration agreements, such as the Integrated Latin American Market (MILA) exchanges, will be automatically listed.

Financial statements. Local entities must provide annual reports for at least two complete fiscal years, approved by the shareholders' meeting, or (for companies with less than one year of existence) the last available balance sheet. Also, they must provide a comparison of their last annual financial statements as against the preceding year's, audited by external auditors. Additionally, as an ongoing obligation, local issuers must file their financial statements with the regulator on a quarterly basis. In the case of foreign issuers, the applicant must provide the issuer's financial statements for the last annual period together with the annual report of the external auditors, to the extent the issuer has been audited. It is not mandatory that the financial statements be audited. However, if the financial statements are not audited, the registration of securities will only allow for their offering to "qualified investors."

Accounting standards. Local listed entities are required to prepare their financial statements according to IFRS. No specific accounting and/or auditing standards are required from foreign entities. However, the applicant must describe under which accounting and auditing standards the financial statements have been prepared, if they are not under IFRS or IAS.

Listing process

The following is a fairly typical process and timetable for a listing of a local or foreign issuer on the SSE and registration with the CMF.



**Note that the listing with the SSE will take normally between two and five business days from the filing date.*

Corporate governance and reporting

Local listed companies are subject to some corporate governance obligations which are reflected in three main duties that the board of directors have: (i) a duty of care, which means that directors are responsible for ordinary negligence; (ii) a duty of loyalty, which reflects in restrictions on certain actions or contracts in which a director may have a conflict of interest; and (iii) a duty of information and confidentiality, which means that besides the information and reporting obligations described below, directors have the duty to maintain confidentiality with regards the company's business.

The CMF also requires listed companies to inform the public of their corporate governance practices on an annual basis. This obligation has to be fulfilled by means of answering an extensive questionnaire which inquires about the company's compliance with a series of corporate governance practices that the regulator considers "desirable" or "good," but which are not mandatory.

In contrast, no corporate governance requirements are imposed on foreign issuers seeking to list on the SSE.

Local listed companies have the duty to provide their shareholders and the market sufficient, truthful and timely information regarding the legal, financial and economic situation of the company and other information deemed essential with respect to themselves, the securities being offered and the offer itself, generally by way of relevant or essential facts (*hechos esenciales*) (or in certain cases undisclosed communications or *hechos reservados*), which means that all facts or situations considered essential or relevant, that have or could have influence or effect on the company's business, on its financial statements, on its securities or their offer, must be announced.

A foreign issuer is subject to periodic reporting obligations that require the applicant to provide the CMF and the SSE with the same information that the issuer is required to provide to the regulator in its domestic market or in the market where the securities are traded, with the same frequency, means of publication, language and in the form required under said foreign markets.

Fees

Local and foreign companies must pay a fixed fee of 20 UF (approximately US$748) to the CMF in order to proceed with the listing of their securities. In addition, local and foreign companies with securities listed must pay a listing rights fee at the time the listing is accepted, and on an ongoing basis every six months. The listing rights fee is calculated as a percentage of the company's net worth (capital, reserves and results), ranging from 6 UF to 125 UF (approx. US$224 to US$4,674).

1. Overview of exchange

The Santiago Stock Exchange (SSE) is the largest exchange in Chile and the third largest stock exchange in Latin America. The SSE was founded on 27 November 1893.

Historically, the SSE has been home primarily to large local companies. However, over the last 10 years, a number of medium size companies and foreign companies have listed on the SSE as well. As of November 2019, there were 203 companies listed in the SSE.

The SSE does not specialize in or encourage listings by particular types of companies. Companies from all industrial sectors and sizes have been listed on the SSE.

The SSE is a part of the Integrated Latin American Market (MILA), a program that integrates the stock exchange markets of Chile, Colombia, Peru and Mexico. This program is intended to develop the Latin American capital markets through the integration of these four countries, giving investors greater access to different securities, issuers and sources of funding.

As of November 2019, the market capitalization of the companies listed on the SSE was approximately US$180 billion. The foreign securities market is one of the fastest growing, both in terms of number of trades and total traded volume. Between 2006 and 2013, the number of trades in this market (equity and ETFs) grew by more than 10 times and total traded volume increased fivefold.

2. Principal listing and maintenance requirements and procedures

Any proposed listing must comply with the registration or exemption requirements established by the Financial Market Commission (CMF) and with the regulations issued by the exchange.

The Chilean Securities Act 18,045 empowers the CMF to establish procedures for registration and public offering of both local and

foreign securities, and to establish different requirements based on the nature of these as well as determine the markets in which they may be traded. The CMF is also authorized to exempt foreign securities from the registration obligation for foreign issuers under the supervision of entities with which the CMF has executed collaboration agreements (such as Canada, Peru, Colombia, Mexico, Spain and, subject to certain restrictions, Argentina).

Only those securities registered in the Securities Registry or the Foreign Securities Registry maintained by the CMF, or exempted from registration, can be publicly traded in Chile and therefore listed on a Chilean stock exchange. Foreign securities issued by entities incorporated in jurisdictions that are considered by the Financial Action Task Force (FATF) as jurisdictions that experience strategic deficiencies in the prevention of money laundering and financing of terrorism, defined as high risk or non cooperative jurisdictions, cannot be registered with the CMF, and therefore, cannot be listed and offered in Chile.

All local securities of the same kind (that is, shares, bonds and so on) are subject to the same registration and public offering conditions. However, under regulations issued by the CMF, there are two listing categories for foreign securities—those registered with foreign authorities and those that are not. Although the CMF authorizes the registration in Chile of foreign securities that are not registered with foreign authorities, these securities may not be traded among the public in general and are restricted to "qualified investors" (that is, institutional investors such as banks, insurance companies, funds and others).

There are neither initial nor ongoing financial requirements that local or foreign companies must meet in order to qualify to list their securities on the SSE. In case of foreign entities, the basic requirement imposed for the offer of their securities to the general public is to ensure that:

- The foreign issuer is duly supervised by a foreign regulator.

- The foreign regulator is a IOSCO member.
- The reporting obligations of the foreign issuer with the foreign regulator and/or exchange are complied with in English or Spanish.
- The foreign securities being registered can be publicly offered in a country which forms part of the list of "Recognized Markets".
- The issuer's annual report and financial statements are audited.

Most of the substantive requirements that apply to domestic companies, that refer to corporate governance, risk classifications, legal compliance and others, are not directly required for the registration or listing of foreign securities in Chile.

Local securities have to be registered both with the CMF and with the SSE directly by their issuers. In the case of foreign securities, either the foreign issuer, or a sponsor of the foreign issuer, can request the registration of the securities at the Foreign Securities Registry of the CMF. If the filing is made by the foreign issuer, the issuer must appoint a legal representative in Chile, duly allowed to file the registration request, to comply with the reporting obligations that are applicable upon the registration of the foreign securities, and to receive communications and to receive services of process on behalf of the issuer in Chile. If the filing is made by a sponsor, the sponsor must comply with certain requirements imposed by the CMF. Generally, only a national exchange, registered broker dealers and registered fund managers can act as sponsors for these purposes.

Once the foreign security has been registered with the CMF, the registration with the SSE can be made by the issuer itself or by the same person that obtained the registration with the CMF.

Foreign securities may only be denominated in US Dollars, Euros or any other foreign currencies authorized by the Central Bank of Chile.

3. Listing documentation and process

Registration of local entities

The application for registration of local entities in the Securities Registry of the CMF must be accompanied by a request for registration of the securities that the issuer will offer to the public. However, the issuer is not required to offer the securities registered until after a year from registration.

No special difference is made for registration or listing purposes based on whether the offering corresponds to a primary or secondary listing.

The interested issuer has to file a registration application to the CMF, accompanied by a letter signed by the general manager or the person acting in such capacity. During the registration process the issuer shall remit any amendments or updates that affect the information presented.

The CMF will register the securities within 30 days from filing of the application, once the issuer has presented the required information regarding its legal, economic and financial situation. The term will be suspended if the CMF requests, in writing, new information or rectification of the information provided, and will be resumed when that process is finished.

The issuer's registration request shall contain, as a minimum, the following information, updated to the time of the presentation:

- General, economic and financial background of the issuer, which includes identification of the issuer, legal history, administration, property and control of the company, employees and others, a comparison of the issuer's last annual financial statements as against the preceding year's, audited by external auditors. Also, the economic and financial background of the issuer's subsidiaries and other corporations the issuer has invested in must be presented, when the issuer has control over them or has significant influence over them.

- Relevant or essential facts (*hechos esenciales*), that is all facts or situations considered essential or relevant that have or could have an influence or effect on the company's business, on its financial statements, on its securities or their offer, must be disclosed. The Securities Market Law considers any information that an informed person would consider important in making his own investment decisions to be "essential" for these purposes.

- Documents regarding the legal background of the company, such as copies of the bylaws and any subsequent amendments, in addition to a list of its shareholders or partners, a facsimile of the share certificates and the last annual report presented to the issuer's shareholders or partners.

- A statement of responsibility with respect to the truthfulness of all the information filed with the CMF for the registration of the issuer, signed (in the case of a stock corporation) by the majority of the Board members required by the company's bylaws for the passing of a Board resolution and the general manager or the person acting as such. With respect all other entities, the statement must be signed by such individual that according to the company's bylaws validly represents the entity, and by the general manager. A new statement of responsibility must also be presented when parts of the information remitted to the CMF are subsequently corrected or amended by the issuer.

- A special affidavit stating that the issuer is not in default, signed by the same persons above mentioned depending on the case.

The registration process for the securities will be different depending on the type of security to be offered. We refer below to the general requirements for registration of shares, bonds and quotas of investment funds.

Registration of shares

With respect to shares, the issuer is required to make the following distinction in the registration application: whether the shares will be offered to the general public, whether the shares will be offered only to the issuer' shareholders, or whether the shares are the result of the capitalization of credits or the consequence of a merger. In the latter two cases, a prospectus will not be required and a letter to the shareholders communicating the circumstances of the issuance will be sufficient. In the first case, the application for the registration of shares must be accompanied by a prospectus, which must include the following information:

- Information on the intermediaries participating in the offering and a declaration of responsibility from the issuer (if only the issuer participated in the creation of the prospectus), from the issuer and the intermediaries (when the issuer and an intermediary have participated in the creation of the prospectus); or from the intermediaries (when the prospectus contains information on the intermediaries).
- Indication of the month and year in which the prospectus was finished.
- Identification of the issuer.
- Reference to the legal background and documentation of the issuance.
- Main features of the issuance.
- Description of the placement.

Additional information will be registered once the CMF has issued the certificate of registration of the shares issuance. It includes the placement certificate; the number of registration of the issuance; date of the certificate; a note saying that the last audited financial statements are available at the issuer's office, at the CMF and at the

underwriter's offices; indication of the financial statements the issuer has voluntarily included in the prospectus, and statements of responsibility (in the case of a stock corporation, signed) by the majority of the board members as required by the company's bylaws for the adoption of board resolutions, and the general manager or the person acting as such, and in all other cases signed by the individual that, according to the company's bylaws, validly represents the entity, and by the general manager). A new statement of responsibility must also be filed whenever a part of the information remitted to the CMF is subsequently corrected or amended by the issuer. Additionally, a special affidavit must be presented, stating that the issuer is not in default *(cesación de pagos)*, signed by the same persons mentioned above, depending on the case.

Furthermore, in order to register shares, the issuer must provide, among other documents, a pro forma shares certificate; a copy of the communication remitted by the risk rating entities, if applicable; a copy of the public deed containing the minutes of the shareholders' meeting where the capital increase was agreed, duly legalized; a copy of the minutes of the board of directors meeting in which the issuance and its conditions were agreed, duly certified by the company's general manager; a copy of the announcement to be published, announcing the preferred option of subscription that the company's shareholders have; a copy of the communication to the shareholders announcing the preferred option of subscription of shares; a copy of the announcement to be published, informing the general public of the issuance; and indication of the security mechanisms to be used by the company in the creation of the share certificates, according to the rules of the CMF.

With respect to share issuances where the price of the preferred offer is determined through a market procedure, the issuer can announce the placement price anytime up to and including the day immediately preceding the day that the offer commences. In this case, the information in the prospectus must be amended in the parts relating the price and in the template of the announcements to be published.

Also, there are special rules for the issuance of (i) shares destined to be subscribed for exclusively by the shareholders or to be paid by credit capitalization; (ii) shares where there are pending overdue debts; and (iii) shares issued as a consequence of a merger.

The CMF must register the shares in the corresponding registry and issue the corresponding certificate within 30 days from the date the application was filed, once the issuer has presented all required information. The term will be suspended if the CMF requests, in writing, any new information or rectification of the information provided, and will be resumed when that process is finished.

Once the registration of the shares is finished, the same information presented to the CMF must be remitted to all the stock exchanges existing in Chile (there is one more apart from the SSE), within three days from the issuance of the pertinent certificate. Also, the information must be sent to the underwriters of that issuance before the placement of the shares has started. The information must remain available to the public at the location of all of the aforementioned entities.

Once the shares are registered with the CMF they can be registered with the SSE, in which case the issuer will have to file a letter requesting the registration of the shares, accompanied by the following documents:

- Bylaws and amendments thereto, along with a certificate of good standing of the company.
- Certificate of registration of the issuer in the Securities Registry of the CMF.
- List of directors and managers and public deeds in which the powers granted by the company are contained.
- Annual reports of at least two complete fiscal years, approved by the shareholders' meeting, or (for companies with less than one year of existence) the last available balance sheet.

- Individual and consolidated (if applicable) financial statements of the last quarter.
- If the company has investments in shares which correspond to more than 20% of its assets, the issuer must provide detail of its share investments.
- List of shareholders not older than three months.
- Indicate the identification code of the company in the stock market.
- An unutilized share title and a letter stating the security measures taken in their manufacturing.

The Department of Statistics of the SSE will receive the registration application and analyze the information and documents provided and will send them to the SSE legal advisor, who in turn will send a report to the CEO of the SSE. Then, the CEO will report to the board of directors of the SSE about the registration request and the background of the company, and the board will have ten trading business days from the date of the initial filing to approve it. The term will be suspended if the board requests, in writing, new information or rectification of the information provided, and will be resumed when that process is finished.

Registration of bonds

The issuance of bonds must be made through a contract (evidenced by a public deed) executed between the issuer and the future representative of the bondholders, which will set out if the issuance will be for a fixed amount or as part of a bond programme. In the latter case, the value of the bonds that may be simultaneously in circulation cannot exceed the amount and term stipulated in the registered programme.

The application for the registration of the bonds will consist of a letter signed by the general manager or the person acting as such,

accompanied by the information indicated below. The issuer must explicitly indicate the market to which the issuance is directed and whether the issuance is for a fixed amount or as part of a programme.

Certificates from two risk rating entities must accompany the application.

If the issuer chooses to use the issuance contract formats provided by the CMF, it must also indicate in the respective application which of the covenants provided in such formats will apply to the issuance.

With regards to the rest of the registration process and additional documents to be filed with the CMF, the same indicated above for the registration of shares is, *mutatis mutandis*, applicable for the registration of bonds.

As in the case of shares, once the CMF has registered the issuance of bonds, the issuer must communicate this fact to every stock exchange existing in Chile, within three days from the issue of the pertinent certificate by the CMF. In said communication, the issuer must also include a reference to the website where all the pertinent information will be made available to the public.

Once the bonds are registered with the CMF they can be registered with the SSE, in which case the issuer will have to file a letter requesting the registration of the bonds, accompanied by the following:

- Fulfillment of all legal requirements for the issuance of bonds and the appointment of the representative of the bondholders according to law.
- The characteristics and conditions of the issuance must be precise and the manufacturing and printing of the certificates, if applicable, must be reliable (unmaterialized bonds may be issued).
- Certificate of registration in the Securities Registry of the CMF.

- Issuance agreement (public deed).
- Prospectus for the issuance.
- Information on the bonds, including their trading code, name of the issuer, issued series, number of coupons, periods of payment of the coupons, issuance rate, term, adjustment method, type of amortization, number of amortizations, date of the first issuance and development tables.
- An unutilized bond certificate and a letter stating the security measures taken in their manufacturing (if applicable).
- If the issuer does not have other securities listed on the SSE, it must also provide (i) annual reports of at least two complete fiscal years, approved by the shareholders' meeting, or the last available balance sheet in case of companies with less than one year of existence; (ii) individual and consolidated (if applicable) financial statements of the last quarter; and (iii) in case the company has investments in shares which correspond to more than 20% of its assets, the issuer must provide detail of its share investments.

The Department of Studies of the SSE will receive the registration application and analyze the information and documents provided and will, if applicable, issue a technical report for the registration and trading of the bonds. The board of directors of the SSE will then have ten trading business days from the date of the initial filing to approve it. The term will be suspended if the board requests, in writing, new information or rectification of the information provided, and will be resumed when that process is finished.

Registration of investment funds

Local investment funds are managed by General Funds Managers (*Administradoras Generales de Fondos* or AGFs) which must be organized as special corporations with the exclusive corporate purpose of managing funds and other related activities.

The organization and operation of any type of investment fund is subject to prior licensing and registration with the CMF. Each fund must have internal regulations governing the rights, obligations and policies that apply to the fund itself, to the manager and to its contributors or quota holders. These internal regulations must include, as a minimum, policies with respect to investment, liquidity, indebtedness, diversification, voting and permitted expenses.

The AGFs must submit the internal regulations for each of the funds they manage and their amendments (and other documents required by the CMF) to the CMF, who will keep them in a Public Registry of Internal Regulations.

The funds' quotas may be publicly offered from the day after the submission of their internal regulations and the other documents required by the CMF and will be considered, from that moment on, publicly offered securities registered in the Securities Registries of the CMF.

If the AGF manages more than one fund, it must submit general funds regulations, which must include at least (i) the apportionment of the funds administration expenses; (ii) the investment limits that must be kept when the funds are invested jointly and the way and *pro rata* rate that the investment excesses will be liquidated; (iii) the way in which conflicts between the funds, their contributors or the management will be solved; (iv) the special benefits to the funds' contributors in connection with the redemption of quotas and their immediate contribution to another fund managed by the same manager; and (v) any other content determined by the CMF.

Registration of foreign securities

Generally, foreign securities must be registered with a foreign authority and listed abroad, and therefore can be publicly traded in a foreign jurisdiction. Thus, no special difference is made for registration or listing purposes based on whether the offering corresponds to a primary or secondary listing.

However, the CMF can allow the registration of foreign securities that are not registered with a foreign authority if their offer is restricted to "qualified investors" (that is, institutional investors such as banks, insurance companies, funds and others). In this case, the registration and listing in Chile will correspond to a secondary listing.

Registration of foreign securities registered with foreign regulatory authorities

In the case of foreign securities registered with foreign authorities, the issuer's local representative or sponsor, as applicable, is required to provide the following information to the CMF and SSE.

- All information that allows for the identification of the applicant (issuer and local representative, or sponsor, as applicable) in order to receive communications and notifications, such as name, address, web site, legal representative, and others.
- General information with respect to the terms and conditions of the securities to be registered, and specifically the following:
    - Name of the issuer.
    - Country of origin.
    - Class of securities.
    - Regulatory agencies, which supervise the issuer with their website URL.
    - Foreign stock exchanges where the securities are listed.
    - Management companies, if the securities are fund quotas or similar securities being issued by collective investment vehicles.
    - Foreign custodian, in the event the securities are depositary certificates for foreign or local securities (CDVs).

- Identification numbers or codes assigned to the securities such as the ISIN number or ticker corresponding to the securities.
- Markets and jurisdictions where the securities are being or can be publicly traded.
- Investors to whom the securities are to be offered ("qualified investors" or general public).
- URL of the websites where the information requested for the application process and/or reporting requirements to be complied with is available.

The applicant must provide the issuer's financial statements for the last annual period together with the annual report of the external auditors, to the extent the issuer has been audited. The applicant must describe under which accounting and auditing standards the financial statements have been prepared, if they are not under IFRS or IAS. In the event the auditing entities are not supervised by any public or private regulators, this must be disclosed as well.

It is not mandatory that the financial statements be audited. However, if the financial statements are not audited, the registration of securities will only allow for their offering to "qualified investors."

The applicant must also provide a summary with all the relevant information that the issuer was required to disclose or report in accordance with the laws of its domestic market during the last year. In addition, it is necessary to provide all prospectuses, internal regulations, indentures and other similar type of documents describing the terms and conditions of the foreign securities or their placement, that have been delivered to the corresponding foreign regulator(s) during the last year.

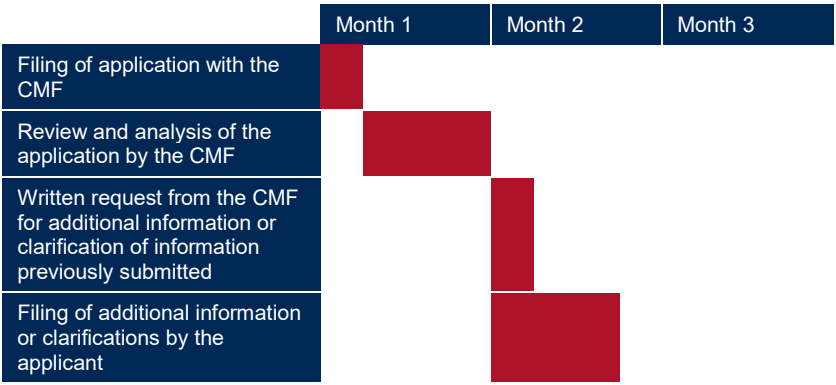
Foreign securities not registered with foreign regulatory authorities

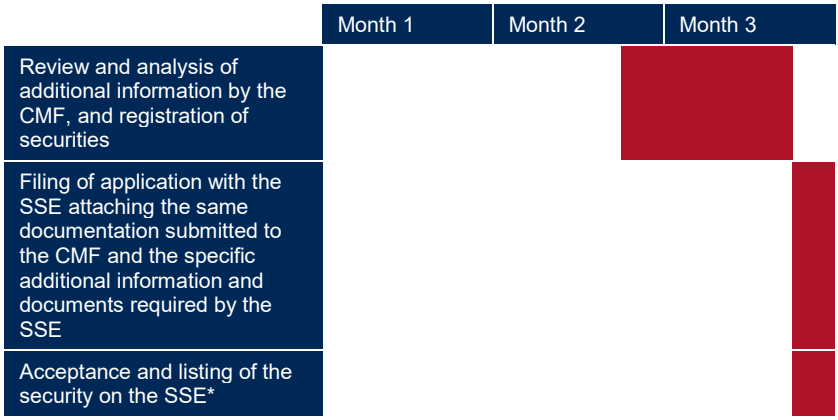
In the case of foreign securities not registered with foreign authorities, the applicant must enclose a certificate from a Chilean stock exchange indicating that the corresponding securities fulfil all the listing requirements established by said exchange. Further, the exchange must take all necessary measures to ensure that:

- The securities are only purchased by "qualified investors."
- The investors are duly informed about the fact that the securities are issued by foreign entities that are not supervised by a securities agency or authority.
- The issuers of the securities fulfilled all the requirements required by the exchange.
- The information required allows investors to make an informed decision on the legal, financial and commercial status of the listed securities and its issuers.

Timetable

The following is a fairly typical process and timetable for a listing of a local or foreign issuer on the SSE and registration with the CMF.





*Note that the listing with the SSE will take normally between two and five business days from the filing date.

Exemptions from registration of foreign securities

As mentioned above, the CMF may exempt foreign securities from the registration obligation when they correspond to issuers under the supervision of entities with which the CMF has executed collaboration agreements, allowing them to have true, sufficient and appropriate information regarding the foreign securities and their issuers, in the terms required by applicable law.

As of December 2019, the CMF has executed collaboration agreements with securities regulators of Spain, Colombia, Mexico, Peru, the Canadian provinces of Alberta, British Columbia, Quebec and Ontario and Argentina. Pursuant to these collaboration agreements, the CMF exempted from registration those securities issued by "reporting issuers" in the case of Canada, and by "registered issuers" in the case of the other jurisdictions. In the case of Spain, the securities exempted from registrations are those for which Spain is their "member State of origin" (as defined in Spanish Royal Decree 1362/2007) and are admitted for trading whether in an "official secondary market" (as defined in Spanish Securities Market Law 24/1988) of that country or other regulated market of the European

Union. In the case of Argentina, the securities exempted from registrations are those negotiable instruments subject to the Public Offering Regime, the PYME CNV Regime and the PYME CNV Guaranteed Regime in the Republic of Argentina (the offering of such securities subject to the PYME CNV Regime and the PYME CNV Guaranteed Regime, can only be made to "qualified investors").

Additionally, foreign securities traded on foreign exchanges with which the SSE has executed integration agreements, such as the MILA exchanges, will be automatically listed.

4. Continuing obligations/periodic reporting

Periodic reporting by local issuers

Given the importance of transparency for the markets, local listed companies have the duty to provide their shareholders and the market sufficient, truthful and timely information regarding the legal, financial and economic situation of the company and other information deemed essential with respect themselves, the securities being offered and the offer itself, generally by way of relevant or essential facts (*hechos esenciales*) (or in certain cases undisclosed communications or *hechos reservados*), which means that all facts or situations considered essential or relevant that have or could have an influence or effect on the company's business, on its financial statements, on its securities or their offer must be announced. The Securities Market Law considers any information that an informed person would consider important in making his own investment decisions to be "essential" for these purposes.

This information obligation is reflected in regulations issued by the CMF that set forth a series of information requirements that all local listed entities must comply with, which include filing the local listed companies' financial statements on a quarterly basis and providing copies of all minutes of shareholders' meetings. The CMF has also listed certain situations that must be reported as relevant facts.

Periodic reporting by foreign issuers

The local representative of the foreign issuer, or the sponsor, as applicable, is required to provide the CMF and the SSE with the same information that the issuer is required to provide to the regulator in their domestic market or in the market where the securities are traded, with the same frequency, means of publication, language and in the form required under said foreign markets.

The local representative or sponsor must deliver such ongoing information as soon as it is notified to the regulating entity where the issuer is organized or the securities are traded. Also, any prospectus or document that may be used in connection with the offer of the foreign securities in Chile must be delivered to the CMF in advance of its delivery or disclosure to investors. However, none of this is required if the corresponding information is available in the specific URLs that the local representative or sponsor has provided to the CMF and SSE during the registration process.

The local representative or sponsor is also required to report to the CMF, promptly after the corresponding event takes place, the fact that the trading of its securities have been suspended or cancelled in one or more foreign markets, as well as any other circumstance which prevents the trading of said securities, whether temporarily or definitively. In addition, the local representative or sponsor must report to the CMF any mergers, spin offs, liquidations, insolvency or bankruptcy events affecting the issuer, or any events that imply the breach of any of the terms and conditions of the foreign securities which were relied on for purposes of their registration in Chile.

Anti-fraud laws and insider trading

In addition to the periodic reporting obligation mentioned above, as a result of listing on the exchange, all listed companies, whether local or foreign, must comply with the insider trading and market manipulation regulations. The Chilean Securities Act 18,045 expressly forbids any type of activities involving market manipulation, insider

trading and/or use of privileged information. Any person, whether resident in Chile or not, is subject to these regulations. Therefore not only the company listing its securities in Chile, but also the members of the board of directors, senior officers and advisors are subject to these regulations.

Anyone who violates these provisions, harming another person, is required to indemnify for the losses it may have caused. This is without prejudice to the administrative or criminal penalties that may also apply in the case of market manipulation and insider dealing.

Directors, liquidators, administrators, managers, and auditors of issuers of publicly offered securities that violate the legal, regulatory and statutory provisions that govern their institutional organization are jointly and severally liable for any damages they may cause.

5. Corporate governance

Local listed companies are subject to some corporate governance obligations which are reflected in three main duties that the board of directors have, namely: (i) a duty of care, which means that in the exercise of their duties, directors must devote such care and diligence as people normally devote to their own businesses, as a result of which they are responsible for ordinary negligence; (ii) a duty of loyalty, which is reflected in several provisions within the Corporations Act that restrict certain actions or contracts in which a director may have a conflict of interest; and (iii) a duty of information and confidentiality, which means that besides the information and reporting obligations described above, directors have the duty to maintain confidentiality with regards the company's business and company information to which they are privy because of their position, which has not been officially released to the public as a relevant fact (*hecho esencial*) or through other legally authorized means, unless such confidentiality harms the company's interests or is a violation of law, the rules issued by the CMF or the company's bylaws.

Although the abovementioned obligations apply to the directors of any Chilean corporation, whether listed or not, they apply more strictly to listed entities' directors, as the CMF can also apply administrative sanctions based on infringements thereto.

The CMF also requires listed companies to inform the public of their corporate governance practices on an annual basis. This obligation has to be fulfilled by means of answering an extensive questionnaire which inquires about the company's compliance with a series of corporate governance practices that the regulator considers "desirable" or "good", but which are not mandatory.

In contrast, no corporate governance requirements are imposed on foreign issuers seeking to list on the SSE.

6. Specific situations

Whether registered in the Foreign Securities Registry maintained by the CMF or exempted from registration based on the above mentioned collaboration agreements, foreign securities may only be offered to the general public in Chile when they fulfil all of the following requirements:

- The issuer of the securities is subject to the supervision of the securities or banking regulator of the original market or of the markets where such securities are traded.
- The regulator of the original market or of the markets where the foreign securities are traded is an IOSCO member.
- The information provided by the issuer to the regulator of the original market or of the markets where the foreign securities are traded is in Spanish or English.
- The foreign securities must be able to be publicly offered in the jurisdictions named in the document as "*Mercados Reconocidos*" (Recognized Markets) issued by the CMF.

- As long as the securities are registered in Chile, all the conditions that according to the regulations of the original market or of the markets where the foreign securities are traded allow such foreign securities to be publicly offered in those markets, shall remain standing.
- The financial statements of the issuer must be audited.

7. Presence in the jurisdiction

A foreign issuer must maintain a legal representative in Chile, duly authorized to file the registration request, to comply with the reporting obligations that are applicable upon the registration of the foreign securities, and to receive communications and to receive services of process on behalf of the issuer in Chile. This is not required where the securities are exempted from registration based on collaboration agreements executed by the CMF with foreign regulators.

8. Fees

Local and foreign companies must pay a fixed fee of 20 UF (approximately US$748) to the CMF in order to proceed with the listing of their securities.

In addition, local and foreign companies with securities listed must pay a listing rights fee at the time the listing is accepted, and on an ongoing basis every six months. The listing rights fee is calculated as a percentage of the company's net worth (capital, reserves and results) as follows:

Net worth	Rate (%)
Up to 6,318 UF (approx. US$236,222)	None, fixed fee of 6 UF (approx. US$224)
From 6,319 UF to 12,636 UF (approx. US$236,260 to US$472,445)	0.075
From 12,637 UF to 25,272 UF (approx. US$472,482 to US$944,890)	0.05
From 25,273 UF to 50,544 UF (approx. US$944,927 to US$1.89 million)	0.04

From 50,545 UF to 126,360 UF (approx. US$1.89 million to US$4.72 million)	0.02
From 126,361 UF to 315,900 UF (approx. US$4.72 million to US$11.81 million)	0.01
From 315,901 UF to 631,800 UF (approx. US$11.81 million to US$23.62 million)	0.006
From 631,801 UF to 1,263,600 UF (approx. US$23.62 million to US$47.24 million)	0.004
From 1,263,601 UF to 3,159,000 UF (approx. US$47.24 million to US$118.11 million)	0.001
More than 3,159,000 UF (approx. US$118.11 million)	None, fixed fee of 125 UF (approx. US$4,674)

9. Additional information

Information submitted to the CMF and the SSE regarding foreign securities must be in the language of the country of origin of the securities or where they are listed and in Spanish, accompanied by a statement of the issuer or the sponsor certifying that the corresponding translations are a faithful copy of the information filed by the issuer at the applicable foreign country. In order to make an offering of foreign securities to the general public, the information provided by the issuer of foreign securities must be in English or Spanish.

10. Contacts within Baker McKenzie

Jaime Munro and Fernando Castro in the Santiago office are the most appropriate contacts within Baker McKenzie for inquiries about prospective listings on the SSE.

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Listing requirements

Under current Brazilian securities regulations, a foreign issuer may only have its securities traded in the Brazilian capital markets (such as stock exchanges or over-the-counter markets) through Brazilian depositary receipts (BDR) programs, which may either be sponsored or non-sponsored programs. In contrast, domestic companies may list any admissible securities in the capital markets.

Sponsored BDR programs are those made with the consent and participation of the foreign issuer, who agrees to abide by the additional regulations imposed by the Brazilian Securities and Exchange Commission (*Comissão de Valores Mobiliários* - commonly known as the CVM). The requirements for the registration of the issuer are substantially similar to the requirements imposed on domestic companies which are registered as a Category A issuer (that is, an issuer authorized to list any type of securities, including shares, share certificates or any other security convertible into, or that grants the right to the holder to acquire, shares or share certificates).

On the other hand, non-sponsored programs may be initiated by any financial institution in Brazil, without the consent or participation of the foreign issuer, upon the acquisition of securities of the foreign issuer in the foreign market where they are originally traded, which are then kept in custody throughout the duration of the respective BDR program.

In order to qualify for a BDR program, the following requirements must be met:

- The underlying securities must be of a publicly-held company (or similar) foreign company, subject to the supervision of a securities and exchange commission or similar agency which has signed a mutual cooperation agreement with the CVM or signed the multilateral memorandum of understandings issued by IOSCO.
- The foreign company may not be from any country deemed to have high risks of corruption and sponsorship of terrorism.
- Under a sponsored BDR program, the foreign company must be registered with the CVM and must hire a custodian institution in the jurisdiction where it is originally registered as a publicly-held (or similar) company, as well as a local depositary institution duly authorized by the CVM and the Brazilian Central Bank.

Accounting standards. In the specific cases of Level II and Level III sponsored BDR programs, the financial statements of the foreign issuer must be prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and as approved by the CVM for application in the Brazilian market. These are the same requirements as those imposed on domestic companies.

Types of BDR programs

BDR programs are the mechanism available for a foreign issuer to have its securities traded in the Brazilian stock market. Currently, Brazilian regulations allow three different types of sponsored BDR programs:

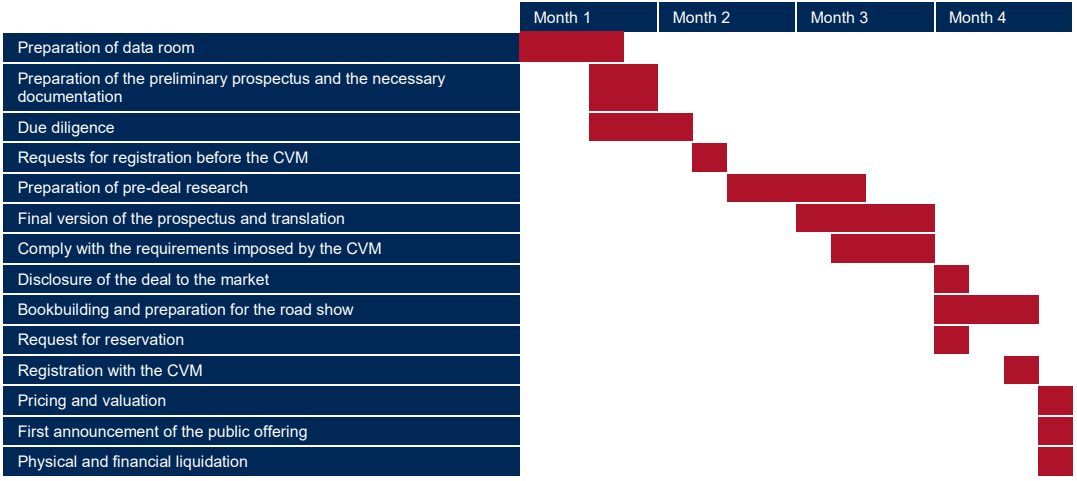
- *Level I.* A Level I BDR program permits the BDRs to be negotiated in non-organized over-the-counter markets or specific segments of organized over-the-counter markets or stock exchanges designated for Level I BDRs. Under this program:
  - The sponsoring company is required to disclose in Brazil the same information that it is required to disclose in its country of origin.
  - The company is not required to be registered as a publicly-held company with the CVM.
  - The securities may not be offered publicly in Brazil and their acquisition may only be made by qualified investors or by employees of the sponsoring company or of other companies of the same economic group.
- *Level II.* A Level II BDR program permits the BDRs to be traded in stock exchanges or organized over-the-counter markets. Under this program:
  - The sponsoring company must be registered as a publicly-held company with the CVM.
  - The BDR program may not be subject to public offerings in Brazil.
- *Level III.* A Level III BDR program permits the BDRs to be subject to public distributions in the Brazilian market and to be traded on stock exchanges or in organized over-the-counter markets. Under this program, the company must be registered as a publicly-held company with the CVM. In addition, as Level III BDRs may be distributed through public offerings to the general public in Brazil, they are additionally subject to general registration requirements for public offerings in Brazil. Level III BDRs may also be offered to professional investors through a public offering carried out with restricted sales efforts.

A Level II or Level III BDR program may only be initiated with the sponsorship of the foreign issuer, because the issuer will need to be registered with the CVM as a publicly-held company (Category A). Being a publicly-held company in Brazil involves the obligation of the foreign issuer to comply with Brazilian regulations concerning the disclosure of information to the market, similar to obligations imposed on a Brazilian publicly-held company.

Non-sponsored programs are restricted solely to Level I BDR programs. The depositary financial institution conducting a non-sponsored BDR program is responsible for making available in Brazil all information disclosed by the respective company in its country of origin.

Public offering process

A public offering involves registering the issuer with the CVM (for Level III BDR programs, as a Category A issuer and for domestic companies, either as a Category A or a Category B issuer, depending on the securities being distributed). The CVM will typically review the public offering request (around 30 days, although the CVM may issue additional requirements upon analysis of the documentation) and the prospectus (if applicable in case of a standard public offering). As mentioned above, the public offering of BDRs in the Brazilian market is restricted to Level III BDR programs. The following is a fairly typical process and timetable for the listing through a standard CVM Rule 400/03 distribution.



Corporate governance and reporting

Requirements for Brazilian publicly-held companies (both domestic and foreign) include the filing and/or disclosure of:

- *Registration form (Formulário Cadastral),* containing general registration information on the issuer.
- *Reference form,* used for annual reporting, this contains broad and detailed information on the issuer and its operations for the relevant year.
- *Quarterly filings (ITR),* to be made available by the corporation within 45 days following the end of the quarter or on the date of disclosure to its shareholders, if earlier.
- *Financial information and the standard financial information form (DFP)*, which provides specific information concerning the company's financial situation.
- *Other periodic corporate information,* including call notices for shareholders' meetings, a summary of decisions taken at the shareholders' meetings, minutes of the shareholders' meetings, and material facts and market announcements, among others.

Fees for a BDR program

Listing of a BDR program involves both initial listing fees and periodic fees, which vary depending on the level of the program and whether it is sponsored or not.

The initial listing fees with B3 range from BRL 7,650 for Level I BDR programs to BRL 64,990 for listed corporations (approx. US$1,913 to US$16,256, respectively); secondary listings are exempted. Initial listing fees for BDR programs must also be paid to the CVM, which are calculated based on a percentage of the value of the offer and the level of the program, ranging from 0% to 0.64%, up to a maximum fee of BRL 283,291.10 (approx. US$70,859). The annual fees to be paid to B3 range from BRL 1,194 to BRL 7,021 (approx. US$299 to US$1,756 related to Level I Unsponsored BDRs), BRL 7,646 (approx. US$1,912) (fixed, related to Sponsored Level I BDRs), and Levels II and III comprise a fixed portion of BRL 40,959.31 (approx. US$10,245), plus a variable portion calculated by additional on variable component in the calculation of the final fee). Listed companies must also pay a quarterly fee to the CVM, which ranges from BRL 4,759.72 to BRL 12,692.57 (approx. US$1,191 to US$3,175).

1. Overview of exchange

The São Paulo Stock, Commodities and Futures Exchange (known as B3 S.A. - Brasil, Bolsa, Balcão) currently has four different trading market segments: the traditional stock and over-the-counter markets, and the special trading segments "Level 1," "Level 2" and "New Market" (*Novo Mercado*). In addition, B3 maintains two over-the-counter markets named "Bovespa Mais" and "Bovespa Mais Level 2", which allow the trading of securities in over-the-counter transactions for listed companies adopting a special level of corporate governance. The main difference between the last two segments is the type of shares permitted to be traded—in Bovespa Mais, solely common shares, and in the Bovespa Mais Level 2, common shares and preferred shares.

A company that is listed on any of these special trading segments must execute an agreement with B3, under which the company agrees to observe all corporate governance rules applicable to that market level. The corporate governance requirements increase from the traditional market to Level 1, from Level 1 to Level 2 and from Level 2 to the New Market, which has the strictest requirements, including that the listed corporation may only issue and register for trade common shares. The listing of securities in any of these special trading segments is restricted to Brazilian corporations.

The traditional markets, on the other hand, represent the segment of the stock and over-the-counter markets where no special corporate governance practices are required to be observed in addition to those already set forth in the applicable laws and regulations issued by the Brazilian Securities and Exchange Commission (*Comissão de Valores Mobiliários*, commonly known as the CVM). Although domestic companies may opt between the traditional market or any of the special listing segments (with New Market being the most commonly used market for new listings), securities issued by foreign companies may only be listed in the traditional stock or over-the-counter markets,

through either a sponsored or non-sponsored depositary receipt program (as described in section 2 below).

In October 2019, the aggregate market capitalization of listed securities on the B3 was approximately BRL 4.23 billion (approximately US$1.1 billion), an increase compared to the BRL 3.41 billion (approximately US$853 million) in October 2018.

Historical development

Brazil's great economic growth of the 1970s forced the ripening and development of its financial system. Since that time, with the exception of exchange controls, the goals of legislators and governmental authorities have been similar to those adopted in most developed countries. In summary, the legal framework conceived and adopted for the macroeconomic monetary policies, most notably for securities, was based on:

- Inspection, surveillance and control over the entities that are members of the financial markets.
- Providing investors with the greatest level of information and transparency possible.
- Ensuring that securities analysts and trading professionals have technical training and proper knowledge of the Brazilian laws, regulations and market practice.
- Implementing exchange controls and mechanisms to avoid the exiting of Brazilian internal reserves to other jurisdictions.

Nonetheless, until approximately 15 to 20 years ago, the Brazilian securities market was considered to have limited potential, as its volume of business was low and derived mainly from a few investment funds and government-controlled entities. However, this situation has been gradually changing, as a result of important actions by the securities market regulators, not only through changes in the laws and rules of the market, but also through marketing campaigns to

instruct potential investors on how and why to invest in Brazilian listed companies.

Late in 2008, the main stock exchange market in Brazil, the Stock Exchange Market of São Paulo (*Bolsa de Valores de São Paulo*, or *BOVESPA*) was merged with the Brazilian Mercantile & Futures Exchange (*Bolsa de Mercadorias & Futuros*, or *BM&F*). This merger created the main stock and commodities exchange market in Brazil, *BM&FBOVESPA S.A.—Bolsa de Valores, Mercadorias e Futuros* (Securities, Commodities and Futures Exchange). Together, the merged companies have formed one of the largest exchanges in the world in terms of market value and the leading exchange in Latin America.

As a consequence of the regulatory changes that occurred in the past 25 years, the type of corporations with securities listed in the Brazilian market has significantly changed. From family-controlled corporations with a defined controlled structure, large multinationals with diluted capital and pulverized shareholding structure have appeared and are cited as a possible trend for the Brazilian securities market.

Nonetheless, although the Brazilian securities market was not immune to the economic downturn and depreciation of the Brazilian real as against the US dollar, the stock market has preserved a strong position showing a continual increase of its capitalization and, more recently, companies seeking to perform IPOs.

In March 2017, BM&FBovespa and CETIP (the main clearing chamber in Brazil) combined their businesses to form B3 - Brasil, Bolsa, Balcão, integrating the exchange and clearing business of both entities, which is, currently, the largest stock exchange in Latin America, in terms of market capitalization and average trade volume (18th in the world).

Listed companies

As of December 2019, there were approximately 420 companies, with securities listed for trading on B3 (stock and over-the-counter markets).

B3 does not specialize in, or encourage listings by, any particular types of company. However, the exchange encourages any domestic company that meets its listing requirements to list in the special corporate governance segments instead of the traditional market.

B3 does not make any specific distinction between primary and secondary listings.

The CVM is responsible for the prior registration of issuers and securities offerings in the Brazilian securities market.

2. Principal listing and maintenance requirements and procedures

In general terms, there are no jurisdictions that would not be acceptable for a company to be listed in Brazil. However, the listing of securities of a foreign issuer (through a Brazilian depositary receipt program) will only be permitted by the CVM if the foreign issuer is located in a jurisdiction that has either:

- Formalized a mutual cooperation agreement with the CVM regarding the consultation, technical support and mutual assistance in the exchange of information.
- Signed the multilateral memorandum of understandings issued by the International Organization of Securities Commissions (IOSCO).

Financial requirements. There are no specific financial requirements applicable to a company (domestic or foreign) in order to list its securities in the Brazilian securities market or in order to maintain such a listing, provided, however, that the CVM may refuse the

registration of BDR programs or IPOs if it deems that the project is unviable or reckless or if it finds the founders, controlling shareholders or management of the applicant company to be dishonest or untrustworthy.

Trading or operating history. There is no requirement for a company to demonstrate a trading history or time in operation in order to have its securities listed in the Brazilian securities market. However, in order for a pre-operational company to have its securities listed on the Brazilian securities market, it will have to prepare and submit to the CVM, as part of its registration documentation, a viability study providing detailed information on the operational aspects of the project and its viability from an economic, financial and legal perspective.

Ownership. There are no requirements regarding the ownership of securities to be listed. Particular to the listing of foreign companies on the Brazilian stock market is the restriction that the foreign company cannot be from any country deemed to have high risks of corruption and sponsorship of terrorism. In addition, and as mentioned above, the company must be located in a jurisdiction with a mutual cooperation agreement with the CVM or that is a signatory to the IOSCO multilateral memorandum.

Lack of presence in Brazil. In order to be qualified as a foreign company for purposes of trading securities in the Brazilian securities market, the issuer must not have its head office located in Brazil nor have 50% or more of its assets located in Brazil.

Depositary receipt programs. As mentioned above, a foreign company may only list its securities in the Brazilian market through BDR programs, which may either be sponsored or non-sponsored. These BDR programs allow Brazilian investors to invest with local domestic accounts in offshore securities of publicly-traded companies headquartered outside Brazil, on a registered basis. BDRs may be traded upon the registration of the respective depositary receipt program with the CVM, as long as the trades are underwritten by a

local "depository institution" or "depository issuer" authorized by both the CVM and the Central Bank to trade securities in Brazil, subject to the applicable rules.

Under this arrangement, the BDR program will be subject to registration with the CVM, while the underlying securities of the foreign company will not be required to be registered. Moreover, the actual requirement for the registration of the foreign company itself with the CVM will depend on the type of BDR program to be launched, as further described below.

Sponsored and non-sponsored programs. Under a sponsored BDR program, the foreign company will be required to hire both:

- A custodian institution in the jurisdiction where it is originally registered as a listed corporation.
- A local Brazilian depositary institution, duly authorized by the CVM and the Central Bank of Brazil, to act as the depositary of the receipts representing the company's shares.

The local depositary institution will act as the foreign company's representative and also will be liable for the disclosure of information and compliance with Brazilian securities regulations applicable to the foreign company under the sponsored BDR program.

In contrast, under a non-sponsored program, the program is initiated without the participation of the foreign company. Thus, the foreign company is not involved in the issuance and trade of depositary receipts in the Brazilian market. In this case, the local depositary financial institution issuing non-sponsored BDRs will undertake the responsibility both to hire the custodian institution to act as the custodian of the securities underlying the BDR program and to make available in Brazil all information disclosed by the foreign company in its country of origin.

Levels of BDRs. In the case of a sponsored BDR program, BDRs may be issued in accordance with any of the following three levels:

- Level I characteristics include:
    - That trades are made on a non-organized over-the-counter market or on specific segments of the organized over-the counter-market or a stock exchange designated for Level I BDRs.
    - The sponsoring company must disclose in Brazil the same information that it is required to disclose in its country of origin.
    - No registration of the foreign issuer is required with the CVM.
    - The acquisition of the securities is limited to qualified investors or employees of the sponsoring company or of other companies of the same economic group.

  Pursuant to CVM Rule no. 554/14, "qualified investors" are: (a) professional investors; (b) individuals or legal entities that hold financial assets in excess of BRL 1 million (approximately US$250,128) and declare themselves to be qualified investors; (c) individuals, solely if related to their own investments, who have obtained certification of technical capacity to act as investment agent, portfolio manager, securities analyst or consultant, and (d) investment clubs.

  Further, according to the same rule, "professional investors" are: (a) financial institutions authorized to operate in Brazil by the Brazilian Central Bank; (b) insurance or capitalization companies (*sociedades de capitalização*); (c) open or closed private pension entities; (d) individuals or legal entities that hold financial assets in excess of BRL 10 million (approximately US$2.50 million) and declare themselves to be professional investors; (e) investment funds; (f) investment clubs, provided that the portfolio is managed by an asset manager authorized to operate by the CVM; (g) investment agents, portfolio managers, securities analysts and

consultants, but solely with respect to their own investments; and (h) foreign investors.

- Level II characteristics include:
    - That trades are made on stock exchanges or organized over-the-counter markets.
    - The foreign company must be registered with the CVM.
    - The Level II BDRs may not be subject to public offerings in Brazil.
- Level III characteristics include:
    - Authorization for public distribution to the general Brazilian market.
    - Trading on stock exchanges or organized over-the-counter markets.
    - The foreign company must be registered with the CVM.
    - As Level III BDRs may be offered to the general public in Brazil, they are subject to general registration requirements for public offerings in Brazil. Level III BDRs may also be offered to qualified investors (as defined by CVM in the CVM Rule 554/14) through a public offering carried out with restricted sales efforts (under the obligations of CVM Rule 476).

Below is a table summarizing the main characteristics in accordance with each type of BDR program mentioned above:

Sponsored BDRs			
Main characteristics	Level I	Level II	Level III
Registration of BDR program with the CVM by the depositary institution	X	X	X

Sponsored BDRs			
Trading on B3	X	X	X
Purchasable only by eligible investors	X		
Subject to supervision and inspection by a regulator similar to the CVM	X	X	X
Registration of foreign issuer with the CVM in category A		X	X
Public offering of underlying stock			X
Additional disclosure required in relation to the requirements in foreign issuer's home country	X	X	X

Source: B3

Non-sponsored programs are restricted solely to Level I programs.

Domestic companies that list securities on the securities market are also required to be registered with the CVM, in one of the following two categories: (i) Category A, which authorizes the listing of any type of security, or (ii) Category B, which authorizes the listing of any type of security, except for shares, share certificates or any other security convertible or that grants the right to the holder to acquire shares or share certificates.

Custody of securities. Regardless of whether a particular BDR program is sponsored or non-sponsored, the foreign company's securities that underlie that BDR program must be held in custody by a financial institution located in the jurisdiction where those securities are originally traded. On the other end of the transaction, a Brazilian depositary institution will be responsible for issuing the depositary receipts based on the securities held in custody by the foreign financial institution. Consequently, the shares underlying a BDR program have their trading restricted in their market of origin, until the termination of the BDR program.

In addition to the above, domestic issuers of shares and Level III sponsored BDRs must be registered with a duly certified bookkeeping agent in Brazil, which will maintain the record of ownership of the securities.

Interviews. A company is not required to conduct any interviews with B3 or the CVM in order to list its securities, although companies that are in a pre-operational stage usually seek, voluntarily, preliminary discussions with the CVM to demonstrate the viability of their projects.

Minimum number of shareholders. A Brazilian corporation, regardless of whether it is a publicly-held company or not, is required to have at least two shareholders at all times (except for companies that are wholly owned subsidiaries). Aside from this general rule, there is no applicable requirement for a publicly-held company to have or maintain a minimum number of shareholders.

Minimum trading value. There is no applicable requirement for a publicly-held company to have or maintain a minimum trading price for its securities.

Lock-up. There are no lockup or escrow requirements for newly listed securities, however, the controlling shareholder and the members of the management of domestic companies listed in the Level 1, Level 2 and New Market may not trade their securities for the first six months following the IPO, and are restricted to selling only up to 40% of their shares for an additional six months after this initial period.

Float. A foreign company listed under a BDR program is not required to have or maintain a minimum public float. Domestic companies are also not required to maintain a minimum public float, except, however, that domestic companies listed in Level 1, Level 2 and New Market segments are obliged to maintain a minimum of 25% of its total equity in the public float.

Currency. As a general rule, current regulations restrict payments of transactions in Brazil in any type of foreign currency. Therefore, the trading prices must be in Brazilian currency.

Settlement. All trades of securities in the Brazilian stock and organized over-the-counter markets are negotiated through *PUMA Trading System,* B3's electronic system for the negotiation of securities. Settlement is made by B3's clearing system, which is integrated with the *PUMA Trading System*.

Compliance adviser. There is no requirement applicable to a company to obtain a compliance adviser established with B3. The requirement regarding compliance with Brazilian regulations is applicable to the local financial institutions that operate in the Brazilian securities market, including the depositary institutions.

3. Listing documentation and process

The documentation and process for listing securities will vary between domestic and foreign issuers (and, in the latter case, also in accordance with the level of the program of the depositary receipts to be issued and traded in the Brazilian market). These requirements are similar for both primary and secondary listings (that is, both where B3 is the primary location where the company's securities will be traded and where the company's securities are already traded on another exchange).

Listed corporations

As a general rule, a company that wants to issue securities for public distribution to Brazilian investors, whether at the stock exchange or at an organized over-the-counter market, is required to previously register itself with the CVM. Only Brazilian corporations or foreign equivalent companies can obtain such registration as a publicly-held company.

In that regard, and pursuant to CVM Rule 480/09, the registration of issuers as publicly-held company in Brazil is made pursuant to two

different categories: (a) Category A, applicable to issuers of all types of securities in the Brazilian market, including shares; and (b) Category B, applicable to issuers of all types of securities, except for shares or share-convertible securities (that is, debt securities).

The category ascribed to the respective issuer will determine the type and level of periodic information required to be disclosed under CVM Rule 480/09. To that effect, with the issuance of CVM Rule 480/09, the structure, relevance and quality of information required to be disclosed annually by Brazilian listed corporations has been significantly altered. This is because, as a replacement for the Annual Filing (IAN), the CVM adopted the shelf registration model, pursuant to recommendations made by IOSCO (International Organization of Securities Commissions) and already utilized in several other securities markets around the globe. Consequently, the annual periodic information is now disclosed in accordance with the requirements of the Reference Form (*Formulário de Referência*).

In order to be registered as a publicly-held company, the issuer is required to file a registration request with the CVM, accompanied by the following mandatory documents:

- Request form for the registration of the company as an issuer of securities, signed by its investor relations officer, indicating in which category the issuer intends to be registered.
- Minutes of the shareholders' meeting that approved the filing for registration with the CVM.
- Minutes of the board of directors' or shareholders' meeting that approved the appointment of the investor relations officer, who will be the individual within the corporation responsible for the disclosure of information to the general public, the investors, the CVM, the stock exchange or the organized over-the-counter market where the company's securities are negotiated, as applicable, as well as for keeping the company's registration with the CVM updated.

- Current and restated bylaws, accompanied by the necessary documents that evidence:
    - The approval of the shareholders.
    - The prior approval or homologation by the regulating authority responsible for the segment in which the issuer does business, when such administrative act is necessary for the validity or the effectiveness of the bylaws.
- Reference Form for the category in which the issuer intends to be registered (Category A or Category B).
- Registry form (*Formulário Cadastral*).
- Financial statements for the last three fiscal years, prepared in accordance with the applicable accounting rules.
- Financial statements especially prepared for purposes of the registration, in accordance with articles 25 and 26 of CVM Rule 480/09 and with no exceptions made by the independent auditor, referring to either:
    - The last fiscal year, provided that those financial statements reasonably reflect the issuer's equity structure at the time the registration request is submitted to the CVM.
    - A subsequent date, which shall preferably be the last day of the last quarter of the fiscal year, but never a date before one hundred and twenty days from the date the registration request is submitted to the CVM, if: (i) there were significant changes in the issuer's equity structure after the end of the last fiscal year; or (ii) the issuer was incorporated in the same fiscal year when the registration request is submitted to the CVM.
- Comments from the administrators on the differences between the financial statements of the last fiscal year submitted in accordance with financial statements.

- Minutes of all the shareholder's meetings of the last 12 months, or equivalent documents.
- Copy of the shareholders' agreements or other similar agreements filed at the issuer's head offices.
- Copy of the agreement with the institution that will be responsible for the securities ledger/registration, if any.
- Standard Financial Statement Form (*DFP*), referring to the last fiscal year, prepared based on the financial statements especially prepared for purposes of the registration, as mentioned above.
- Policy for the public disclosure of information.
- Quarterly information (*ITR*), in accordance with article 29 of CVM Rule 480/09, referring to the first three quarters of the fiscal year in course, provided that more than 45 days have passed since the end of each quarter.
- Copy of the instruments whereby the administrators of the issuer accepted their positions.
- Trading policy, if any.
- Information on the issuer's securities held by the administrators, members of the audit committee and any other bodies with technical or consulting functions created by the bylaws.
- In order to be registered in a listing segment, such as Level 1, Level 2, New Market, Bovespa Mais Level 1 or Bovespa Mais Level 2, the issuer is required to file a registration request with the B3, accompanied by some mandatory documents, depending on the segment chosen by the issuer.

Level I BDR programs

A Level I BDR program will require a simple registration of the program itself with the CVM. The registration should be granted

within a maximum term of 30 days after the filing of the request (with the possibility of the CVM increasing this term for an additional 15 days, if it deems necessary to make any additional request in order to grant the registration of the program). The foreign issuer of the securities underlying the Level I BDR program, whether sponsored or non-sponsored, is not required to be registered with the CVM.

The documents to be filed with the CVM in order to register a Level I BDR program are:

- Agreements executed among the local depositary institution, the foreign custodian entity and the sponsoring company, when applicable.
- Indication of the director of the local depositary institution responsible for the depositary program.
- Statement of the stock exchange or the managing body of the organized over-the-counter market granting the BDRs' application for admission to trading, subject only to obtaining the registration before the CVM.
- Evidence of payment of the registration fee of the BDR distribution before the CVM.
- Statement of assumption of responsibility of the BDR depositary or issuer institution, by simultaneous release to the market of the information provided by the sponsoring company in its country of origin and in the country in which the securities will be traded.
- When applying for the registration of a Level I BDR Program, information disclosed in the country of origin of the securities, translated into the Portuguese language.
- A request for the registration of the foreign company as a listed corporation in Brazil (or waiver of this registration in case of a Level I BDR program).

Level II or III BDR programs

A Level II or Level III BDR program will be subject to:

- The registration of the foreign company with the CVM.
- The registration of the BDR program itself.
- In the case of a Level III BDR program, the registration of the corresponding public offer of the BDR program.

The documentation required for each of these registrations is discussed in turn.

Registering the foreign company. In order to register the foreign company with the CVM, the applicant must file a registration request with the CVM. To this effect, the registration request with the CVM for foreign companies is similar to the process for registration of domestic companies as a Category "A" (that is, the category which allows the trade of shares, share certificates and securities convertible or that grant the right to the holder to acquire shares or share certificates), with only an additional requirement that the foreign issuer will also need to disclose risk factors and particulars of the legal framework of its country of origin.

Registering the program. In order to register the Level II or Level III BDR program with the CVM, it is necessary to provide:

- All documentation described above as applicable to a Level I BDR program.
- A document appointing the company's legal representative in Brazil, with powers to represent it before the local authorities.
- A document signed by the director of the local depositary institution, indicating the market in which the company trades its securities, the company's controlling shareholders, its managers, its consultants and auditors, the company's address and the services applicable to the investors in the BDRs.

- The company's by-laws or articles of organization, the legislation that governs the company, the shareholders' agreements, lawyers' legal opinion about the rights of the shareholders in the country of origin of the foreign company, and the minutes to all shareholders' and stakeholders' general meetings.

- The accounting information of the foreign company, adjusted to Brazilian accounting principles.

- The "Reference Form," described in section 4 below.

Registering the public offer. Finally, we consider the documentation involved to register the public offer. Solicitations of deposits and sales of securities in the Brazilian securities market are restricted to financial institutions duly registered and authorized to act as such by the Central Bank and the CVM (with respect to dealing with securities). Therefore, any public offering of securities in the Brazilian market must be made through a local authorized financial institution. This financial institution will be responsible for filing with the CVM the request for the registration of the public offer of securities, accompanied by:

- An agreement for the distribution of the securities.

- Any agreements of stabilization of prices and/or liquidity guarantee, which will be subject to the CVM's approval.

- Any other agreements related to the issuance or subscription of securities, including those related to the distribution of supplementary lots.

- A form of subscription certificate or acquisition receipt, prepared in accordance with the applicable requirements.

- Four copies of the draft final prospectus or four copies of the preliminary prospectus and, whenever available, three copies of the final version of the final prospectus, which must contain at least the information required by the CVM.

- A copy of the deliberation (for example, minutes) regarding the approval of the program or the issuance or distribution of securities taken by the company's corporate bodies (such as the board of directors) and of the required administrative decisions, accompanied by all documents on which that deliberation was based, as well as copies of the corresponding call notices.
- A draft of the announcement of the opening of the public offer.
- A draft of the announcement of the closing of the public offer.
- A form of the securities certificate or a copy of the agreement entered into with the financial institution that renders services related to the share/securities ledger, if applicable.
- Any deed of issuance of debentures and any report prepared by a rating agency.
- A statement indicating that the registration of the corporation with the CVM is up to date, if that is the case.
- Evidence of compliance with all other prior formalities in view of legal or regulatory requirements governing the distribution or issuance of securities.
- Evidence of payment of the CVM's inspection fee.
- A statement attesting to the veracity of the information contained in the prospectus, executed by the representatives of the offeror and of the leading financial institution.
- If it is the case, a statement from the stock market or organized over-the-counter market entity indicating the approval of the request for admittance of trading of the securities, conditioned only upon obtaining the registration with the CVM.
- Other information or documents required by specific regulations issued by the CVM.

Prospectus contents

A prospectus is only required in public offerings of securities. In this regard, specifically for the trade of depositary receipts, the preparation of a prospectus will only be required in the case of a Level III BDR program. The content of the prospectus, which will be similar for domestic companies or for a Level III BDR program, will be as follows:

- Summary of the transaction's characteristics.
- Summary of information on the issuer (optional).
- Identification of management, consultants and auditors.
- Information about the offer.
- Corporate capital structure.
- Characteristics and deadlines of the offer.
- Agreement for the public distribution of securities.
- Liquidity guarantee agreement, price stabilization agreement and/or option agreement for placement of a supplementary lot.
- Resources' destination.
- Economic-financial feasibility study.
- Offer risk factors and, in the case of a foreign issuer, any additional risk factors deriving from the legal framework of its country of origin.
- Reference form.
- Financial statements of the last fiscal year, quarterly information and subsequent events.

- Information regarding the collateral agents or the resources' recipients.

- Statement that any other information or clarification regarding the company and the distribution of securities may be obtained with the leader and/or consortium member and the CVM.

- As annexes, minutes of the general meeting or the management meeting at which the issuance was approved votes, along with the company's bylaws, any deed for debentures issued and (if a specialized agency has been contracted for risk rating) the precedents or report of the rating classification.

Financial statements

A foreign company trading its securities in Brazil under a Level I BDR program is required to provide, at the time of the initial listing, the latest version of the company's financial statements. These statements do not need to be converted into Brazilian currency or reconciled with applicable Brazilian legislation or Brazilian accounting standards. Consequently, the preparation of the financial statements must follow the accountings standards of the jurisdiction where the foreign company is headquartered.

On the other hand, a foreign company that sponsors either a Level II or a Level III BDR program must provide, at the time of the initial listing:

- Financial statements for the last three fiscal years, prepared in accordance with applicable IFRS accounting rules, as issued by the International Accounting Standards Board (IASB) and as approved by the CVM for application in the Brazilian market.

- Financial statements especially prepared for purposes of the registration, in accordance with certain CVM rules and with no exceptions made by the independent auditor, referring to:

- The last fiscal year (provided that those financial statements reasonably reflect the issuer's equity structure at the time the registration request is submitted to the CVM).
- A subsequent date (preferably the last day of the last quarter of the fiscal year, but not a date more than 120 days before the date the registration request is submitted to the CVM), if there were significant changes in the company's equity structure after the end of the last fiscal year or if the company was incorporated in the same fiscal year when the registration request is submitted to the CVM.

Comments from the administrators on the differences between the financial statements of the last fiscal year and the financial statements especially prepared for purposes of the registration.

This financial and accounting information for a sponsor of a Level II or a Level III BDR program must be prepared in accordance with the IFRS accounting standards, as issued by the IASB and as approved by the CVM for application in the Brazilian securities market (that is, the same requirements applicable to domestic companies). Moreover, these financial statements must be audited by a chosen accounting firm duly registered with the CVM for the auditing of listed companies.

Regulatory review

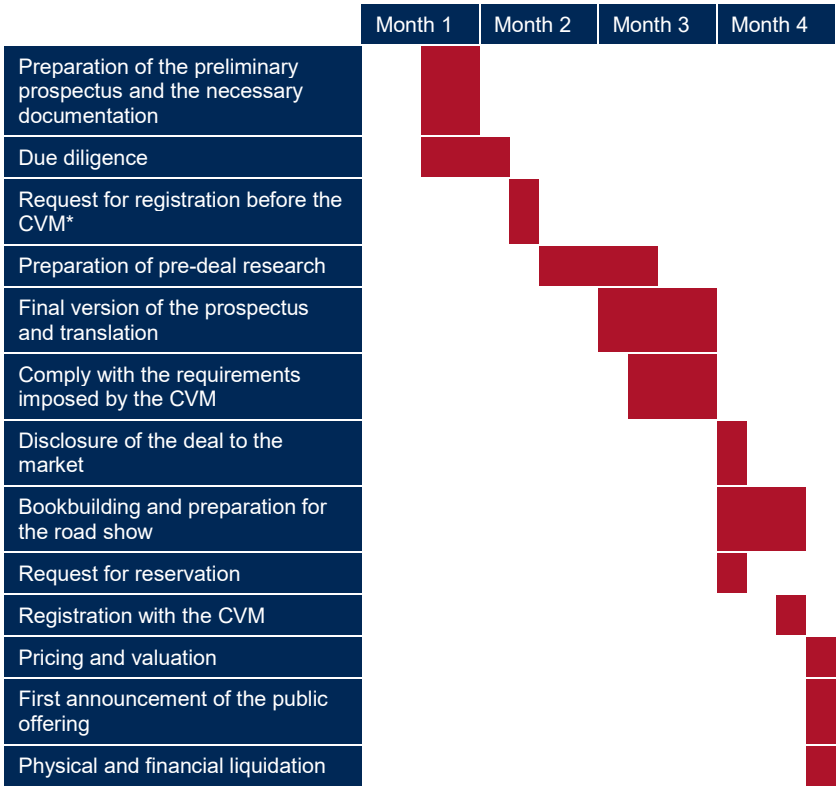
In case the financial statements are required to be prepared and disclosed pursuant to IFRS accounting standards (that is for domestic companies or for a Level II or Level III BDR program), the CVM has the authority to request clarifications and revisions to the financial statements that are publicly disclosed to the market. The CVM may initiate this process, if applicable, after the disclosure of the information to the market.

Typical process and timetable for a listing on the Brazilian capital market

Level I. As mentioned above, the registration of a Level I BDR program is a straightforward process. The local depositary institution in Brazil is required to file the relevant documents of the depositary receipt program with the CVM, which will then analyze the documentation and, if all required documents and information are presented, grant the registration of the Level I BDR Program. This process may take up to 30 or 45 days.

Level II. The registration of a Level II BDR program is similar to the process for the registration of a Level I program, except for the additional requirement to have the foreign company being registered as a listed corporation with CVM. This latter registration is conducted prior to the registration of the BDR Program and takes up to 20 to 40 business days to be granted by the CVM, considering any additional requests that the CVM may arise in order to grant the registration as a publicly-held company.

Domestic Company (with an IPO) and Level III BDR program. Finally, the registration of a domestic company or a Level III BDR program to effect an IPO in the Brazilian market follow relatively similar processes. Both will encompass the registration of the company as an issuer with the CVM (and, for the distribution of shares or securities convertible into shares, the domestic company will also need to be registered as a Category A issuer) and also proceed with the registration with the CVM of a public offering of securities (in either case, a standard public offering is governed by CVM Rule 400/03, with similar documentation requirements for both cases). Thus, a typical process and timetable for the standard public offering may be summarized as follows:



* The processes for the registration of the company (as a publicly-held company) and of the corresponding public offering are simultaneous.

4. Continuing obligations/periodic reporting

The requirements for periodic and continuous disclosure of information vary between domestic and foreign issuers (and, in the latter case, depending on whether a listing is conducted under a Level I BDR program or a Level II or III program).

Regular periodic reporting obligations

The CVM Rule 480/09 sets forth the registration process for issuers of publicly-held companies in Brazil and the disclosure of periodic

information regarding their corporate acts, financial and economic situation.

In summary, the ordinary and periodic disclosures of information are as follows (both equally applicable to foreign or domestic companies):

- *Registration Form.* This form contains general registration information about the issuer and should be updated annually. However, any changes to this form must be communicated within seven business days.

- *Reference Form.* It must be made available by the corporation within five months following the end of the fiscal year. The information disclosed in this form must cover the last fiscal year or the three prior fiscal years, when expressly required. Changes with respect to certain information provided in this form must be communicated to the CVM within seven business days.

- *Quarterly filings (ITR).* These filings must be made available by the corporation within 45 days following the end of the quarter or on the date of disclosure to its shareholders, if earlier.

- *Financial information and the standard financial information form (DFP).* This information must be made available by the corporation within three months following the end of the fiscal year or on the same day the information is published in the press, if earlier. For foreign issuers, this term is extended to four months. The DFP form, which must be submitted together with the financial information, provides specific information about the company's financial situation.

- *Corporate information*. This category of information addresses a variety of items, including:

    - Call notices for shareholders' meetings, which must be disclosed on the date of their publication in the press.

- Summary of decisions taken at the shareholders' meetings, which must be disclosed on the same day as the meeting.
- Minutes of the shareholders' meetings, which must be disclosed within seven business days after they take place.

Extraordinary events that are considered to be material facts regarding the company's operation that may impact the value of its traded securities must also be disclosed to the market by the corporation, in accordance with strict disclosure rules currently in force.

The required reporting includes the disclosure of all important decisions taken in shareholders' meetings. Any decisions made by the controlling shareholder, by the general assembly or by the management must be disclosed, regarding (among other matters) the pricing of the issued securities, investors' decisions related to the company, agreements executed by the company regarding the transfer of shares, shareholders' agreements, negotiation of debts, cancellation of the company's registration, merger or corporate reorganizations and changes of the projects implemented by the company.

Furthermore, depending on the listing segment in which the issuer is listed, there are some additional regular periodic reporting obligations.

Level I: Periodic disclosure

Under a Level I BDR program, the Brazilian local depositary institution is required to provide the disclosure of certain periodical information:

- Press releases and notices to the market.
- Notice of availability of the financial statements in the company's country of origin.
- Call notice of shareholders' meetings.
- Notices to the shareholders.

- Resolutions of shareholders' and management meetings, or of corporate bodies with equivalent functions, in accordance to the current legislation in the company's country of origin.
- The company's financial statements, which do not need to be converted into Brazilian Reais or reconciled to applicable Brazilian legislation.

Level II or III: Continuous disclosure

A foreign company listed in Brazil under either a Level II or a Level III BDR program is subject to a continuous disclosure, which is similar to the disclosure requirements normally applicable for domestic issuers.

Financial statements

A publicly-held company is required to disclose on a quarterly and annual basis its:

- Balance sheet.
- Profit and loss statement.
- Cash flow statement.

Accounting standards. Since December 2010, Brazilian listed corporations and foreign companies sponsoring either a Level II or a Level III BDR Program have been required to prepare their financial statements based on the IFRS accounting standards, as issued by the IASB and as approved by the CVM for application in the Brazilian market.

Level I. For a Level I BDR program, the disclosure of the financial statements in the Brazilian market must occur simultaneously with the disclosure of the same information in the jurisdiction of origin of the foreign company.

Domestic Companies, Level II or III BDR program companies. The financial statements of a Brazilian listed corporation or a foreign company sponsoring either a Level II or a Level III BDR program are required to be disclosed annually with the Registration Form and also on a quarterly basis, with the ITR Form, as provided below:

- *Financial information and the standard financial statement form.* These must be made available by the corporation within three months following the end of the fiscal year or on the same day they are published in the press, if earlier. For foreign issuers, this term is extended to four months, whilst for domestic issuers the term is three months.

- *Quarterly information form.* The company must make this form available within 45 days following the end of the quarter or on the same date of disclosure to its shareholders, if earlier.

Insider dealing and market manipulation

In Brazil, insider dealing and market manipulation are prohibited. The CVM may impose penalties (such as fines, suspension of rights to perform management acts and arrest) on a company whose controlling shareholders and/or management disclose important information regarding the company and its business.

In accordance with Brazilian laws, the use of relevant information that should have been kept secret, if disclosed to the market in order to provide advantages, may be subject to a penalty of one to five years' solitary confinement and a fine of three times the amount of the illicit advantage obtained.

5. Corporate governance

The transparency principle, which is one of the most important corporate governance principles, is related to the shareholders' meetings. The call for the meetings, as well as their transcription and discussion, are supposed to be disclosed to the shareholders and the market. All shareholders' agreements are also disclaimed to the

market and to the interested public. In that regard, the management must undertake the responsibility of taking all non-secret information to the public, as well as protecting the minority shareholders' rights in important decisions, such as approval of the appraisal report, amendment of the company's purposes, reduction of dividends, mergers and acquisitions and other relevant corporate reorganizations. For instance, a "tag-along right" is institutionalized in the Brazilian law, and most situations that do not comply with this right are criticized by investors.

As discussed above, the company's financial information must be disclosed to the market in each quarter, and, for company's sponsoring Level II or Level III BDR programs, such financial information must be reconciled in accordance with accounting practices adopted in Brazil, as provided in the Brazilian corporate law and also in the IFRS accounting standards, as issued by the IASB and as approved by the CVM for application in the Brazilian market. Moreover, the auditor's opinion will always be necessary for the companies' management, and at least one meeting involving financial analysts should take place in each one-year period.

Level I. As mentioned above, a foreign company whose shares underlie a Level I BDR program, either sponsored or non-sponsored, is not subject to Brazilian securities laws and regulations. The only requirements applicable to this specific type of program concern the necessity of prior registration of the BDR program with CVM and the obligation of the local depositary institution to make the relevant periodical disclosures of information, as already detailed in section 4 above.

Level II or III. On the other hand, a foreign company whose securities trade under a Level II or III BDR program is subject to stricter rules, especially considering the requirement to have the company registered with CVM as a listed corporation. As an immediate consequence of that, such a foreign company is subject to the same requirements

relating to the disclosure of information to the Brazilian market as those applicable to domestic corporations.

In 2017, the CVM imposed a new obligation on publicly-her companies, under Rule 480/09, in which the companies have to publish a report related to best corporate governance practices (*Informe sobre o Código Brasileiro de Governança Corporativa - Companhias Abertas*). In this, the companies must disclose whether they comply with (fully or partially) the principles and values indicated in the *Código Brasileiro de Governança Corporativa* or not, explaining why they do not should that be the case.

6. Specific situations

The CVM made available a "fast-track" alternative for already listed companies to approve the registration of new public offerings for securities in a considerably shorter approval period. This fast-track alternative is made available to "issuers with large market exposure" (*Emissores de Grande Exposição no Mercado*).

To benefit from the fast-track process, the issuer must declare and provide evidence that:

- Its shares have been traded in the stock market for at least three years.
- It has complied with all the periodical disclosure obligations in the last 12 months.
- The total value of the free-float shares in the last business day of the trimester immediately preceding the date of the request for filing of the public offering at least BRL 5 billion (approximately US$1.25 billion).

This fast-track process, in principle, would be applicable only to Level III BDR programs or domestic issuers.

Except for this fast-track process, there are no additional requirements, or changes in the normal requirements, that apply to very large multinational companies or to companies in specific industries.

With respect to the listing of smaller domestic companies or foreign companies under a Level III BDR program, the CVM may grant certain waivers concerning the registration of public offerings of securities, based on the terms of the offer. These waivers may range from the dismissal of registration requirements to the reduction of deadlines and publication requirements, and their applicability will be determined by the CVM on a case-by-case basis.

The CVM also authorizes the public offering by domestic companies or foreign companies under a Level III BDR programs through public offers with restricted sales efforts – a specific type of public offering aimed at simplifying the procedures for the implementation of such offers. Public offers with restricted efforts carried out in compliance with CVM Rule 476/09 are not subject to the provisions of CVM Rule 400/03, as well as other specific rules issued by CVM concerning the public distribution of securities, since the registration of such offers with CVM is automatically dismissed.

Restricted efforts for purposes of CVM Rule 476/09 means that the sales efforts may not be carried out through the search for investors in stores, offices or other establishments open to the general public, or through the employment of public communication services such as the press, radio, television and websites with unrestricted access. Moreover, public offers with restricted efforts are limited to a maximum of 75 professional investors, and no more than 50 investors can subscribe to the securities offered.

Under the rules for a public offer with restricted efforts, the intermediary must notify the CVM within 5 business days as of the first search of potential investors. The intermediary must keep a record with the name and date in which any person was approached regarding the offer, and the decision of such person regarding the

offer. The intermediary must inform CVM within 5 days as of the end of the public offer with restricted efforts.

The securities distributed through a restricted efforts public offerring will only be allowed to be traded between professional investors in the over the counter market, except if the issuer obtains registration as a publicly-held company with the CVM and, additionally, after the conclusion of a public offerring under CVM Rule no. 400/03 has been concluded or the period of 18 months after the initial listing of the securities for trade.

In addition, in 2019, for an experimental, temporary period, the CVM introduced the possibility for issuers to use a confidential offer registration process. According to the CVM, this innovation may reduce issuer exposure periods, consequently reducing the market fluctuation that can adversely affect the offering process.

7. Presence in the jurisdiction

The listing of a foreign company's securities through a BDR program allows Brazilian investors to invest with local domestic accounts in offshore securities (that is, securities of a publicly-traded company headquartered outside Brazil) on a registered basis. Central to the BDR structure is the designation of a Brazilian depository institution or depository issuer, as BDRs may be traded upon the registration of depositary certificates with the CVM and the Central Bank, as long as the trades are underwritten by a "depository institution" or "depository issuer" authorized by both the CVM and the Central Bank to trade securities in Brazil, subject to the applicable rules. Consequently, only BDRs of listed corporations may be traded in B3.

In case of Level II and Level III BDR programs, the foreign company will be required to make available all information required under Brazilian corporate and securities regulations, as mentioned above, in the website of the CVM, as well as of its depositary agent in Brazil. Moreover, the depositary agent will be responsible for keeping the

corporate records of the foreign issuer in hard copy to be accessed by local investors.

The disclosure and recordkeeping of information under Level I BDR programs will be the responsibility of the independent depositary agent in Brazil.

Nonetheless, as discussed in section 2 above, in order to be qualified as a foreign company for purposes of trading securities in the Brazilian securities market, the issuer must not have its head office located in Brazil, nor 50% or more of its assets located in Brazil.

8. Fees

Initial and ongoing fees must be paid to both B3 and CVM.

Initial admission

The following listing fees must be paid to B3 for a primary listing:

- BRL 64,990 (approximately US$16,256) must be paid for a publicly-held company seeking admission to the B3 trading environment (for example, in the case of a Level II or III BDR program or domestic companies).
- BRL 7,650 (approximately US$1,913) for the registration of a non-sponsored Level I BDR program.

Secondary listings are exempted from this fee requirement.

The listing fees to be paid to the CVM are calculated based on a percentage of the value of the offer, as listed below:

Type of public offer	Rate
Level I BDR program	0%
Level II BDR program	0.1%
Level III BDR program	0.2%
Distribution of shares of domestic companies	0.30%

Type of public offer	Rate
Distribution of BDRs	0.64%

The maximum fee to be paid to the CVM on distribution of securities is BRL 283,291.10 (approximately US$70,859).

Ongoing fees

The annual fees to be paid to B3 are either:

- For a publicly-held company (including domestic companies and Level II or Level III BDR programs), the fee will be comprised of a fixed portion of BRL 40,959.31 (approximately US$10,245), *plus* a variable portion calculated by multiplying (a) 0.005% by (b) the corporate capital of the previous corporate year; and, if it is a foreign company, multiplied again by (c) by the proportion of the total corporate capital of the issuer vis-à-vis the monthly average of the portion of the total corporate capital in the BDR Program.

- For a non-sponsored Level I BDR program, the annual fee to be paid to B3 ranges from BRL 1,194 to BRL 7,021 (approximately US$299 to US$1,756).

The fees to be paid to CVM are calculated and paid on a quarterly basis, based on the net equity of the publicly-held company (applicable both to domestic or foreign companies), as follows:

Net equity		Fee	
Brazilian Reais	Approximate US$ equivalent	Brazilian Reais	Approximate US$ equivalent
Up to BRL 31,731,435.55	Up to US$7,937 million	BRL 4,759.72	US$1,191
Over BRL 31,731,435.56 and up to BRL 158,657,177.75	Over US$7,937 million and up to US$39,685 million	BRL 9,519.43	US$2,381

Net equity		Fee	
Over BRL 158,657,177.77	Over US$39,685 million	BRL12,692.57	US$3,175

However, a foreign company with securities traded under a Level I BDR program is exempted from payment of any ongoing fees.

9. Additional information

The information disclosed to the Brazilian market and to the Brazilian Securities and Exchange Commission (CVM) must be in the Portuguese language. Furthermore, companies listed on the New Market segment must disclose simultaneously to the market the English version of the following documents: (i) material fact (*Fato Relevante*); (ii) dividends or other earnings distributions, by means of a shareholders notice (*Aviso aos Acionistas*) or Market Notice (*Comunicado ao Mercado*); (iii) earnings release.

10. Contacts within Trench Rossi Watanabe

Daniel Facó, Felipe Calil, Paula Ganem and Marcelo Moura in the São Paulo office are the most appropriate contacts within Trench Rossi Watanabe for inquiries about prospective listings on B3.

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* Trench, Rossi and Watanabe Advogados is a Brazilian firm that works in cooperation with Baker McKenzie LLP.

Saudi Stock Exchange

Initial financial listing requirements

To qualify for listing on the Saudi Stock Exchange (commonly referred to as Tadawul), a company must have:

- A market capitalization of at least SAR300 million (approximately US$79.95 million) at the time of listing for the Main Market, and a market capitalization of at least SAR10 million (approximately US$2.67 million) at the time of listing for the Parallel Market.
- Sufficient working capital (on its own or with its subsidiaries) for 12 months from the date of the publication of the prospectus (Main Market only).

Until recently, only domestic companies were allowed to apply for listing on the 'Main Market' of Tadawul. Although the Listing Rules allowed for a foreign company to cross-list its securities on the Main Market and the exchange was opened up to foreign investors globally in 2015 with certain 'Qualified Foreign Investors' (QFIs) being permitted to directly invest in Saudi listed companies, there was no guidance for the implementation of cross-listings for foreign companies. However, the Rules on the Offer of Securities and Continuing Obligations (OSCOs), most recently amended in September 2019, were introduced to provide further guidance around the cross-listing of foreign companies on the Main Market of Tadawul. In early 2017 the CMA launched the 'Parallel Market' as an alternative listing platform for Saudi or Gulf Cooperation Council (GCC) companies (which are majority owned by GCC citizens).

Other initial listing requirements

Share price. No minimum trading price is required.

Distribution. To list its securities on the Main Market, a company must have:

- At least 30% of its total issued share capital held by the public.
- At least 200 public shareholders.

The above requirements also apply to foreign issuers applying to cross-list their securities on the Main Market of Tadawul.

To list its securities on the Parallel Market, a company must have:

- At least 20% of its total issued share capital held by the public.
- At least 50 public shareholders.

Operating history. An operating history of three years is generally required for listing in the Main Market, and an operating history of one year is required for a listing in the Parallel Market.

Management continuity. The CMA expects that the company must have been carrying on, either by itself or through one or more of its subsidiaries, its main activity for at least three financial years under substantially the same management for listing on the Main Market, and at least one year for a listing on the Parallel Market.

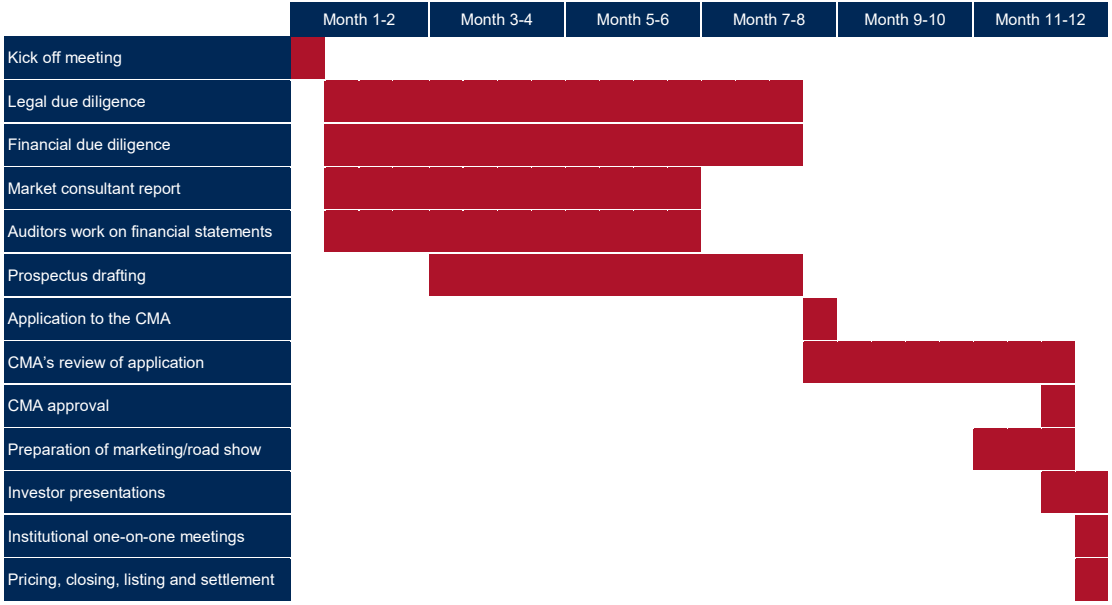
Accounting standards. Audited financial statements must be prepared in compliance with the standards of the Saudi Organization for Certified Public Accountants.

Financial statements. The financial statements must cover a period of: three years preceding the IPO application for a listing on the Main Market, but only the last year preceding the IPO application in the case of a listing on the Parallel Market.

Alteration in capital/restructuring. An application for registration and admission to listing of securities on the Main Market of an issuer which has undergone material restructuring or has been subject to an alteration in capital using external financing will not be accepted unless one financial year has elapsed since the date of completion of the material restructuring/alteration in capital.

Listing process

The CMA will review the prospectus and application forms and relevant announcements. The following is a fairly typical process and timetable for listing on the Main Market.



Corporate governance and reporting

Requirements for Main Market listed companies include:

- Audit committee and its composition.
- Nomination committee and its composition.
- Remuneration committee and its composition.
- Appointment of a prescribed number of independent non-executive directors.
- Adoption of a corporate governance code for the company that does not contradict the provisions of the Corporate Governance Regulations.

A listed company has continuing disclosure and reporting obligations under the Listing Rules which include:

- Material developments disclosure.
- Financial reporting which includes publishing interim and annual financial statements.
- Other obligations include reporting any change in the board of directors or notifiable transactions.

Fees

A company seeking to list on the Main Market must pay initial fees and annual fees. Initial listing fees are SAR40,000 (approx. US$10,660) for application submission and review, and 0.025% of the market capitalization of shares to be registered, up to a maximum of SAR225,000 (approx. US$59,660). Annual fees are split into fixed fees, which depend on the services provided to the company, and variable fees, which depend upon the number of shares of the company.

1. Overview of exchange

The Saudi Stock Exchange (commonly referred to as Tadawul) was formed as a joint stock company after receiving approval from the Council of Ministers on 19 March 2007.

Historically, the first Saudi joint stock companies were established in the 1930s and by 1975 there were around 14 public companies in Saudi Arabia. In a bid to formalize, regulate and develop the Saudi market, the government formed a Ministerial Committee consisting of the Ministry of Finance and National Economy, the Ministry of Commerce and the Saudi Arabian Monetary Agency (SAMA). However, the SAMA was tasked with regulating and monitoring all market activities.

In July 2003, with the promulgation of the Capital Market Law pursuant to Royal Decree M/30, the Capital Market Authority (CMA) was established, which took over the regulating and monitoring functions of the Saudi stock market (as it was then) from SAMA. The CMA is now the sole regulator and supervisor of Tadawul and the Saudi Arabian capital markets generally. Its basic objectives are to create an appropriate investment environment, boost confidence, and reinforce transparency and disclosure standards in all listed companies, and moreover to protect the investors and dealers from illegal acts in the market.

The CMA has implemented a number of regulations with the aim of implementing the provisions of the Capital Market Law. These regulations include the Rules on the Offer of Securities and Continuing Obligations (OSCOs), the Listing Rules (outlining the minimum requirements and procedures for a company listing on the 'Main Market' referred to below), the Parallel Market Listing Rules (outlining the minimum requirements and procedures for a company listing on the 'Parallel Market' referred to below), the Market Conduct Regulations (outlining what constitutes illegal practices in relation to the market) and the Corporate Governance Regulations (outlining the basic governance of a listed company).

Tadawul does not limit the sectors from which companies are permitted to list. Current listed companies carry out insurance, banking, petrochemical, retail and telecommunication activities, among others. As of 31 December 2019, there were 199 companies listed on the Main Market and 5 companies listed on the Parallel Market of Tadawul.

Until recently, only domestic companies were allowed to apply for listing on the 'Main Market' of Tadawul. Although the Listing Rules allow for a foreign company to cross-list its securities on the Main Market and the exchange was opened up to foreign investors globally in 2015 with introduction of the "Rules for Qualified Foreign Financial Institutions Investments in Listed Securities" under which certain 'Qualified Foreign Investors' (QFIs) are permitted to directly invest in Saudi listed companies, there was no guidance for the implementation of cross-listings for foreign companies. However, the OSCOs, most recently amended in September 2019, were introduced to provide further guidance around the cross-listing of foreign companies on the Main Market of Tadawul.

In early 2017 the CMA launched the 'Parallel Market' as an alternative listing platform for Saudi or Gulf Cooperation Council (GCC) companies (which are majority-owned by GCC citizens). The Parallel Market in intended to open up new investment opportunities for all types of companies, including SMEs, through greater access to capital as the listing requirements are less rigorous than those for the Main Market. The main objectives of establishing the Parallel Market, as stated by the CMA, include promoting the role of the exchange in providing funding sources and making the exchange more stable and appealing for investment, increasing diversification and deepening the Saudi capital market, as well as supporting the national economy and accelerating development.

2. Principal listing and maintenance requirements and procedures

A listing applicant must satisfy the conditions for registration and listing. The CMA may accept an application for listing even if a company does not satisfy all of the conditions, as long as the CMA is satisfied that a listing will be in the interests of investors and investors have received the necessary information to make an informed judgment.

Simply meeting the CMA's requirements does not guarantee a listing on Tadawul. The CMA has broad discretionary powers and its board can reject any listing application if it considers that the applicant is not suitable for listing on Tadawul or if it would not be in the best interests of investors for the company to go public.

Financial criteria

An issuer must have:

- A market capitalization of at least SAR300 million (approximately US$79.95 million) at the time of listing for the Main Market, and a market capitalization of at least SAR10 million (approximately US$2.67 million) at the time of listing for the Parallel Market.

- Sufficient working capital (on its own or with its subsidiaries) for 12 months from the date of the publication of the prospectus (Main Market only).

Once a company lists, it is not required to meet similar financial requirements in order to maintain its listing on an ongoing basis. However, listed companies are subject to other financial reporting and other ongoing obligations, which are summarized in section 4 below.

The above requirements also apply to foreign issuers applying to cross-list their securities on the Main Market of Tadawul.

Operating history; management

For a listing on the Main Market, an issuer must:

- Be a joint stock company (except in the case of the cross-listing of securities).
- Have been carrying on, either by itself or through one or more of its subsidiaries, a main activity for at least three financial years under substantially the same management.
- Have published audited financial statements covering at least the last three financial years.

In addition, the senior executives of the issuer must have appropriate expertise and experience for the management of the issuer's business.

For a listing on the Parallel Market, an issuer must:

- Be a Saudi joint stock company or a GCC joint stock company with a majority of the capital owned by GCC citizens.
- Have been carrying on, either by itself or through one or more of its subsidiaries, a main activity for at least one financial year.
- Have published audited financial statements covering the last financial year.

Free float; shareholders

At the time of listing on the Main Market at least 30% of the shares must be offered to the public and there must be at least 200 public shareholders. At the time of listing on the Parallel Market at least 20% of the shares must be offered to the 'public' (defined in this instance to include various connected persons such as substantial shareholders, directors, senior executives and relatives of those persons) and there must be at least 50 public shareholders. In all cases these conditions are part of the issuer's continuing obligations under the relevant set of

listing rules, although the CMA may allow a lower percentage to be floated and a lower number of shareholders.

At the time of the initial public offering on the Main Market, only public funds, listed companies, licensed financial institutions, government entities, certain unlisted Saudi companies and QFIs (though the book building process) and Saudi nationals (through the retail offer) may subscribe for the issuer's shares. Once the shares are listed on Tadawul, Saudi nationals, non-Saudi nationals holding valid residency permits in Saudi Arabia, GCC nationals, as well as Saudi and GCC companies, and categories of investors eligible to participate in the book building process (including QFIs) may trade in the shares. Non-Saudi individuals living outside Saudi Arabia and institutions registered outside Saudi Arabia (who do not wish to register as QFIs) can also invest in the shares by entering into swap arrangements with persons authorized by the CMA to purchase shares listed on Tadawul.

Participation in any offer made by a company seeking a listing on the Parallel Market and in any secondary trading on the Parallel Market, is limited to "Qualified Investors" which include licensed financial advisors (acting for their own account), government entities, investment funds, GCC company and funds, QFIs and certain individuals who meet "professional investor" type criteria.

Lock-up requirements

The CMA requires that all founding shareholders of a company listing on the Main Market be subject to a lock-up period. The lock-up period is set as six months from the date that the shares of the issuer commenced trading on Tadawul. However, in some cases, the CMA has requested that the restrictions on founding shareholders remain for five years (as was the case with telecommunication companies). A company may set a longer lock-up period provided that it is stated in the prospectus and registration document.

Existing shareholders of an issuer seeking a listing on the Parallel Market are subject to a 12 month lock-up period under the Parallel Market Listing Rules.

Appointment of advisors and representatives

The issuer must appoint independent financial and legal advisors for listing on the Main Market, but only an independent financial advisor for a listing on the Parallel Market. In all cases the issuer must also appoint two representatives (a director and a senior executive) to act as its representatives before the CMA. Foreign issuers applying to cross-list their securities on the Main Market of Tadawul are also required to appoint independent financial and legal advisors.

Corporate governance

The CMA has issued the Corporate Governance Regulations which provide basic governance guidelines for all listed companies. The Corporate Governance Regulations cover various topics, including related party transactions, the composition and duties of the board of directors and the formation and duties of board committees. See section 5 below for further information.

Other requirements

Alteration in capital and restructuring. The CMA will not accept an application for registration and admission to listing on the Main Market from an issuer that has undergone a material restructuring or has been subject to an alteration in capital using external financing (including through any shareholder current account), unless one financial year has lapsed since the date of completion of the material restructuring or alteration in capital.

Class of listed securities. The whole class of the relevant securities must be listed on the Tadawul.

Currency. Securities must be traded and settled in Saudi Arabian Riyals.

Board approval. A company cannot offer securities to the public unless it has the approval of its board.

3. Listing documentation and process

Listing application

An issuer seeking a listing on Main Market must submit the following items, among others:

- Listing application documents, which include a formal letter of application to the CMA, a standard form declaration, and declaration and undertaking signed by each director.
- Draft prospectus in Arabic.
- Audited financial statements of the issuer (and those of its subsidiaries if applicable) for each of the three financial years immediately preceding the listing application, as well as the latest interim audited financial statements, prepared in accordance with the standards set by the Saudi Organization for Certified Public Accountants.
- Certified copies of all corporate documents of the issuer, including the by-laws and the commercial registration certificate, and its subsidiaries if applicable.
- Legal due diligence report prepared by the issuer's legal advisor.
- Financial due diligence report prepared by the reporting accountant.
- Letters of consent from all of the issuer's advisors and experts in relation to the use of their names, logos and statements for which they are responsible in the prospectus.
- All signed underwriting, sub-underwriting and distribution agreements entered into in connection with the IPO.

- Any other documents as may be required by the CMA.

During the period of the CMA's review of the issuer's listing application, the issuer is prohibited from engaging in any publicity relating to the offering or doing anything that could be deemed to be stimulating an interest in the issuer's securities. The issuer is required to restrict its public communications and use of offering related materials until the final allocation of shares has been completed.

The requirements for companies seeking to list on the Parallel Market are much reduced, with only one year of financial statements for the immediately preceding year required.

Prospectus

The main disclosure requirements for companies listing on the Main Market include, among others:

- Summary of the terms of the offering.
- Summary of the key information relating to the issuer.
- Risk factors relating to the business and operations of the issuer, the market or industry in which the issuer operates and the securities being offered to the public.
- Market overview summarizing the trends and industry information that are specific to the issuer's business.
- Description of the general nature of the business of the issuer.
- Details of the current and historical shareholding and capital structure of the issuer and the substantial shareholder(s) of the issuer.
- Detailed discussion by the management of the issuer's financial condition (particularly for the three years preceding the application).

- Summary of all material contracts and related party transactions entered into by the issuer (and its subsidiaries if applicable).
- Summary of the constitutional documents of the issuer.
- Summary of any intangible assets such as trademarks, patents or copyrights material to the issuer's business.
- Summary of any litigation or claim which may have a material effect on the issuer's business or financial position.
- Details of indebtedness of the issuer.
- Summary of the issuer's dividend policy.
- The issuer's intended use of proceeds.
- Details of the directors of the issuer and its senior management.
- Details of the general subscription terms and conditions.

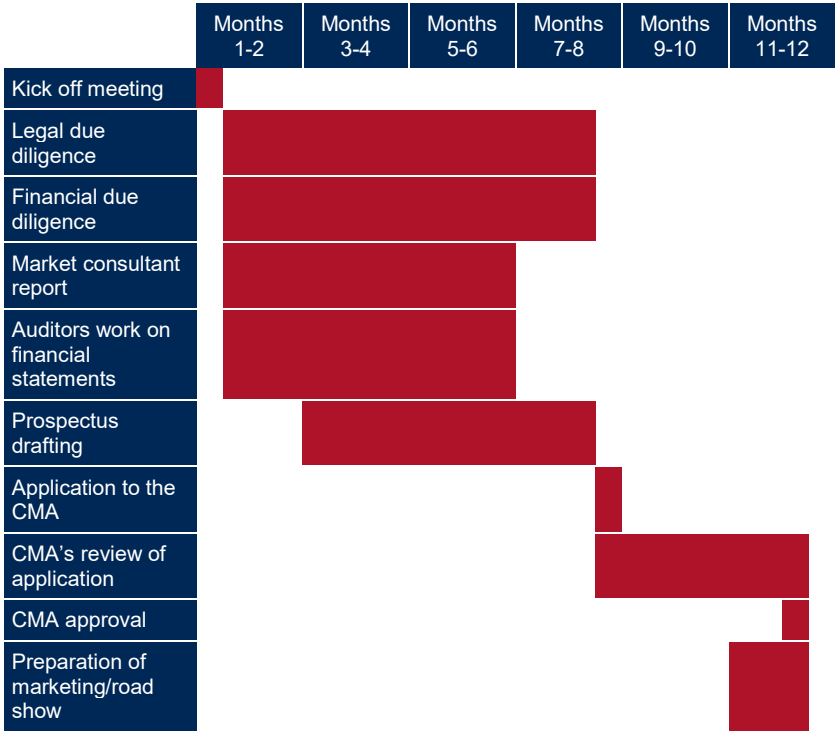
The content requirements for a prospectus issued in connection with a Parallel Market listing are much reduced. For example, no market overview or detailed management discussion of the issuer's financial condition is required. The content requirements of the cross-listing document are also much reduced to those of prospectuses issued in connection with Main Market listings. However, specific information is required, including the purpose of the listing and the risk factors related to the listing.

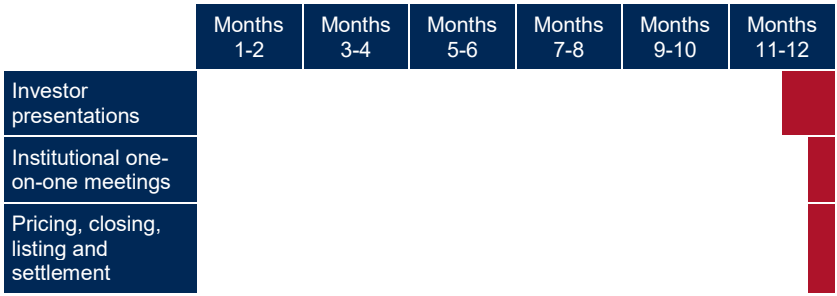
Typical process and timetable

The length of time required to list a company on the Main Market from the kick-off meeting to the commencement of trading of its securities depends on many factors, such as the quality of the internal records of the company, the due diligence process and whether all requisite documents and approvals are available or have been obtained. In general, assuming there are no material threshold issues, a listing application for the Main Market will take approximately six

months to file with the CMA and then up to a further six months for the application to be processed and trading in the company's securities to commence. However, depending on the circumstances of the issuer, it is not unusual for this process to take much longer. The timeline for the Parallel Market listing process is significantly shorter.

Below is an example timetable for a Saudi IPO listing its shares in the Main Market which reflects the anticipated timing (on a "best case scenario" basis) and illustrates the key steps in the IPO process. The timeline has been prepared on the assumption that the process is not delayed or interrupted by a complicated restructuring, complex due diligence issues, difficulties in preparing financial accounts or valuation on a timely basis, and that there are generally no significant threshold issues.





4. Continuing obligations/periodic reporting

A Saudi listed company owes disclosure and reporting obligations both to Tadawul and the CMA. Once listed, a company must publish its interim and annual accounts. In addition, the Listing Rules prescribe other continuing disclosure requirements for listed companies, such as immediate disclosure to the CMA and the public of any material developments.

Financial reporting

An issuer must publish its interim and annual financial statements once they have been approved by the board of directors. The financial statements cannot be shared with shareholders or third parties unless they are first announced through Tadawul.

An issuer must publish its interim financial statements (first, second and third quarter interim statements) within 30 days of the end of the period relating to the statements for listings in the Main Market and half-yearly financial statements within 45 days of the end of the financial period for listings on the Parallel Market. Annual financial statements must be published within 90 days from the end of the relevant financial year. All financial statements must be prepared in accordance with the standards set by the Saudi Organization for Certified Public Accountants. Interim financial statements need not be audited, but must be reviewed by the auditors of the issuer.

Foreign issuers applying to cross-list their securities on the Main Market of Tadawul are subject to the same financial reporting requirements as domestic issuers listing on the Main Market.

Board of directors report

Issuers listed on the Main Market must include within their annual financial statements a report issued by the directors, including a review of the operations of the issuer during the last financial year and of all relevant factors affecting the issuer's business which an investor requires to assess the assets, liabilities and financial position of the issuer. Information to be included in this report includes:

- Description of the issuer's significant plans and decisions (including any restructuring, business expansion or discontinuance of operations of the issuer), the future prospects of the issuer's business and any risks facing the issuer.
- Summary of the assets and liabilities of the issuer and of the issuer's business results for the last five financial years or from incorporation, whichever is shorter.
- Geographical analysis of the issuer's gross revenues and its subsidiaries.
- Explanation for any material differences in the operating results of the previous year or any announced forecast made by the issuer.
- Explanation for any departure from the accounting standards issued by the Saudi Organization for Certified Public Accountants.

The content requirements above are 'indicative' only for reports issued by the boards of companies listed on the Parallel Market.

Disclosure of material information

The Listing Rules and the Parallel Market Listing Rules require an issuer to notify both the CMA and the public (without delay) of any material developments in its sphere of activity that:

- Are not within the public domain.
- May have an effect on the assets, liabilities or financial position or the general course of the issuer's subsidiaries.
- May lead to movements in the price of the listed securities.

Although there is no exhaustive list of what would be classified as "material developments", the OSCOs provide the following as examples, among others:

- Any transaction to purchase or sell an asset at a price equal to or greater than 10% of the net asset of the issuer.
- Any debt outside the issuer's ordinary course of business, of a value equal to or greater than 10% of the issuer's net assets.
- Any losses equal to or greater than 10% of the issuer's net assets.
- Any changes in the composition of the directors or to CEO's position of the issuer.
- Any significant legal proceedings where the value involved is equal to or greater than 5% of the net assets of the issuer.
- The increase or decrease in the net assets of the issuer equal to or greater than 10%.
- The increase or decrease in the gross profit of the issuer equal to or greater than 10%.

- The entering into, or the unexpected termination of, any contract with revenues equal to or greater than 5% of the gross revenues of the issuer.

In addition to disclosing any material developments and the issuer's financial statements, the Listing Rules and Parallel Market Listing Rules impose other continuing disclosure obligations on listed companies such as changes of directors and notifiable transactions (such as any significant change in the holding or identity of a shareholder that holds 5% or more of a listed company).

Foreign issuers applying to cross-list their securities on the Main Market of Tadawul are subject to the same disclosure requirements as domestic issuers listing on the Main Market.

Market Conduct Regulations

In Saudi Arabia, any allegation or dispute relating to market misconduct falls under the jurisdiction of the Committee for the Settlement of Securities Disputes. The Market Conduct Regulations broadly split market misconduct into three main categories: market manipulation (involving acts such as price rigging), insider trading, and making untrue statements (this includes omission of a material fact when making a statement). In accordance with the Capital Market Law, any person who commits insider trading or is found guilty of market manipulation is liable to pay compensation by way of damages to any other person for any pecuniary loss sustained by the other person as a result of such market misconduct. In certain cases based on the request of the CMA, the Committee for the Settlement of Securities Disputes may impose imprisonment terms (not exceeding five years) on persons guilty of market manipulation and insider trading.

5. Corporate governance

The CMA has issued the Corporate Governance Regulations which set out general governance guidelines and requirements applicable to all

listed companies. At present the requirements under the Corporate Governance Regulations are generally only mandatory for Main Market listed companies, with some provisions being categorized as guiding provisions.

Mandatory requirements

Over time, the CMA has gradually issued resolutions making certain requirements under the Corporate Governance Regulations mandatory. A listed company must comply with these requirements, some of which include:

- Appointment of a prescribed number of independent and non-executive directors to the board.
- Appointment of an audit committee and its composition.
- Appointment of a remuneration committee and its composition.
- Appointment of a nomination committee and its composition.
- Adoption of a corporate governance code for the company that does not contradict the provisions of the Corporate Governance Regulations.

Audit committee

Under the Corporate Governance Regulations, an issuer must have an audit committee that comprises at least three members and all members must be non-executive (if all members are board members). Furthermore, at least one member of the committee must be a specialist in finance and accounting matters.

Some of the responsibilities of an audit committee include:

- Supervising the internal audit department of the company.
- Reviewing the internal audit reports.

- Supervising the external auditors of the company.
- Reviewing the interim and annual financial statements before they are presented to the board of directors.

Remuneration committee

Under the Corporate Governance Regulations, an issuer must have a remuneration committee, and its members cannot be executive directors and must include at least one independent director.

Some of the responsibilities of the remuneration committee include:

- Laying down policies regarding the remuneration of board members and senior executives.
- Periodically reviewing the remuneration policy and assessing its effectiveness.
- Providing recommendation to the board in respect of the remuneration of its members.

Nomination committee

Under the Corporate Governance Regulations, an issuer must have a nomination committee. Members of the committee cannot be executive directors and must include at least one independent director.

Some of the responsibilities of the nomination committee include:

- Reviewing the structure of the board of directors and recommending changes.
- Ensuring the independence of the independent board members.
- Annually reviewing the skills and expertise required of the board members and executive managers.

The Corporate Governance Regulations provides that an issuer may combine the remuneration and nomination committees into one committee, subject to certain conditions.

Form 8

As mentioned above, there are numerous documents that are submitted to the CMA when an issuer applies for listing on the Main Market. This includes "Form 8" which is a report on the corporate governance procedures followed by an issuer. In Form 8 the issuer, through a series of yes or no answers explains:

- How it has applied the principles of the Corporate Governance Regulations and its own internal corporate governance code.
- Whether it has deviated from the provisions of the Corporate Governance Regulations or its own internal corporate governance code, and, if so, the reasons for any such deviation.

For most issuers undertaking an IPO on the Main Market, it is not possible to comply with all the provisions of the Corporate Governance Regulations. Therefore, there is usually a post-listing undertaking given by the issuer in the prospectus to complete and provide the CMA with an updated Form 8.

6. Specific situations

Other than the requirements of the Capital Market Law and its implementing regulations, there are no additional formal CMA requirements that apply to companies listing in Saudi Arabia whether on the Main Market or Parallel Market. However, certain ministries that regulate specific industry sectors in Saudi Arabia may impose additional requirements. For example, the Ministry of Energy, Industry and Mineral Resources used to require all cement companies to float at least 50% of their share capital to the public. As noted above, the CMA has discretionary powers when considering a listing application and it may allow a company to float less than 30% of its

shares to the public. The CMA may also require additional disclosure depending on the application received.

7. Presence in the jurisdiction

At present, only domestic or GCC companies which are majority owned by GCC citizens (in the case of the Parallel Market) are listed on Tadawul. However, the OSCOs allow for a foreign company to cross-list its securities on Tadawul. Although the Listing Rules for the Main Market and the OSCOs allows for a foreign company to cross-list its securities on Tadawul, as of yet no foreign issuer has applied for a cross-listing of its shares on Tadawul.

8. Fees

A company undertaking an IPO must pay fees to the CMA for the registration of the securities. The fees payable to the CMA for listing on the Main Market are:

- SAR30,000 (approximately US$8,000) upon submitting an application for registration of the securities.
- SAR10,000 (approximately US$2,660) for reviewing the IPO application.
- 0.025% of the value of the shares to be registered, up to a maximum of SAR225,000 (approximately US$59,660).

Once a company has listed it must also pay annual fees to Tadawul. These fees are split into fixed fees, which depend on the services that Tadawul provides a company, and variable fees, which depend upon the number of shares of a listed company.

Additional costs include financial advisor fees, legal counsel fees, accountant's fees, underwriting fees as well as printing expenses.

9. Additional information

All materials to be submitted to the CMA must be submitted in the Arabic language, with the exception of the legal due diligence report, the financial due diligence report and the market consultant report. The CMA approves the Arabic prospectus and this prevails over any English translation to the extent that there is any inconsistency.

10. Contacts within Baker McKenzie

Karim Nassar and Robert Eastwood in the Riyadh office are the most appropriate contacts within Baker McKenzie for inquiries about prospective listings on the Tadawul.

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Shanghai Stock Exchange and Shenzhen Stock Exchange (Main Board)

Shanghai Stock Exchange and Shenzhen Stock Exchange (Main Board): Quick Summary

Initial financial listing requirements

To qualify for listing on the Main Board of either the Shanghai Stock Exchange (SSE) or the Shenzhen Stock Exchange (SZSE), a company must meet the following financial criteria at the time of listing:

Profitability	• Positive net profits for the last three fiscal years. • Cumulative net profits for the last three fiscal years in excess of RMB30 million (approx. US$4.31 million) (using either the pre- or post-deduction of non-current profits and losses amount, whichever is the lower). • No unrecovered losses at the end of its most recent reporting period.
Revenue / Cash Flow	• Aggregate net cash flows for the last three fiscal years derived from operating activities in excess of RMB50 million (approx. US$7.18 million). • Aggregate business revenues for the last three fiscal years in excess of RMB300 million (approx. US$43.08 million).
Total Capital Stock	• Total capital stock before the share offering of at least RMB30 million (approx. US$4.31 million).
Intangible Assets	• As at the end of its most recent reporting period, the proportion of intangible assets (excluding land use rights, water-surface aquiculture rights, mining rights and other rights) to net assets did not exceed 20%.

Other initial listing requirements

Share price. The issue price must be at or above the par value of the shares. There is otherwise no requirement for listed companies to have or maintain a minimum trading price for their securities.

Public float and number of shareholders. To list its securities, a company must have:

- Publicly-offered shares amounting to at least 25% of the total shares of the company, or at least 10%, where the total share capital of the company exceeds RMB400 million (approximately US$57.44 million).
- A minimum of 2 and maximum of 200 shareholders (at the time of listing).

Accounting standards. Audited financial statements must be prepared in compliance with CASBE.

Financial statements. The prospectus must include an accountants' report which reports on the last three financial years' results and most recent reporting period results and, if the latest financial year ended more than six months before the date of the prospectus, then, in addition, an audited interim (or stub) set of accounts for part of the current financial year.

Operating history. A trading record of at least three financial years, with management continuity for at least the three preceding financial years.

Listing process

The length of time required to list a company from the kick-off meeting to the actual listing depends on many factors such as the quality of the internal records of the company, the due diligence process, whether all requisite documents and approvals are available or have been obtained and the regulatory policy of the government. Generally, a very smooth project will take at least 15 months from submitting application documents to the CSRC to completion. Others can take much longer.

The following diagram summarizes the process for a listing application on the Main Board.

Preparatory stage	• Kick-off meeting • Appoint intermediary organizations, including sponsor, accountant and lawyer • Due diligence • Restructure • Shareholders' Approval for the Proposed Listing • Prepare application documents • Tutorship Check and Acceptance
Application for listing	• Sponsor submits application documents to the CSRC • The CSRC makes a decision on whether or not to accept the application • Supplement or revise the application documents • Respond to several rounds of questions from the CSRC
Preliminary examination	• Preliminary examination of the CSRC • Respond to further questions from the CSRC
Solicit opinions	• Solicit the opinions of the local government at the provincial level at the place where an issuer is registered by the CSRC
Issuance examination	• The CSRC makes a decision on whether or not to approve an issuer's application for issuance
Public issue	• Issue shares within six months after the CSRC approves the issuance
Reapply	• If the issuer fails to issue shares within six months or after six months of the CSRC refusing to approve the issuance

Corporate governance and reporting

Requirements for public companies include:

- Appointment of a prescribed number of independent non-executive directors to the board.
- Professional qualification of a company secretary.
- Prohibition on unfair related-party transactions.
- Prohibition of direct competition between the company and its controlling shareholders or any enterprise under its control.

A listed company has continuing disclosure and reporting obligations under the *Measures for the Administration of Information Disclosure by Listed Companies* and PRC law, including the requirement to publish annual, interim and quarterly accounts and reports, prepared in accordance with CASBE, as well as the requirement to notify the public of any information that constitutes inside information.

Fees

A company seeking to list must pay both initial listing fees and annual fees. The initial listing fee ranges from RMB70,000 (approx. US$10,052) to RMB175,000 (approx. US$25,130). The annual fee ranges from RMB25,000 (approx. US$3,590) to RMB75,000 (approx. US$10,770), depending on the nominal value of shares listed. For any issuer whose total amount of capital stock is less than RMB400 million (approximately US$57.44 million), the initial listing fee or the ongoing fees are temporarily waived from 1 January 2020.

1. Overview of exchange

There are two stock exchanges in mainland China, the Shanghai Stock Exchange (SSE) and the Shenzhen Stock Exchange (SZSE), both of which were established in 1990. The SSE and SZSE are playing an increasingly essential role in the Chinese capital markets.

The SSE previously concentrated on the Main Board. In March 2019, the SSE launched the Star Market as the pilot board where a registration system rather than a general approval system is applied. Similarly, the SZSE has put in place a framework of multi-tiered capital markets comprising the Main Board, the Small and Medium Enterprise (SME) Board (launched in May 2004) and the ChiNext Board (launched in October 2009).

Therefore, there are four boards on the SSE and SZSE where issuers may list their securities:

- The Main Board - a market for companies that meet the profit or other financial criteria of the SSE and SZSE. Most of companies whose stocks are listed on the Main Board are comparatively large scale and well-developed.
- The Star Market - an emerging market providing financing channels for technologically innovative enterprises with more diversified and inclusive listing criteria compared to the listing criteria of the Main Board.
- The SME Board - provides financing channels for small and medium-sized companies, which generally meet the same listing criteria required for listing on the Main Board.
- The ChiNext Board - generally used for listings by companies that cannot meet the profit requirements or other financial standards required by the Main Board. The ChiNext Board is a Nasdaq-type board for high-growth, high-tech start-ups.

As of 1 January 2020, the aggregate market capitalization of the securities listed on the SSE was RMB35.55 trillion (approximately US$5.10 trillion) and RMB23.74 trillion (approximately US$3.41trillion) on the SZSE. Over the past three years, the aggregate market capitalization of the securities listed on the SSE and the SZSE has changed as follows:

Date[1]	SSE	SZSE	Total
31 December 2019	RMB35.55 trillion (approx. US$5.11 trillion)	RMB23.74 trillion (approx. US$3.41 trillion)	RMB59.29 trillion (approx. US$8.51 trillion)
28 December 2018	RMB26.95 trillion (approx. US$3.87 trillion)	RMB16.54 trillion (approx. US$2.38 trillion)	RMB43.49 trillion (approx. US$6.25 trillion)
29 December 2017	RMB33.13 trillion (approx. US$4.76 trillion)	RMB23.58 trillion (approx. US$3.39 trillion)	RMB56.71 trillion (approx. US$8.14 trillion)

[1] Dates correspond to the last trading day of each year listed.

With regards foreign enterprises' stock, the PRC laws and regulations permit two approaches to listing on the SSE and SZSE:

- Issuing Chinese Depositary Receipts (CDR) in mainland China in accordance with the *Measures for the Administration of Offering and Trading of Depositary Receipts (for Trial),* effective since 6 June 2018. In particular, under the eastbound business of the Shanghai-London Stock Connect, eligible companies listed on the London Stock Exchange can issue CDRs and apply for listing on the Main Board of the SSE.

- Eligible Red chip enterprises can issue stocks or CDRs and apply for listing on the Star Market.

The SSE and the SZSE do not specialize in, or encourage listings by, any particular type of company, but instead encourage any company that meets their listing requirements to list. Any foreign-invested joint stock company that applies for listing must show that its business

complies with the requirements of the *Special Administrative Measures for the Access of Foreign Investment (Negative list)*.

As of 1 January 2020, 1,572 companies' stocks were listed on the SSE while 2,205 companies' stocks were listed on the SZSE. Over the past three years, the number of listed companies on the SSE and the SZSE has changed as set out below:

Date[1]	SSE	SZSE	Total
31 December 2019	1,572	2,205	3,777
28 December 2018	1,450	2,134	3,584
29 December 2017	1,396	2,089	3,485

[1] Dates correspond to the last trading day of each year listed.

In Mainland China, two main sorts of regulators are involved in any proposed listing and post-listing compliance matters, noting that issuing and listing of securities are two different phases. They are the China Securities Regulatory Commission (CSRC) and stock exchanges, including the SSE and the SZSE. Under the general approval system, the CSRC oversees China's nationwide centralized securities supervisory system, with the power to examine and approve public issuances of securities. Governed by the CSRC, the SSE and the SZSE are authorized to examine and approve listings of securities and are also responsible for regulating the trading of securities and supervising post-listing compliance requirements. Differing from the general approval system, IPOs on the Star Market are done in compliance with the registration regime, under which the SSE is responsible for the substantive review and then the SSE will submit its review approval to the CSRC to complete the registration process. Pursuant to the *Securities Law of the PRC*, amended in December 2019 and anticipated to enter into effect in March 2020, any public issuance of securities in PRC will be subject to registration with the CSRC or competent departments authorized by the State Council. Detailed scope and steps for the registration regime will be specified by the State Council. Whether the registration regime will be widely applied in PRC's capital markets remains to be seen.

This chapter mainly focuses on the Main Board.

2. Principal listing and maintenance requirements and procedures

A listing applicant must meet the requirements and procedures to qualify for a listing on the Main Board. However, meeting these requirements and procedures does not guarantee a listing on the Main Board. The main requirements and procedures are described below.

Jurisdiction. There are no restrictive provisions preventing foreign companies from listing their securities on the SSE or the SZSE, but in practice, no foreign companies have yet been listed on the Main Board of the SSE or the SZSE because of the difficulty in legal convergence of the different jurisdictions.

Financial criteria. A listing applicant must meet the following financial requirements in order to qualify to list its securities on the Main Board:

Indicator	Requirements
Profitability	• Positive net profits for the last three fiscal years. • Cumulative net profits for the last three fiscal years in excess of RMB30 million (approx. US$4.31 million) (using either the pre- or post-deduction of non-current profits and losses amount, whichever is lower). • No unrecovered losses at the end of its most recent reporting period.
Revenue / cash flow	Either of: • Aggregate net cash flows for the last three fiscal years derived from operating activities in excess of RMB50 million (approx. US$7.18 million). • Aggregate business revenues for the last three fiscal years in excess of RMB300 million (approx. US$43.08 million).
Total capital stock	• Total capital stock before the share offering of at least RMB30 million (approx. US$4.31 million).
Intangible assets	• As at the end of its most recent reporting period, the proportion of intangible assets (excluding land use rights,

Indicator	Requirements
	water-surface aquiculture rights, mining rights and other rights) to net assets did not exceed 20%.

However, the profitability threshold mentioned above may not be applied to the listing applicant where it is identified as a pilot enterprise in accordance with the *Several Opinions of the China Securities Regulatory Commission on Launching the Pilot Program of Innovative Enterprises Domestically Issuing Stocks or Depository Receipts*.

After the initial listing, the listed company is not required to meet similar ongoing financial requirements in order to maintain its listing.

Operating history. A listing applicant must have been continuously operating for three years or more after the incorporation of a joint stock company, unless otherwise approved by the State Council. If a limited liability company is wholly transformed into a joint stock company by means of converting the original book value of its net assets into shares, the duration of its continuous operation may be calculated from the date of incorporation of the limited liability company.

A listing applicant's primary business, directors and senior executives must have remained materially unchanged and an issuer's actual controller may not have changed in the most recent three years.

Ownership. At the time of listing, there must be a minimum of 2 shareholders and a maximum of 200 shareholders in general. There are no ownership requirements with respect to holders of a particular nationality.

Minimum public float. A listing applicant's publicly-offered shares must amount to at least 25% of the total shares of the company, or at least 10%, where the total share capital of the company exceeds RMB400 million (approximately US$57.44 million).

Corporate governance. The *Guiding Principles on Governing Listed Companies and Listing of Shares* have made detailed provisions on corporate governance, which are dedicated to connected party and notifiable transactions, board composition and other corporate governance issues. See Section 5 below for further information.

Sponsor and interviews. Each listing applicant must appoint at least one independent sponsor to assist with its listing application. It is not compulsory for the company seeking listing to conduct interviews with the exchange or the CSRC. However, the company may conduct unofficial interviews with the exchange and the CSRC if necessary or required.

Minimum trading price. The issue price of a share may be at or above the par value, but must not be below the par value. Except for the preceding provision, there is no requirement for listed companies to have or maintain a minimum trading price for their securities.

Lock-up requirements. Shareholder(s) shall meet the following lock-up requirements:

- Any controlling shareholder(s) must not in any way dispose of any of its interest in the issuer until 36 months after the date of listing.
- Other shareholders, directors, supervisors, and senior executives of the company must not in any way dispose of any of their interests in the issuer, until 12 months after the date of listing.
- The directors, supervisors, and senior executives who have left the company, must not in any way dispose of any of their interests in the issuer, until six months after the date when they leave the company.

Currency. The currency denomination of securities traded on the PRC Main Board is RMB (¥). The ordinary shares (A-shares) of companies must be subscribed and traded in RMB (¥) at present. The foreign-

invested shares (B-shares) of companies may be subscribed and traded in foreign currencies.

Clearing of trades. Registration and clearance of securities is done in a centralized and unified manner nationwide. At present, the securities must be settled within the China Securities Depository and Clearing Corporation Limited (CSDC).

Compliance adviser. Instead of obtaining a compliance adviser, the sponsor institution must continuously guide and supervise an issuer in the performance of its obligations, such as standardizing operations, abiding by assurances given and complying with information disclosure requirements subsequent to the listing of securities. In the event of initial public offering and listing of shares on the Main Board, the continuous supervision period shall comprise the remaining time of the year in which the securities are listed and the two subsequent fiscal years.

Compliance. A listing applicant will be precluded from listing:

- If it has been subject to an administrative penalty in the most recent 36 months because of a serious violation of laws and/or administrative regulations relating to industry and commerce, taxation, land, environmental protection and customs.
- If it has been suspected of committing a crime, and a judicial authority has docketed the case and is conducting an investigation over it, where no explicit conclusion has been reached.
- If any of the other circumstances set out in Article 18 of Administrative Measures for Initial Public Offering and Listing of Shares apply to the listing applicant.

3. Listing documentation and process

Primary listings. The SSE and the SZSE are the primary location where the listing applicant's securities will be traded. For primary listings on the SSE and the SZSE, the applicant must provide the

prospectus, listing announcements and other application documents to investors. These documents must also be submitted to the regulators as part of the listing process, in addition to other documents, including accountants' reports, legal opinion(s), statements regarding use of proceeds, commitments and any decisions of shareholders' meetings.

Secondary listings. In cases where the listing applicant's securities are already traded on another exchange, the PRC law requirements are the same as those for a primary listing.

Prospectus contents. The mandatory content requirements for a prospectus are set out in the Standards for Contents and Formats of Information Disclosure by Companies for Public Issuance of Securities No. 1---Prospectus. The main disclosure requirements include:

- Overview of the current issuance.
- Risk factors.
- Basic information of the issuer.
- The business and technologies of the issuer.
- Horizontal competition in the market and related-party transactions of the issuer.
- Directors, supervisors, senior management personnel and other core staff members.
- Corporate governance of the issuer.
- Financial accounting information of the issuer.
- Analysis of the management of the issuer.
- Business development plan of the issuer.
- Utilization of the funds raised.

- Dividend policy of the issuer.
- Other important matters.

Financial statements. At the time of initial listing, the prospectus must include an accountants' report which reports on the last three financial years and most recent reporting period results and, if the latest financial year ended more than six months before the date of the prospectus, then, in addition, an audited interim (or stub) set of accounts for part of the current financial year.

For primary and secondary listings of all issuers, financial statements must be prepared in accordance with China Accounting Standards for Business Enterprises (CASBE). The financial statement in primary and secondary listings must be audited.

Typical process and timetable for a listing of a company

The length of time required to list a company from the kick-off meeting to the actual listing depends on many factors such as the quality of the internal records of the company, the due diligence process, whether all requisite documents and approvals are available or have been obtained and the regulatory policy of the government. Generally, except in the case of listings on the Star Market, a very smooth project will take at least 15 months from submitting application documents to the CSRC to completion. Others can take much longer.

The following diagram summarizes the process for a listing application on the Main Board.

Preparatory stage	• Kick-off meeting • Appoint intermediary organizations, including sponsor, accountant and lawyer • Due diligence • Restructure • Shareholders' Approval for the Proposed Listing • Prepare application documents • Tutorship Check and Acceptance
↓	
Application for listing	• Sponsor submits application documents to the CSRC • The CSRC makes a decision on whether or not to accept the application • Supplement or revise the application documents • Respond to several rounds of questions from the CSRC
↓	
Preliminary examination	• Preliminary examination of the CSRC • Respond to further questions from the CSRC
↓	
Solicit opinions	• Solicit the opinions of the local government at the provincial level at the place where an issuer is registered by the CSRC
↓	
Issuance examination	• The CSRC makes a decision on whether or not to approve an issuer's application for issuance
↓	
Public issue	• Issue shares within six months after the CSRC approves the issuance
↓	

Reapply	• If the issuer fails to issue shares within six months or after six months of the CSRC refusing to approve the issuance

4. Continuing obligations/periodic reporting

According to the *Measures for the Administration of Information Disclosure by Listed Companies*, once a company is listed, it must publish its quarterly, interim and annual accounts within a prescribed timeframe, as described below. Any information that may have a major impact on the investors' decision-making must also be disclosed.

Inside information. As one of the continuing disclosure requirements under PRC law, a listed company is required to notify the public of any information that constitutes inside information, that is information likely to cause a significant impact on the trading price of a listed company's securities and the derivatives thereof, such as a major change in the operation of the business, important investments, contracts, debt, loss and purchase assets, a material change of directors, shareholders or capital, any merger, division, dissolution, or application for bankruptcy and other major events.

A listed company shall, in a timely manner, perform the information disclosure obligations for any major event when any of the following circumstances occurs:

- The board of directors or board of supervisors makes a resolution regarding that major event.
- The parties concerned conclude a letter of intent or agreement regarding that major event.
- The directors, supervisors, or senior management personnel know of that major event and report it.

Financial statements. The issuer must issue annual, interim, and quarterly reports.

Financial statements must be prepared in accordance with CASBE. The annual report must be audited by an accounting firm that has the relevant business qualification related to securities and futures.

Pursuant to PRC law, annual reports must be formulated and disclosed within four months from the end of each accounting year, interim reports must be formulated and disclosed within two months from the end of the first half of each accounting year, while quarterly reports must be formulated and disclosed within one month from the end of the third month and the ninth month of each accounting year. Disclosure of the quarterly report for the first quarter must not be made prior to the disclosure of the annual report for the preceding year.

Prohibited trading activities. Prohibited trading activities are supervised by the CSRC. The forms of prohibited trading activities comprise:

- Insider dealing.
- Stock market manipulation or any activity affecting or with an intent to affect trading prices or the transaction volume of stocks.
- Disclosure of false or misleading information inducing transactions.
- Fraudulent activities by securities companies and their employees.
- Illegal use of accounts.
- Unlawful flow of funds.
- Trading by enterprises owned by the State or controlled by State assets in breach of relevant regulations.

The CSRC has the power to impose sanctions for these prohibited trading activities. With respect those activities that constitute a crime will also be investigated in accordance with criminal law processes. Under the regime, the CSRC may make various orders, including:

- Order to rectify and give warning to the person or the company.
- Confiscate illegal gains of the person or the company.
- Impose a fine on the person or the company, as well as the person directly in charge and the other persons directly responsible.
- Give a warning to the person directly in charge and the other persons directly responsible.
- Disqualify officers of securities companies.

In addition, where the person or the company is involved in prohibited trading activities and causes losses to others, the person or the company will be held liable for compensation in accordance with the law.

5. Corporate governance

The corporate governance requirements are stipulated in company law, securities law, the *Guiding Principles on Governing Listed Companies and Listing of Shares* and the SSE Listing Rules. The main requirements for listed companies to comply with both pre-IPO (as a requirement of the listing) and post-IPO (as continuing obligation) are as follows:

- Prohibition on horizontal competition between the listed company and the controlling shareholder, actual controller or any other enterprise under its control.
- Related party transactions:
    - Prohibition on unfair related-party transactions.

  - Prohibition on providing guarantees for controlling shareholders, the actual controller or any other enterprise controlled by its controlling shareholder or actual controller in violation of rules.
  - Approval of the internal authority of listed company (such as the Board of Directors or shareholders' meeting) according to the Articles of Association.

- Appointment of a prescribed number of independent non-executive directors to the board.
- Professional qualification of a company secretary.
- The establishment and improvement of such rules as the shareholders' assembly, board of directors, board of supervisors, independent directors, and a secretary system for the board of directors according to law.
- Qualification requirements of the directors, supervisors and senior managers. For example, the civil servants and the school's party and government leaders cannot serve as the directors, supervisors and senior managers in listed companies.
- Clarification of the examination and approval authority and the deliberation procedures for an external guarantee in the Articles of Association.

6. Specific situations

Large companies. The financial criteria for companies with a large market capitalization are slightly different than for smaller companies. A joint stock limited company that applies for the listing of its shares must ensure that publicly-offered shares amount to at least 25% of the total shares of the company. However, that percentage drops to 10% where the total share capital of the company exceeds RMB400 million (approximately US$57.44 million).

Small companies. There are no additional requirements, or changes in the normal requirements, that apply to smaller companies listing on the Main Board.

"Fast track" listing. According to Opinions of China Securities Regulatory Commission on Displaying the Role of Capital Market to Serve the Poverty Alleviation Strategy, which came into force on 8 September 2016, if an issuer meets one of the two following requirements, an expedited listing can be procured:

- It is registered in a poor area, mainly engaged in producing and operating in poor areas, and has been paying income tax, producing and operating for three years.
- It is registered in a poor area, the total amount of income tax which it has paid in the last year exceeds RMB20 million (approximately US$2.87 million), and it has guaranteed that it will not change its place of registration in the three years after listing.

7. Presence in the jurisdiction

At present, only securities put under the custody of the CSDC may be traded on the Main Board.

8. Fees

Initial listing fees. For an initial listing, an issuer must pay an initial listing fee. The fee is determined according to the following scale from 1 January 2020:

Total Amount of Capital Stock		Initial listing fee	
In RMB ¥ million	In US$ million (approx.)	In RMB ¥	In US$ (approx.)
Not exceeding 200	Not exceeding 28.72	70,000 (waived)	10,052 (waived)
From 200 to 400	From 28.72 to 57.44	100,000 (waived)	14,360 (waived)

Total Amount of Capital Stock		Initial listing fee	
In RMB ¥ million	In US$ million (approx.)	In RMB ¥	In US$ (approx.)
From 400 to 600	From 57.44 to 86.16	125,000	17,950
From 600 to 800	From 86.16 to 114.88	150,000	21,540
Over 800	Over 114.88	175,000	25,130

Ongoing fees. All listed issuers must pay an annual listing fee according to the following scale from 1 January 2020:

Total Amount of Capital Stock		Initial listing fee	
In RMB ¥ million	In US$ million (approx.)	In RMB ¥	In US$ (approx.)
Not exceeding 200	Not exceeding 28.72	25,000 (waived)	3,590 (waived)
From 200 to 400	From 28.72 to 57.44	40,000(waived)	5,744 (waived)
From 400 to 600	From 57.44 to 86.16	50,000	7,180
From 600 to 800	From 86.16 to 114.88	60,000	8,616
Over 800	Over 114.88	75,000	10,770

9. Additional information

All materials to be distributed to shareholders and to be submitted to the CSRC or other regulatory authorities must be in Chinese. The issuers can also choose to distribute or submit the materials in a foreign language at the same time. However, the issuers must ensure the consistency of the Chinese version and the foreign language version and, in the case of any conflict, the Chinese version will prevail.

10. Contacts within Baker McKenzie

Baker McKenzie and FenXun Partners became the first international and PRC law firms to enter into a Joint Operation in the China (Shanghai) Free Trade Zone in April 2015.

Combining valuable insight into China's legal, commercial and political landscapes, Baker & McKenzie FenXun (FTZ) Joint Operation Office brings together a leading Chinese firm, FenXun Partners and Baker McKenzie's international capabilities, spanning 47 countries for the benefit of international and Chinese clients doing business cross-border into and out of China.

Yingzhe Wang, Guangshui Yang and Yingfei Yang at FenXun Partners are the most appropriate contacts within Baker McKenzie for inquiries about prospective listings on the SSZ and the SZSE.

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Singapore Stock Exchange

Initial financial listing requirements

The Singapore Exchange Securities Trading Limited (SGX-ST) is a listing platform for both Singapore and foreign issuers in all range of sizes representing a full spectrum of industries. Listing applicants (which are unlisted) may choose the Mainboard as a primary or secondary listing venue (as the case may be). Apart from the Mainboard, potential listing applicants may also look towards a primary listing on the Catalist on SGX-ST (for which the quantitative criteria set out below do not apply). Below is a short summary of the legal and regulatory requirements of the listing process in Singapore, with a particular focus on listings on the Mainboard.

Quantitative Criteria. An issuer seeking to list its securities on the Mainboard must meet at least one of the following quantitative criteria:

- Minimum consolidated pre-tax profit (based on full year consolidated audited accounts) of at least S$30 million (approximately US$22.31 million) for the latest financial year and has an operating track record of at least three years.
- Profitable in the latest financial year (pre-tax profit based on the latest full year consolidated audited accounts), an operating track record of at least three years and has a market capitalization of not less than S$150 million (approximately US$111.54 million) based on the issue price and post-invitation issued share capital.
- Operating revenue (actual or pro forma) in the latest completed financial year and a market capitalization of not less than S$300 million (approximately US$223.08 million) based on the issue price and post-invitation issued share capital. REITs and Business Trusts who have met the S$300 million (approximately US$223.08 million) market capitalization test but do not have historical financial information may apply under this rule if they are able to demonstrate that they will generate operating revenue immediately upon listing.

Management and business continuity. In respect of the profit tests in the first two bullets above, the issuer must have been engaged in substantially the same business and have been under substantially the same management throughout the period for which the three years operating track record applies.

Other initial listing requirements

The issuer must be in a healthy financial position, and SGX-ST will consider whether it and its subsidiaries have a positive cash flow from operating activities. The issuer must also confirm that the working capital available to its group is sufficient for present requirements

Experienced Management. The directors and executive officers of the issuer should have appropriate experience and expertise to manage the group's business. The character and integrity of the directors, management and controlling shareholders of the issuer will be a relevant factor for consideration. The Board must also appoint at least two non-executive directors who are independent and free of any material business or financial connection with the issuer.

Additional Requirements for issuers incorporated outside of Singapore (Foreign Issuers). Foreign issuers are not typically subject to more onerous listing requirements compared to Singapore-incorporated issuers. However, certain announcement obligations apply to foreign issuers, as soon as there is a change in the law of its place of incorporation, which may affect or change shareholders' rights or obligations over its securities. Any specific legal issues concerning the Foreign Issuers e.g. use of legal representatives, or issues as to title over properties should be pre-cleared with SGX-ST in connection with the listing process.

Accounting standards. For primary listings, the audited financial statements submitted with the listing application (as well as future periodic financial reports) must be prepared in accordance with SFRS(I), the IFRS or US GAAP. Accounts that are prepared in accordance with IFRS or US GAAP need not be reconciled to SFRS(I).

Financial statements. The prospectus should also include audited historical financial statements (profit and loss, balance sheet and cash flow statement) for the most recent three financial years, together with the audit report for each year. Interim financial statements must be provided if the date of lodgment of the preliminary prospectus is more than six months after the end of the most recently completed financial year for which audited financial statements are provided.

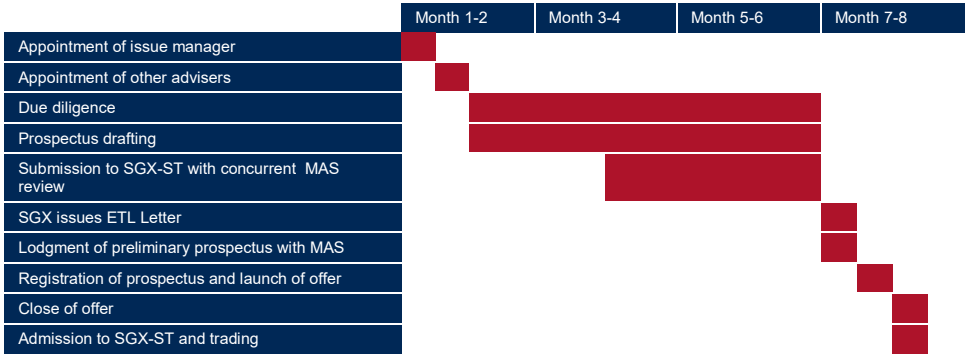
Listing process

Listing on the Mainboard of SGX-ST involves three main stages:

- The submission of the Listing Admissions Pack to SGX-ST.
- Lodgment of the preliminary prospectus with the MAS.
- Registration of the final prospectus and launch of the offer.

Pursuant to a concurrent review process, an issuer may choose to submit its draft prospectus to MAS for pre-lodgment review at the same time as the submission of its listing application to SGX-ST.

The table below sets out the typical process and timetable for listing a company on the Mainboard.



Corporate governance and reporting

Each listed company must establish three sub-committees at the time of listing:

- The *audit committee* meets with external auditors and internal auditors at least annually and reviews the adequacy and effectiveness of internal controls, as well as the cost effectiveness, objectivity and independence of external auditors.
- The *nominating committee* makes recommendations to the Board on all director appointments and re-nominations, determines (on an annual basis) which directors are independent, decides if a director has been adequately carrying out his/her duties, and adopts internal guidelines to address the competing time commitments that directors who serve on multiple boards face.
- The *remuneration committee* recommends a framework of remuneration for the Board and key executives and determines specific remuneration packages for each director and the CEO (if not a director). Each listed issuer also discloses its remuneration policy in its annual report.

After its initial listing, the listed company must comply with the continuing listing requirements of SGX-ST.

The Code of Corporate Governance applies to listed issuers, on a comply-or-explain basis. The Code aims to promote high levels of corporate governance by putting forth principles and practices of good corporate governance. For example, it requires that at least one-third of the Board is made up of independent directors. The Board should also have a lead independent director who should be available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

Fees

The initial listing fee is based on market capitalization, and ranges from S$100,000 to S$200,000 (approximately US$74,360 to US$148,720). In addition, there is a non-refundable processing fee of S$20,000 (approximately US$14,872) for an application for admission to the Mainboard. Where an issuer lists additional securities, it must pay SGX-ST an additional listing fee based on market capitalization, ranging from S$30,000 to S$200,000 (approximately US$22,308 to US$148,720). The annual listing fee similarly varies based on market capitalization, and ranges from S$35,000 to S$150,000 (approximately US$26,026 to US$111,540).

1. Overview of exchange

The Singapore Exchange Securities Trading Limited (commonly referred to as SGX-ST) is a listing platform for both Singapore and foreign issuers in all range of sizes representing a full spectrum of industries. Listing applicants to SGX-ST are generally involved in the following sectors, namely, Real Estate (the REIT and Property Trust sectors are second largest in Asia), Consumers, Healthcare, Maritime & Offshore Services, Mineral, Oil & Gas, and Technology.

Listing applicants (which are unlisted) may choose the Mainboard as a primary listing venue. Alternatively, a listing applicant (which may already be listed on a foreign home exchange) may choose the Mainboard as a secondary listing venue. Apart from the Mainboard, potential listing applicants may also look towards a primary listing on the Catalist which is intended to attract growth companies to list on SGX-ST. Listing applicants do not need to comply with any quantitative criteria (as described below) to list on Catalist.

Listing applicants must appoint an issue manager who will act as sponsor for and manage the listing on SGX-ST. This issue manager should be independent of the listing applicant. SGX-ST retains the discretion to deem an issue manager independent or otherwise.

Below is an overview of the legal and regulatory requirements of the listing process in Singapore, with a particular focus on listings on the Mainboard.

2. Principal listing and maintenance requirements and procedures

Quantitative Criteria

An issuer seeking a listing of its securities on the Mainboard meet at least one of the following financial requirements:

- Minimum consolidated pre-tax profit (based on full year consolidated audited accounts) of at least S$30 million

(approximately US$22.31 million) for the latest financial year and has an operating track record of at least three years.

- Profitable in the latest financial year (pre-tax profit based on the latest full year consolidated audited accounts), an operating track record of at least three years and a market capitalization of not less than S$150 million (approximately US$111.54 million) based on the issue price and post-invitation issued share capital.

- Operating revenue (actual or pro forma) in the latest completed financial year and a market capitalization of not less than S$300 million (approximately US$223.08 million) based on the issue price and post-invitation issued share capital. REITs and business trusts which have met the S$300 million (approximately US$223.08 million) market capitalization test but do not have historical financial information may apply under this rule if they are able to demonstrate that they will generate operating revenue immediately upon listing.

In respect of the profit tests in the first two bullets above, the following requirements shall also apply:

- An issuer must have been engaged in substantially the same business and have been under substantially the same management throughout the period for which the three years operating track record applies.

- If the group made low profits or losses in the two years before the application due to specific factors which were of a temporary nature and such adverse factors have either ceased or are expected to be rectified upon the issuer's listing, the application may still be considered.

- In determining the profits, non-recurrent income and items generated by activities outside the ordinary course of business must be excluded.

- SGX-ST will normally not consider an application for listing from an issuer which has changed or proposes to change its financial year end if SGX-ST is of the opinion that the purpose of the change is to take advantage of exceptional or seasonal profits to show a better profit record.

Other Requirements

The issuer must be in a healthy financial position, and SGX-ST will consider whether it and its subsidiaries have a positive cash flow from operating activities. The issuer must also confirm that the working capital available to its group is sufficient for present requirements.

The directors and executive officers of the issuer should have appropriate experience and expertise to manage the group's business. The character and integrity of the directors, management and controlling shareholders of the issuer will be a relevant factor for consideration. The issuer's board must also have at least two non-executive directors who are independent and free of any material business or financial connection with the issuer. A director will not be independent under any of the following circumstances, namely: (a) if he is employed by the issuer or any of its related corporations for the current or any of the past three financial years; or (b) if he has an immediate family member who is employed or has been employed by the issuer or any of its related corporations for the past three financial years, and whose remuneration is determined by the remuneration committee of the issuer. Further requirements as to independence are also set out in the Code of Corporate Governance (as defined below).

Additional Requirements in relation to issuers incorporated outside of Singapore (Foreign Issuers)

Generally, foreign issuers do not have to comply with more onerous listing requirements compared with issuers incorporated in Singapore save that there are certain announcement obligations to be made on SGXNET as soon as there is a change in the law of its place of incorporation which may affect or change shareholders' rights or

obligations over its securities. For completeness, any specific legal issues concerning the Foreign Issuers e.g. use of legal representatives, or issues as to title over properties should be pre-cleared with SGX-ST in connection with the listing process.

Moratorium

An issuer's controlling shareholders (shareholders holding 15% or more of the issued share capital of the issuer, excluding treasury shares and subsidiary holdings in the issuer) and their associates, and executive directors with an interest of 5% or more of the issued share capital of the issuer, excluding subsidiary holdings, at the time of the listing (collectively referred to as the Promoters) must give contractual undertakings to the issue manager to observe a moratorium on the transfer or disposal of all their interests in the issuer's securities.

The lock-up periods must not be shorter than the following:

- For issuers who satisfy either of the first or second initial listing criteria discussed above, in respect of the Promoters' entire shareholding at the time of listing, for at least six months after listing.
- For issuers who satisfy the third initial listing criteria discussed above, in respect of the Promoters' entire shareholding at the time of listing, for at least six months after listing and in respect of at least 50% of their original aggregate shareholding (adjusted for any bonus issue or sub-division), for the next six months.
- For any pre-IPO investor who acquired and paid for his or her securities less than 12 months before the date of the listing application, the profit proportion of that investor's shareholdings will be subject to a lock-up for six months after listing computed based on a prescribed formula.

Other related requirements

All securities listed on SGX-ST will be quoted in Singapore dollars, unless SGX-ST agrees to a quotation in a foreign currency. Applicant companies are encouraged to consult SGX-ST if they prefer a quotation in a foreign currency.

The shares of the listed issuer must be traded under the book-entry securities settlement system of The Central Depository (Pte) Limited. The shares should be registered with a share transfer agent, although there is no requirement for these securities to be registered with any particular share transfer agent.

A listed issuer is not required to appoint a compliance adviser that is established with SGX-ST to maintain its listing. The requirement to have an issue manager for the purpose of the listing also ends once the issuer is admitted to listing. However, SGX-ST requires the issuer to name the issue manager in all its published announcements for two years from the date of its listing. SGX-ST listing rules recommend that the issuer retain the services of the issue manager for at least one year following its listing.

3. Listing documentation and process

The listing process

Under the listing admissions framework, all application for listing on the Mainboard of SGX-ST will be done through the submission of the Listing Admissions Pack.

Documents to be included in the listing application include the draft prospectus, draft constitution, declaration forms and resumes of directors, executive officers and controlling shareholders of the issuer, confirmations and reports as are required under the listing manual of SGX-ST.

SGX-ST will issue an eligibility-to-list letter with or without conditions (the ETL Letter), after it has completed its assessment on

the listing suitability of the applicant. After SGX issues the ETL Letter to the issuer, the preliminary prospectus (where there is an offer of securities to investors in conjunction with the listing) or prospectus, as applicable, may be lodged with or registered by the Monetary Authority of Singapore (MAS), together with, among others, consent letters of the professional advisers, compliance checklists in respect of the prospectus and any pre-deal research reports.

The preliminary prospectus will be uploaded on the MAS website (OPERA) on the day of lodgment for comment by the public. The MAS adopts a review process, similar to that of SGX-ST. The MAS reviews the preliminary prospectus for compliance with statutory requirements. After the MAS has completed its review of the prospectus and no further issues are raised by members of the public, the MAS will proceed to register the prospectus upon application by the issuer to do so. The issuer may then launch the offer of its securities and distribute the registered prospectus.

Under a concurrent review process that was introduced by the MAS in March 2010, the issuer may also submit its draft prospectus to MAS for pre-lodgment review at the same time as the submission of application to SGX-ST. The minimum public exposure period for a prospectus that has been subject to pre-lodgment review is currently seven days. The prospectus will not be subject to further review by the MAS during the exposure period unless there are new developments or public comments that have material impact on the issuer of the offering.

The MAS may refuse to register a prospectus if it does not comply with the statutory disclosure requirements of the Securities and Futures Act, Chapter 289 of Singapore (SFA) or if it is not in the public interest to do so. After the prospectus is registered, the MAS may also stop an offer if the registered prospectus is found to be misleading or deficient subsequent to its registration.

Contents of the prospectus

The issuer must disclose in its prospectus all information that a reasonable investor would reasonably need to make an informed investment decision. It should include information in sufficient detail to enable investors to have a full and proper understanding of the issuer's business, financial conditions, prospects and risks, including all information that is set out in the regulatory requirements.

Disclosure that is required to be made in the prospectus include, but is not limited to:

- Identity of directors, key executives, advisers and agents.
- Offer statistics and timetable.
- Financial data and operating results.
- Use of proceeds from the offering and expenses incurred.
- Risk factors.
- History of the issuer, its organizational structure, business overview and trend information.
- Directors' and substantial shareholders' interests in shares.
- Share options.
- Corporate governance.
- Interested person transactions and conflict of interests.
- Litigation.
- Dividend policy.
- Plan of distribution.
- Share capital and dilution information.

- Material contracts entered into by the listing group.
- Taxation matters.

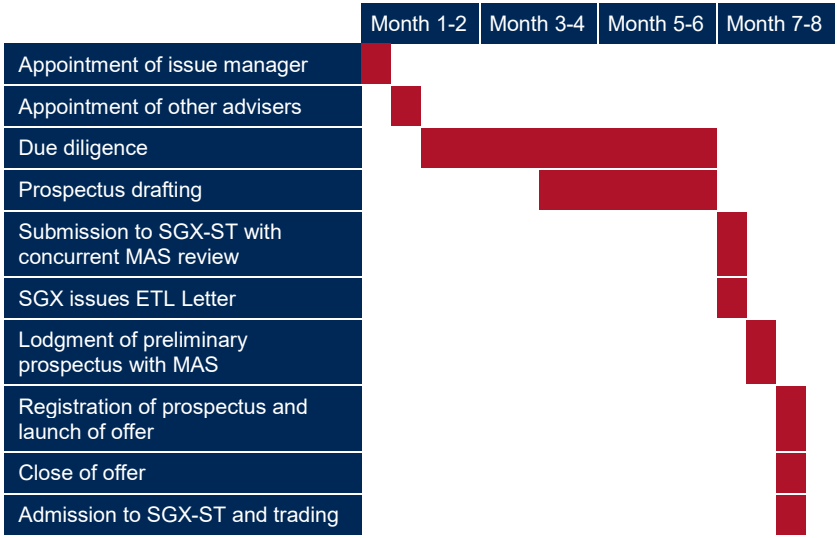
With regard to the financial information for inclusion, the prospectus should include audited historical financial statements (profit and loss, balance sheet and cash flow statements) for the most recent three financial years, together with the audit report for each year. Interim financial statements must be provided if the date of lodgment of the preliminary prospectus is more than six months after the end of the most recent completed financial year for which audited financial statements are provided. Pro forma financial statements must also be provided for the most recent completed financial year and/or for the period covered by the interim financial statements if, among other situations, (a) the issuer or its group has acquired or disposed of entity, or entered into any agreement to acquire or dispose of any asset or entity, during the period between the beginning of the most recently completed financial year and the date of registration of the prospectus by MAS (which exceed certain prescribed thresholds) or (b) any change has occurred to the capital structure of the issuer or its group during the period between the end of the most recent completed financial year and the date of registration of the prospectus by the MAS.

Where the offer includes a US tranche, the prospectus needs to conform to US disclosure standards. In particular, the prospectus needs to include a discussion of relevant US tax issues, restrictions on transferring the shares and certain legends required by US federal and state securities laws.

For primary listings, the financial statements submitted with the listing application (as well as future periodic financial reports) must be prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)), the International Financial Reporting Standards (IFRS) or US Generally Accepted Accounting Principles (US GAAP). Accounts that are prepared in accordance with IFRS or US GAAP need not be reconciled to SFRS(I). For secondary

listings, the financial statements submitted with the listing application and future periodic financial reports need only be reconciled to SFRS(I) or IFRS or US GAAP.

Typical process and timetable for a listing of an issuer on the Mainboard



The same documentation and process requirements described in this section 3 expected of a domestic issuer will also apply to a foreign issuer.

4. Continuing obligations/periodic reporting

Disclosure of information

After its initial listing, the listed issuer must comply with the continuing listing requirements of SGX-ST. The issuer generally must announce any information known to it, concerning it or any of its subsidiaries or associated companies, that is necessary to avoid the establishment of a false market in its securities or that would be likely

to materially affect the price or value of its securities. There are two exceptions under SGX-ST listing rules from the requirement to make immediate disclosure:

- Information may be withheld from disclosure if disclosure would breach the law.
- An issuer may temporarily refrain from publicly disclosing particular information if:
    - A reasonable person would not expect the information to be disclosed.
    - The information is confidential.
    - The information concerns an incomplete proposal or negotiation, comprises matters of supposition, is insufficiently definite to warrant disclosure, is generated for the internal management purposes of the entity or is a trade secret.

The issuer must immediately announce certain specified matters on the SGXNET corporate announcement system, including, but not limited to:

- Information about any appointment or cessation of service of key persons such as director, chief executive officer, chief financial officer, chief operating officer, general manager, qualified person or other executive officer of equivalent authority, company secretary, registrar or auditors of the issuer.
- Any appointment of, or change in legal representative(s) (or person(s) of equivalent authority, however described), appointed as required by any relevant law applicable to the issuer and/or any of its principal subsidiaries, with sole powers to represent, exercise rights on behalf of, the issuer and/or that principal subsidiary.

- Where SGX-ST requires an issuer to appoint a special auditor to review or investigate the issuer's affairs and report its findings to SGX-ST or the issuer's audit committee or such other party as SGX-ST may direct.

- Acquisitions or disposals of shares or other assets by any member of the listed group over a certain transaction value must be disclosed and may be required to be subject to shareholders' approval, or be subject to the approval of SGX-ST as well.

- Any application filed with a court to wind up the issuer or any of its subsidiaries or to place any of them under judicial management, or the appointment of a receiver, judicial manager or liquidator, or any significant litigation.

- The use of the IPO proceeds and any proceeds arising from any secondary offerings as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated in the prospectus or the announcement of the issuer. Where there is any material deviation from the stated use of proceeds, the issuer must announce the reasons for such deviation.

- Any breach of a loan covenant or notice demanding repayment of loans that, in the opinion of the issuer's directors, would result in the issuer facing a cash flow problem.

- In the case where the issuer or any of its subsidiaries enters into a loan agreement or issues debt securities that contain a condition making reference to shareholding interests of any controlling shareholder in the issuer, or places restrictions on any change in control of the issuer, and the breach of this condition or restriction will cause a default in respect of the loan agreement or debt securities, significantly affecting the operations of the issuer, to announce details of such conditions and the aggregate level of facilities that may be affected by a breach of that obligation.

- Interested person transactions of a certain transaction value between the issuer, a subsidiary or an associated company and a director, chief executive officer, controlling shareholder or any of their associates (these transactions may also need to be approved by the shareholders).
- Any joint venture, merger or acquisition.
- Any declaration or omission of dividends or the determination of earnings.
- Firm evidence of significant improvement or deterioration in near-term earnings prospects.
- Public or private sale of a significant amount of additional securities of the issuer.
- Any borrowing of a significant amount of funds.
- Interests or change in interests in the securities of an issuer of a director or substantial shareholder.

SGX-ST may, at any time, grant a trading halt to enable the issuer to disclose material information or suspend trading of the listed securities of an issuer at the request of the issuer. To the extent that an issuer is unable or unwilling to comply with, or contravenes a listing rule, SGX-ST may remove an issuer from the Mainboard. Further, under the SFA, an issuer listed on SGX-ST may be guilty of an offence if it intentionally, recklessly or negligently fails to notify SGX-ST of information on specified events or matters as they occur or arise. The issuer and/or its officers, if convicted, will be liable for a fine of up to S$250,000 (approximately US$185,900) and/or subject to imprisonment for up to seven years.

Financial reporting

A listed issuer must hold an annual general meeting. The time between the end of the issuer's financial year and the date of its

annual general meeting must not exceed four months. The issuer must publish its annual report to shareholders and SGX-ST at least 14 days before the date of its meeting. The annual report must contain enough information for a proper understanding of the performance and financial conditions of the issuer and its group, including, but not limited to:

- A review of the operating and financial performance of the issuer and its principal subsidiaries in the last financial year.
- Annual audited accounts (consolidated), audited balance sheet of the issuer (unconsolidated) and cash flow statement (consolidated).
- A statement (as of the 21st day after the end of the financial year) showing the direct and deemed interests of each director of the issuer in the issuer's securities.
- Particulars of material contracts involving the interests of the chief executive officer, any director or any controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.
- Directors' and key executives' remuneration.
- Interested person transactions.
- Dealings in securities.

In addition to the annual report, an issuer listed on the Mainboard must also publish the financial statements for the full financial year within 60 days from the end of the financial year. Effective from 7 February 2020, an issuer is required to announce quarterly and half-yearly financial statements within 45 days from the end of the relevant financial period if its auditors have issued an adverse opinion, a qualified opinion or a disclaimer of opinion on the issuer's latest financial statements, or its auditors have stated that a material

uncertainty relating to it as a going concern exists in the issuer's financial statements.

Free Float

After listing, any issuer must ensure at all times that the public holds at least 10% of its total issued shares excluding treasury shares (excluding preference shares and convertible equity securities) in a class that is listed. "Public" refers to persons other than directors, chief executive officer, substantial shareholders (5%) or controlling shareholders (15%) of the issuer and its subsidiaries, and their respective associates.

If the percentage of securities held by the public falls below 10%, the issuer must, as soon as practicable, announce that fact, and SGX-ST may suspend trading of the shares. SGX-ST may allow the issuer a period of three months, or such longer period as SGX-ST may agree, to raise the percentage of securities in public hands to at least 10%. The issuer may be delisted if it fails to do so by the end of that period.

Watch-List

SGX-ST will place a Mainboard listed issuer on a watch-list if it:

- Records pre-tax losses for the three most recently completed consecutive financial years (based on audited full year consolidated accounts) and an average daily market capitalization of less than S$40 million (approximately US$29.74 million) over the last six months.

- Records a volume-weighted average price of less than S$0.20 (approximately US$0.15) and an average daily market capitalization of less than S$40 million (approximately US$29.74 million) over the last six months (the Minimum Trading Price Entry Criteria).

While the issuer remains on the watch-list, trading in its securities will continue, unless a trading halt or a suspension is, or has been

previously, effected. An issuer must take active steps to fulfil the requirements to be removed from the watch-list. If it fails to comply with the requirements within 36 months of the date on which it was placed on the watch-list, SGX-ST may either remove the issuer from the official list of SGX-ST, or suspend trading of the listed securities of the company, without its agreement, with a view to removing the company from the official list of SGX-ST.

Insider trading

The SFA provides that it is a criminal offence for a person who has "inside information" to deal in (or procure another person to deal in) securities listed on SGX-ST, whether within or outside Singapore. For an offence to be committed, the person must know that the information is not generally available and that, if it were generally available, it might have a material effect on the price or value of those securities.

If the person is a "connected person," where it is shown that the "connected person" was in possession of information concerning the corporation to which he or she was connected, and the information was not generally available, it will be presumed that the "connected person" knew at the material time that the information was not generally available, and if the information were generally available, it might have a material effect on the price or value of the securities. The burden shifts to the "connected person" to rebut this presumption.

A "connected person" is a person who is connected to a corporation, such as:

- An officer or substantial shareholder (a person who holds not less than 5% of the total voting shares in a company) of that corporation or of a related corporation.

- A person who occupies a position that may reasonably be expected to give him or her access to relevant information by virtue of (a) any professional or business relationships with

(including through an employer or a corporation of which that person is an officer) that corporation or a related corporation; or (b) being an officer of a substantial shareholder in that corporation or in a related corporation.

For these purposes, information is generally available if:

- It consists of readily observable matter;
- It has been made known in a manner that would, or would be likely to, bring it to the attention of (a) persons who commonly invest in securities of a kind whose price might be affected by the information, (b) persons who commonly invest in securities-based derivatives contracts of a kind of which the price or value might be affected by the information, or (c) persons who commonly invest in certain units of a kind of which the price and value might be affected by the information, and, since it was so made known, a reasonable period for it to be disseminated among those persons has elapsed; or
- It consists of deductions, conclusions or inferences made or drawn from information referred to in the first bullet and/or information made known as referred to in the second bullet.

For securities that are traded and listed on SGX-ST, it is also an offence for a person to communicate (or cause the information to be communicated) to another person if the person knows or ought reasonably to know that the other person would (or would be likely to) deal in the securities or procure a third person to deal in the securities.

A person who contravenes the insider trading prohibitions in the SFA will be liable on conviction for a fine of up to S$250,000 (approximately US$185,900) and/or subject to imprisonment for up to seven years. The MAS may also bring an action in court against the offender for a civil penalty (payable to the MAS) in respect of that contravention. Contravention of insider trading prohibitions may also give rise to civil liability.

Other prohibited market conduct

The SFA also prohibits certain forms of market misconduct, such as:

- False trading and market rigging transactions.
- Securities market manipulation.
- Disclosure of false or misleading information likely to induce dealing in securities or to affect the market price of securities.
- Use of a manipulative and deceptive device in connection with the subscription, purchase or sale of securities.
- Dissemination of information about transactions entered into in contravention of the SFA.

A person who contravenes the market misconduct prohibitions in the SFA will be liable on conviction to a fine of up to S$250,000 (approximately US$185,900) and/or subject to imprisonment for up to seven years. The MAS may also bring an action in court against the offender for a civil penalty (payable to the MAS) in respect of that contravention. Contravention of market misconduct prohibitions may also give rise to civil liability.

5. Corporate governance

The Code of Corporate Governance issued 6 August 2018 (the Code of Corporate Governance) which is applicable to listed companies in Singapore on a comply-or-explain basis, first came into effect on 1 January 2003. The Code of Corporate Governance aims to promote high levels of corporate governance in Singapore by putting forth Principles of good corporate governance and Provisions with which companies are expected to comply. The Practice Guidance complements the Code by providing guidance on the application of the Principles and Provisions and setting out best practices for companies.

The Code of Corporate Governance requires that there be a strong and independent element on the Board, with independent directors making up at least one-third of the Board. There should be a clear division of responsibilities at the top of the issuer, and the roles of chairman and chief executive officer should in principle be separate and not be fulfilled by the same person. The Board should also have a lead independent director who should be available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

All listed companies must establish three sub-committees at the time of listing:

- *Audit committee*. Comprising at least three directors, all non-executive, the majority of whom, including the chairman, should be independent.
- *Nominating committee*. Comprising at least three directors, the majority of whom, including the chairman, should be independent. The lead independent director, if any, should be a member of this committee.
- *Remuneration committee*. Comprising at least three directors, all non-executive, the majority of whom, including the chairman, should be independent.

The audit committee is responsible for reviewing the scope and results of the audit and its cost effectiveness and the independence and objectivity of the external auditors, the adequacy of the issuer's internal financial controls, operational and compliance controls, and risk management policies and systems established by the management (known as the "internal controls") and ensuring that a review of the effectiveness of the issuer's internal controls is conducted at least annually. The audit committee is also expected to meet with the external auditors, and with the internal auditors without the presence

of the issuer's management, at least annually and to review the independence of the external auditors.

The nominating committee is expected to make recommendations to the Board on all director appointments. It is responsible for the re-nomination of the directors, having regard to the director's contribution and performance (such as attendance, preparedness, participation and candor) and determining annually if a director is independent. Where a director has multiple board representations, the nominating committee should decide if that director has been adequately carrying out his/her duties as a director of the issuer and adopt internal guidelines to address the competing time commitments that directors who serve on multiple boards face. In addition, the nominating committee is expected to consider annually, and as and when circumstances require, if a director is independent.

The remuneration committee is expected to recommend to the Board a framework of remuneration for the Board and key executives and to determine specific remuneration packages for each director and the CEO (if not a director). The remuneration committee will also review the remuneration of senior management. Each issuer should also provide clear disclosure in its annual report of its remuneration policy, its level and mix of remuneration and the procedure for setting remuneration. Accordingly, the issuer should report to the shareholders each year on the remuneration of directors and the chief executive officer on a named basis and at least the top five key executives (who are not directors or the CEO) in bands of S$250,000 (approximately US$185,900) together with the total remuneration paid to the top five key executives.

6. Specific situations

Dual Class Shares. SGX-ST permits the listing of dual class shares, save that such a listing applicant has to be suitable for listing with a dual class share structure. Some factors SGX-ST would consider include the role and contribution of the holder of multiple vote shares,

the business model and whether sophisticated investors have participated in the company.

Life sciences. A life science company (generally, a company that is involved in research and development, production or commercialization using organisms or their life processes, which is based on biology, medicine or ecology) need not fulfill the quantitative criteria and may list its securities on the Mainboard if it fulfils a special set of criteria. These include:

- Successfully raising funds from institutional investors, accredited investors and others, prior to its IPO and not less than six months before the date of the listing application.
- Having a market capitalization of at least S$300 million (approximately US$223.08 million), calculated based on the issue price and post-invitation issued share capital.
- Having, as its primary reason for listing, the use of proceeds of the IPO to bring identified products to commercialization.
- Demonstrating that it has a three-year record of operations in laboratory research and development and submitting to SGX-ST details of patents granted or details of progress of patent applications.
- Demonstrating the successful completion of, or the successful progression of, significant testing of the effectiveness of its products.
- Demonstrating the relevant expertise and experience of its key management and technical staff.
- Having available working capital that is sufficient for its present requirements and for at least 18 months after listing.

A life science company that lists pursuant to these alternative listing requirements will be subject to more stringent disclosures, including

quarterly announcements disclosing the use of funds for that particular quarter, as well as projections on the use of funds for the next immediate quarter.

Property investment / development companies. The listing requirements are also different for a property investment/development company. Such a company must ensure that its properties that have remaining leases of less than 30 years do not, in aggregate, account for more than 50% of its group's operating profits for the past three years. In addition, the company must appoint an independent valuer to conduct a valuation of all its principal freehold and leasehold properties.

Mineral, Oil and Gas. A mineral, oil and gas company must be able to establish the existence of adequate resources in a defined area where the company has exploration and exploitation rights, and which must be substantiated by an independent qualified person's report.

A mineral, oil and gas company must have working capital that is sufficient for its present requirements and for at least 18 months after listing which must include (i) operating, general and administrative and financing costs; (ii) property holding costs; and (iii) costs of any proposed exploration and/or development. Working capital shall be considered as the applicant's ability to access cash and other available liquid resources (including proceeds from the initial public offering and projected cashflows but excluding future borrowings/financing which have not been obtained) in order to meet its liabilities as they fall due.

A mineral, oil and gas company must have at least one independent director with appropriate industry experience and expertise.

All mineral, oil and gas companies must satisfy other listing requirements for a Mainboard listing as described above.

A mineral, oil and gas company that cannot meet the listing requirements described above may list its securities on the Mainboard if it:

- Has a market capitalization of at least S$300 million (approximately US$223.08 million) based on the issue price and post-invitation issued share capital.
- Discloses its plans and milestones to advance to production stage with capital expenditure for each milestone. These plans must be substantiated by the opinion of an independent qualified person.

Other situations. There are no additional requirements, or changes in the normal requirements, that apply to very large, multinational or small companies listed on the Mainboard.

7. Presence in the jurisdiction

An issuer which is primary-listed on SGX-ST must hold all its general meetings in Singapore, unless prohibited by relevant laws and regulations in the jurisdiction of its incorporation. Issuers who hold general meetings outside Singapore should make arrangements such as video conferences or webcast to enable shareholders based in Singapore to follow the proceedings during the general meetings. Such issuers should also hold information meetings for the shareholders in Singapore, to provide an avenue to interact directly with the Board and management of the issuers as they would at the general meetings.

In addition, an issuer must make arrangements satisfactory to SGX-ST, in order to enable shareholders in Singapore to register their shareholdings promptly. A Singapore share transfer agent and share registrar is typically appointed for this purpose. The registrar would be responsible for maintaining the register of shareholders.

8. Fees

The various fees payable to SGX-ST include:

- *Initial listings*. The initial listing fee is based on market capitalization, and ranges from S$100,000 to S$200,000 (approximately US$74,360 to US$148,720). In addition, there is a non-refundable processing fee of S$20,000 (approximately US$14,872) for an application for admission to the Mainboard.

- *Additional listings*. Where an issuer lists additional securities, it must pay SGX-ST an additional listing fee based on market capitalization, ranging from S$30,000 to S$200,000 (approximately US$22,308 to US$148,720). Accordingly, no additional listing fee will be required for corporate actions where there is no change in the total market value of that class of securities, such as a share split, share consolidation, bonus share issue or capital reduction, or an issuance of additional equity securities arising from an exercise of employee share options.

- *Annual listing fee*. The annual listing fee similarly varies based on market capitalization, and ranges from S$35,000 to S$150,000 (approximately US$26,026 to US$111,540).

- *Processing fees*. SGX-ST charges a non-refundable fee for processing documents, such as circulars, information memorandums, introductory documents and constitutional documents, ranging generally from S$3,000 to S$8,000 (approximately US$2,231 to US$5,949). These fees vary depending on the nature and complexity of the case.

Additionally, lodgment fees will be payable to MAS upon lodgment of the preliminary prospectus (S$2,000, or approximately US$1,487), as well as any amendment (S$1,000, or approximately US$744), supplement or replacement (S$2,000, or approximately US$1,487) and any offer information statement for subsequent offers (S$420, or

approximately US$312). A fee of S$1,000 (approximately US$744) is also payable for the registration of the final prospectus.

9. Additional information

All information and materials submitted to SGX-ST and the MAS or disclosed to the market in Singapore must be in the English language.

10. Contacts within Baker McKenzie

Kenny Kwan and Caryn Ng of Baker McKenzie.Wong & Leow, a member firm of Baker McKenzie International, in Singapore are the most appropriate contacts for inquiries about prospective listings on SGX-ST.

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SIX Swiss Exchange

Initial financial listing requirements

To qualify for a *primary listing* according to the International Reporting Standard, a company typically must meet the following financial requirements:

- Equity of at least CHF2.5 million (approx. US$2.58 million).
- Aggregate free float market capitalization of at least CHF25 million (approx. US$25.85 million) and a free float of at least 20%.

These requirements apply only at the time of listing and do not have to be fulfilled during the entire term of the listing to maintain the listing.

A foreign company may alternatively choose to list its securities on the SIX Swiss Exchange as a *secondary listing*, if it is already listed on an exchange recognized by the Regulatory Board of SIX Exchange Regulation as being equivalent.

As a general rule, certain concessions apply to secondary listings, because to a significant extent, the listing rules and regulations of the primary exchange are applicable instead of the SIX Exchange Regulation's own standards.

In particular, a foreign company typically must comply with the following financial requirements to qualify for a secondary listing:

- Compliance with the primary exchange's requirements on share capital and/or equity.
- Capitalization of shares circulating in Switzerland of at least CHF10 million (approx. US$10.34 million) or alternative proof of genuine market.

Other initial listing requirements

Share price. The SIX Swiss Exchange does not require the company to have and/or maintain a minimum trading price for its securities.

Distribution. To list its securities, a company must have an adequate free float. For a primary listing, free float is considered adequate if:

- At least 20% of the company's outstanding securities of the same category are in public ownership.
- The securities in public ownership have an aggregate market capitalization of at least CHF25 million (approx. US$25.85 million).

For a secondary listing, free float is deemed to be adequate if either:

- The capitalization of the shares circulating in Switzerland is at least CHF10 million (approx. US$10.34 million).
- The company can otherwise demonstrate that there is a genuine market for the equity securities.

Accounting standards. Audited financial statements of companies with a primary listing must be prepared in compliance with IFRS (as issued by IASB), US GAAP or other internationally recognized accounting standards. With respect to a secondary listing, the company must fulfill the requirements of the primary exchange.

Financial statements. A company with a primary listing is expected to provide audited annual reports of its last two full financial years, together with comparative figures for the previous year. With respect to a secondary listing, the company must fulfill the requirements of the primary exchange.

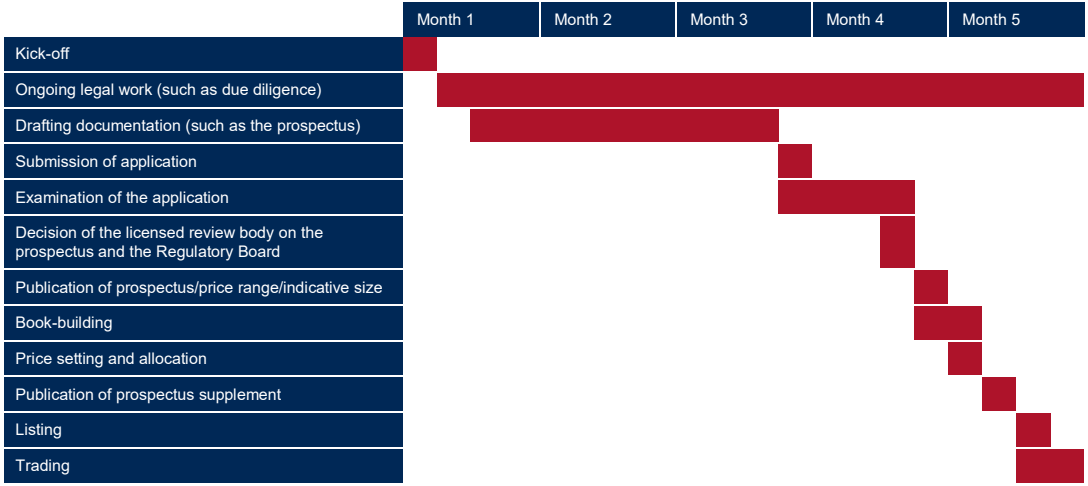
Operating history. An operating history of at least three years is generally required. Exceptions may be granted for "young companies". With respect to a secondary listing, the company must fulfill the requirements of the primary exchange.

Management continuity. The SIX Swiss Exchange does not require any specific period of continuity of management.

Custody. Shares must be deposited with SIX-SIS or another custodian recognized by the SIX Swiss Exchange.

Listing process

The listing application, together with the necessary supporting documentation, must be submitted to SIX Exchange Regulation. The Regulatory Board will examine the documentation and make a proposal to the Issuers Committee, which takes the final decision with regard to the listing. The prospectus however needs to be approved by a licensed review body. The following is a fairly typical process and timetable for a listing on the SIX Swiss Exchange, which may be usually completed within three to six months.



Corporate governance and reporting

Reporting and information obligations for primary listed companies include, among others:

- Publication of a corporate calendar covering at least the current financial year.
- Provision of notices of changes in the rights attached to the listed securities.
- Publication of an annual report including a compensation report.
- Publication of any price-sensitive information (ad hoc publicity).
- Disclosure of management transactions.
- Compliance with the Directive on Information relating to Corporate Governance.

For a secondary listing by a foreign company, the reporting and information obligations include, among others:

- Submission of a confirmation from the primary exchange of the current number of listed securities.
- Publication of any price-sensitive information in accordance with the regulations of the primary exchange.
- Availability of all information published under the primary exchange's regulations to Swiss investors.

Fees

A company seeking to list must pay both initial listing fees and annual fees. A basic charge of CHF3,000 (approx. US$3,000) is levied for the processing of a listing application. In addition, a variable charge of CHF10 (approx. US$10.35) per CHF1 million (approx. US$1.03 million) of capitalization is levied, not to exceed CHF80,000 (approx. US$82,700) for new issuers. If the issuer of the securities to be listed has not had any securities listed with SIX Swiss Exchange, a non-recurring charge of CHF10,000 (approx. US$10,340) incurs. The examination of the listing prospectus entails fees of CHF5,000 (approx. US$5,170). An annual basic charge of CHF6,000 (approx. US$6,200) is levied for each category of listed securities. Additionally, an annual variable charge of CHF10 (approx. US$10.35) per CHF1 million (approx. US$1.03 million) of capitalization is levied, not to exceed CHF50,000 (approx. US$51,690).

1. Overview of exchange

The SIX Swiss Exchange is the largest Swiss stock exchange. It maintains an electronic trading system with a fully integrated settlement and clearing system (SIX-SIS). The vast majority of Swiss issuers are listed on the SIX Swiss Exchange. Through its electronic trading system, the SIX Swiss Exchange is open to foreign investors and market participants. The listing process of the SIX Swiss Exchange is efficient and uncomplicated. No additional approval from the regulator (Swiss Financial Market Supervisory Authority FINMA) is required, just from SIX Exchange Regulation, which will act as licensed regulatory authority for approval of prospectuses from 1 October 2020. Compared to other stock exchanges, the SIX Swiss Exchange is recognized for its issuer-oriented approach, which is expected to remain the case, despite the changes.

The SIX Swiss Exchange has the following regulatory standards, which vary in their listing admission and maintenance criteria:

- *International Reporting Standard.* This standard is used for listing equity securities of companies that are seeking access to international capital markets, as the provisions governing the accounting principles are designed to satisfy the expectations of global investors.

- *Swiss Reporting Standard.* This standard, which is suitable for companies that wish to address a local shareholder base, allows the application of domestic accounting standards (Swiss GAAP FER).

- *Standard for Investment Companies.* This standard caters to companies whose main purpose is investing in other companies to earn dividend/interest income and to obtain capital gains. Investment companies do not perform a commercial activity in the literal sense.

- *Standard for Real Estate Companies.* A company qualifies as a real estate company (and is thus listed according to this standard) if it continually draws at least two thirds of its revenues from real estate-related activities.

- *Standard for Collective Investment Schemes (Exchange Traded Funds or ETFs).* This standard is for listing domestic or foreign collective investment schemes pursuant to the Swiss Federal Act on Collective Investment Schemes, which are subject to the supervision of the Swiss Financial Market Supervisory Authority (FINMA) or which require an approval from FINMA for distribution in or from Switzerland.

- *Standard for Depository Receipts.* This standard serves as a means of listing global depository receipts (GDRs).

The following information relates to the International Reporting Standard and the Swiss Reporting Standard of the SIX Swiss Exchange, unless indicated otherwise.

The SIX Swiss Exchange draws a distinction between primary and secondary listings of foreign companies:

- If a foreign company is not yet listed on an exchange recognized by the exchange's Regulatory Board, its only option is a primary listing.

- If a foreign company is already listed on an exchange recognized by the Regulatory Board as having equivalent listing provisions, it may choose between a primary and a secondary listing.

As a general rule, certain concessions apply to secondary listings compared to primary listings, because, to a significant extent, the listing rules and regulations of the primary exchange are applicable instead of the SIX Swiss Exchange's own standards or the Swiss rules. For example, this is the case with respect to the recognition of the listing prospectus prepared for listing on the primary exchange, which may be recognized automatically or in a corresponding process

in Switzerland, or the application of the ad hoc publicity rules of the primary exchange. SIX Exchange Regulation will issue a list of jurisdictions that are recognized as equivalent with the effect that the prospectuses approved under such jurisdictions are regarded as equivalent.

In December 2019, the aggregate market capitalization of listed equity securities with a primary listing on the SIX Swiss Exchange was CHF1.50 trillion (approximately US$1.55 trillion).

All types of companies of various sizes and sectors are listed on the SIX Swiss Exchange. The SIX Swiss Exchange does not specialize in, or encourage listings by, particular types of companies. However, as mentioned above, it does apply specific admission and maintenance criteria for the listing of real estate companies, investment companies and collective investment schemes (see section 6 below for more information). Furthermore, the SIX Swiss Exchange is well known for its biotech and life sciences market.

As of December 2019, there were 256 companies listed on the SIX Swiss Exchange. Of these, 220 were domestic issuers and 36 were foreign issuers.

The relevant regulatory authorities for a listing on the SIX Swiss Exchange are SIX Exchange Regulation as the licensed Swiss review body (or any other Swiss review body licensed to approve prospectuses) and the Regulatory Board, which resolves upon the approval of the listing application. So far, no additional approval from the regulator (Swiss Financial Market Supervisory Authority FINMA) is required.

2. Principal listing and maintenance requirements and procedures

Share capital

In case of a primary listing at any of the standards (except the standard for collective investment schemes), a company must have an equity of

at least CHF25 million (approximately US$25.85 million). This equity is calculated on a consolidated basis in accordance with the company's accounting standards. This requirement does not have to be fulfilled during the entire term of the listing in order to maintain the listing; in other words, it is possible to reduce the capital as a means of profit distribution or as a result of losses incurred once a company is listed. In case of a secondary listing, the share capital of the company must comply with the requirements of the primary exchange.

Financial track record

For a primary listing, except with regards the standards for real estate and for investment companies, a company must exist and be able to show a financial track record of at least three years (with audited annual accounts prepared in accordance with the applicable accounting standard). The track record requirement does not mean that newly spun-off, newly combined or newly incorporated entities for listing purposes could not be listed. As long as their underlying business has been in existence for more than three years, an exemption is granted. Such entities then have to comply with particular requirements as to their financial statements. An exception may also be granted for a "young company" with a track record of less than three years; however, in such case, the company must comply with stricter transparency requirements, such as quarterly reporting, until it has published three consecutive audited annual reports. With regard to a secondary listing, the requirements of the company's primary exchange apply.

Jurisdictions, industries and ownership

As a general rule, there are no jurisdictions of incorporation or industries that would not be acceptable for a listed company. There are no specific ownership requirements applicable to the listing of a foreign company's securities. Nevertheless, the jurisdiction is relevant when it comes to the question of whether the shares of the entity to be listed can be properly traded on the SIX Swiss Exchange.

Corporate governance

A foreign company whose equity securities are listed on the SIX Swiss Exchange and not in its home country must apply the Directive on Information relating to Corporate Governance (commonly known as the DCG; see section 5) in order to maintain its listing on the SIX Swiss Exchange. The purpose of the DCG is to make certain information on an issuer's corporate governance structure and processes available to investors. The main principle of the DCG is "comply or explain": if the issuer opts to withhold certain information from the corporate governance report, the reasons for doing so must be specified and substantiated in the annual report.

Furthermore, a foreign issuer whose equity securities are listed on the SIX Swiss Exchange only and not in its home country must observe the provisions relating to ad hoc publicity as well as relating to management transactions (see section 5 below).

The Swiss rules on compensation of the members of the board of directors and of the management ("say on pay") only apply to listed companies incorporated in Switzerland. The rules require the shareholders meeting to set the basic rules, to determine prospectively or retrospectively the salary and bonus, including the option or share program, for the board and the management. If the decisions are taken prospectively, a maximum is normally determined. The rules also require disclosure of the compensation in an audited compensation report.

Dealings with the exchange

In order to list securities on the SIX Swiss Exchange, a listing application must be submitted in writing by an authorized representative (acting on behalf of the applicant) to SIX Exchange Regulation. A mere (first) listing without an offering requires that the listing application be filed by a bank. A list of authorized representatives is available at: *https://www.six-exchange-regulation.com/en/home/issuer/admission/recognized-*

representatives/list.html. There is no interview requirement with SIX Exchange Regulation in order to be admitted to listing. However, in practice, a potential issuer usually presents itself to the SIX Swiss Exchange and SIX Exchange Regulation prior to submitting the application.

Minimum shareholding and trading price

There is no requirement for companies or particularly foreign companies to have and/or maintain a minimum number of shareholders. Securities may, however, be delisted if the Regulatory Board deems that there is no longer a sufficiently liquid market in the securities. There is no requirement for listed foreign companies or any listed company to have and/or maintain a minimum trading price for their securities.

Custody of shares; transfer restrictions

Shares must be deposited with SIX-SIS (or another custodian recognized by the SIX Swiss Exchange) either in collective custody or in the form of a global certificate. Shares may also be issued in the form of mere rights (uncertificated shares or book-entry securities). The transfer of ownership and any other disposal of such shares (such as the granting of security) are governed by the Federal Act on Intermediary-Held Securities. Therefore, certain adjustments to an issuer's articles of incorporation are usually required. If an exception is granted to a "young company" with less than three years of financial results (see above), the applicant must prove that the company, its major existing shareholders and its governing bodies have entered into lock-up agreements in relation to the shares they hold at the time of the listing.

Public float

The company to be listed must have an adequate free float. For a primary listing, the free float is considered adequate if:

- At least 20% of the company's outstanding securities of the same category are in public ownership.
- The securities in public ownership have an aggregate market capitalization of at least CHF25 million (approximately US$25.85 million).

For a secondary listing, the free float is deemed to be adequate if:

- The capitalization of the shares circulating in Switzerland is at least CHF10 million (approximately US$10.34 million); or
- The company can otherwise demonstrate that there is a genuine market for the equity securities.

These requirements apply at the time of the listing. Once listed, however, securities may be delisted if (among other reasons) the Regulatory Board deems that there is no longer a sufficiently liquid market in the securities.

Currency; clearance and settlement

There are no restrictions on the currency denomination of securities. The issuer must ensure that the securities can be cleared and settled via the settlement systems that are permitted by the SIX Swiss Exchange.

Compliance officer; contact person

There is no need that an issuer appoints a compliance officer who is registered with the SIX Swiss Exchange to maintain its listing. However, the issuer will need to provide a contact person to the SIX Swiss Exchange.

Primary listing of foreign companies

The listing and maintenance requirements applicable to a foreign company with regard to a primary listing are:

- The company's charter, articles of association or deed of partnership must comply with the national law to which the company is subject.
- A foreign company must demonstrate that it has not been refused a listing in its home country for investor protection reasons – that normally is done by a confirmation provided by a law firm.
- The company must (have) produce(d) annual financial statements according to International Financial Reporting Standards (IFRS), US generally accepted accounting standards (GAAP) or other internationally recognized accounting standards, both as a listing and maintenance requirement.
- With respect to the specific securities to be listed:
    - The securities must have been issued in accordance with the law to which the company is subject and must satisfy the provisions that apply to those securities.
    - The listing must comprise all of the issued securities in the same category.
    - The proper trading of the securities must be ensured, and there must be rules establishing legal ownership.
    - The denominations forming the total value of a security must enable an exchange transaction in the amount of one round lot.
    - The company must ensure the provision of corporate actions in Switzerland by appointing a paying and settlement agent.

- The company must publish a listing prospectus approved or recognized by a licensed review body, such as SIX Exchange Regulation, and an official notice.
- In order to maintain its listing, the company must:
    - Publish annual and interim reports.
    - Comply with the rules on ad hoc publicity (disclosure of price-sensitive information).
    - Comply with corporate governance rules.
    - Disclose management transactions.

The requirements for a foreign company's primary listing do not substantially vary from what would be expected from a domestic company, except for the provision which requires the foreign company to demonstrate that it has not been refused a listing of its shares in its home country for investor protection reasons.

Secondary listing

With respect to a secondary listing, the company must in general fulfill the requirements of the primary exchange, if such exchange is recognized by the Regulatory Board, and the special requirements described above. A listing prospectus is not required if the equity securities are traded at a foreign trading venue which is recognized by SIX Swiss Exchange. There is sufficient distribution if the capitalization of the equity securities traded in Switzerland amount to at least CHF10 million (US$10.34 million) or proper trading is secured in another way.

3. Listing documentation and process

Documentation

For the primary listing of equity securities, the foreign company must submit to the SIX Swiss Exchange:

- Listing application.
- Evidence of existence of a listing prospectus approved or recognized by a licensed review body or, if an exception applies, the reason why that is the case.
- Official notice.
- Issuer declaration and declaration of approval, according to Article 45 of the SIX Swiss Exchange's listing rules.
- Declaration of the lead manager regarding adequate free float of the securities.
- Extract from the commercial register of the company (or equivalent).
- Articles of incorporation of the company (or equivalent).
- Declaration that the printing regulations of SIX SIS Ltd. have been maintained (if applicable) or provision of a photocopy of the global certificate (or sufficient evidence as to the creation of book entry securities and an explanation by the issuer on how a shareholder may obtain confirmation of its shareholding).
- Evidence that the auditor is properly admitted to audit listed companies.

For a secondary listing, the foreign company must provide to the SIX Swiss Exchange:

- Listing application.

- Evidence of existence of a listing prospectus approved or recognized by a licensed review body or, if an exception applies, the reason why that is the case.
- Official notice.
- Issuer declaration and declaration of approval, according to Article 45 of the SIX Exchange Regulation's listing rules.
- Declaration regarding adequate free float.
- Declaration of the primary exchange that the securities are listed.
- Extract from the commercial register of the company.
- Articles of incorporation of the issuer.

These documents must be submitted by an authorized representative to SIX Exchange Regulation. The Regulatory Board will then examine the listing application on the basis of the documents provided.

Prospectus

The listing prospectus and the official notice, which must be published no later than the day of listing (or book-building, if applicable) prior to the start of trading, serve as the primary sources of information for investors. The listing prospectus is to be prepared in a way such that investors are properly informed about the securities to be listed. In that instance, the prospectus also mitigates potential prospectus liability claims. The prospectus contains a description of the issuer, the proposed public offering (if any) and any related risks, but instead of a final offer price and size, only an offer price range and an indicative size. Prospectuses substantially comply with today's international disclosure standards. This document is the basis for the book building, the road show and the investors' investment decisions. After completion of the book building, the final offer price and size

are determined and the issuer publishes a prospectus supplement that forms, together with the prospectus the, final prospectus.

The prospectus submitted to SIX Exchange Regulation and to the public must contain sufficient information for competent investors to come to an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the company, as well as of the rights attached to the securities. In addition, the prospectus must highlight the specific risks related to an investment in the shares.

More specifically, the prospectus must include disclosure relating to:

- Information about the company, including:
    - General information.
    - Information on administrative, management and audit bodies (corporate governance).
    - Information about the company's business activities and investments.
    - Information on the company's capital and voting rights.
    - Information about the company's disclosure policy.
    - Annual and interim financial statements.
    - Information about dividends and financial results.
- Information on the securities to be issued, including:
    - Resolutions relating to the issuance of shares.
    - Nature of the issue.
    - Number, type and par value of the securities.
    - Certain disclosures in case of new securities from capital transactions.

  - Rights attached to the securities.
  - Restrictions on tradability and transferability.
  - Information on the international issue and simultaneous private placements and public offerings (if applicable).
  - Paying agent.
  - Net proceeds from the issuance.
  - Public purchase or exchange offers for the securities.
  - Form of the securities.
  - Information about the publication of information on the securities.
  - Historic performance (if applicable).
  - Security number and ISIN.
  - Information on the authorized representative.
- Risk factors.
- Information on the persons and/or company responsible for the listing prospectus (responsibility statement).

There are several prospectus schemes in the annexes to the Financial Services Ordinance, which set out the minimum content of the prospectus and the information required in more detail. Those content rules are of a rather general nature compared to those applicable in the US. Nevertheless, given the general requirement that all needs to be included which is material for the investor to assess the securities, the broad content rules do not lead to a lower standard.

The company must assume responsibility for the listing prospectus.

For a secondary listing, normally exceptions apply if the securities are traded at a trading venue that is recognized.

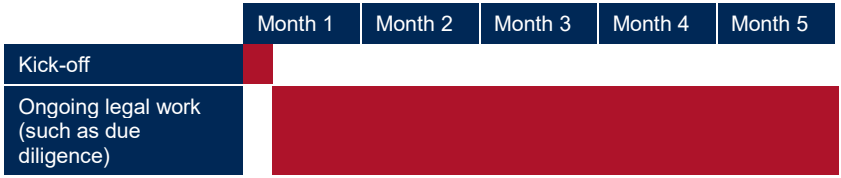
Financial statements

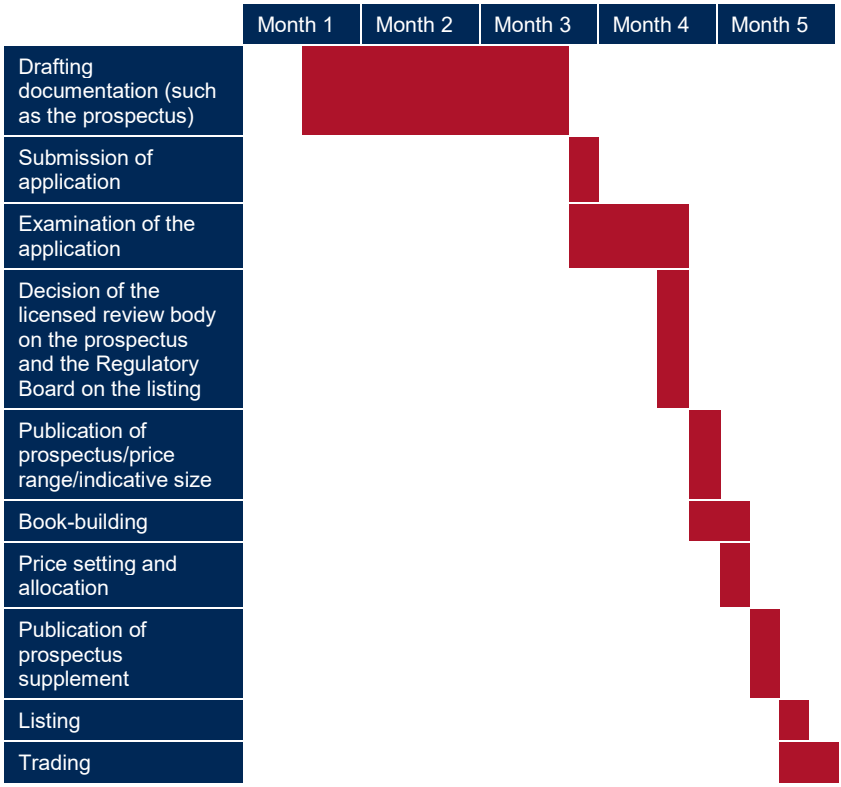
At the time of the initial listing, the foreign company is expected to provide audited annual reports of its last two full financial years, together with comparative figures for the previous year. Thus, overall, the issuer must present a financial track record of three years. In addition, the issuer might be required to prepare interim financial statements, which need not be audited. For a primary listing, the foreign company must provide financial statements in conformity with IFRS or US GAAP. For a secondary listing, the foreign issuer is expected to provide financial statements in accordance with the standards of the primary exchange.

Typical process and timetable for a listing of a company on the SIX Swiss Exchange

The listing application, together with the necessary supporting documentation, must be submitted to SIX Exchange Regulation at least 20 trading days before the envisaged first day of trading, or before start of the book building period (if applicable). At the same time, the filing is to be made with the review body for reviewing the prospectus. An issuer may consider filing earlier with the licensed review body to make sure no delays occur given the more formal procedures applicable.

The following is a fairly typical process and timetable for listing a company on the Six Swiss Exchange.





The whole authorization process takes approximately five weeks. This does not include the time required to prepare the documentation, in particular the prospectus (and the related due diligence review), which takes another two to three months. Depending on the complexities of an issuer's operations, a listing or an initial public offering (where the issuer raises new money from investors) can be completed within four to six months.

There are no situations in which a "fast track" or expedited listing can be requested.

Unless described otherwise above, the documentation and process requirements in this section do not substantially vary from what would be expected of a domestic company.

4. Continuing obligations/periodic reporting

General periodic reporting and information obligations

Once listed, companies are required to report certain technical and administrative facts and events. The respective reports must be submitted to SIX Exchange Regulation (Listing and Enforcement).

Upon listing and periodically at the beginning of each financial year, every listed company is obliged to publish a corporate calendar covering at least the current financial year. The corporate calendar must give information on the key dates of the company's financial year that are of major importance to investors, specifically the annual general meeting and the publication dates of the annual and interim financial statements. The company must send the corporate calendar and any changes thereto in electronic form to SIX Exchange Regulation, which may publish the data received.

Furthermore, the company must provide notice of any change in the rights attached to the listed securities reasonably in advance of the entry into force of the change. This requirement is designed to safeguard the investors' ability to exercise their rights. In addition, the issuer must, by suitable means, draw the attention of investors to any planned changes in the rights attached to the securities, allowing investors to exercise their rights.

Financial reporting

The listed company must publish an annual report. This comprises the audited annual financial statements, prepared in accordance with the applicable financial reporting standard, as well as the corresponding audit report. The Regulatory Board may require that additional information be included in the annual report, including details on

corporate governance in accordance with the DCG (see section 5 below).

The issuer of listed equity securities must publish semi-annual (interim) financial statements. The publication of quarterly financial statements is voluntary; however, where quarterly financial statements are published, they must be prepared in accordance with the same principles that apply to the semi-annual financial statements. Interim financial statements are neither subject to an audit nor to a review.

The accepted financial reporting standards for annual and interim financial statements are IFRS, US GAAP and other internationally recognized accounting standards. A company that is not incorporated in Switzerland may also apply the accounting standards of its home country, provided that these standards have been recognized by the Regulatory Board.

The annual financial statements are reviewed by SIX Exchange Regulation, which usually publishes in advance the sections of the annual report on which any reviews will focus (for example, corporate governance, impairments and amortizations). However, SIX Exchange Regulation will analyze the entire annual report.

Ad hoc publicity

The issuer is subject to the obligation to inform the market of any price-sensitive information that has arisen in its sphere of activity (ad hoc publicity). Price-sensitive information is capable of triggering a significant change in a company's share price. Examples of price-sensitive information include, among others:

- Financial results.
- A change on the board of directors or executive committee.
- A merger, takeover, spin-off or restructuring.
- Changes in the issuer's capital or capital structure.

- Significant changes regarding major shareholders.
- Takeover offers.
- Profit collapses.
- Profit warnings (in case the issuer itself has created market expectations).
- Financial restructurings.

The issuer has to inform the market as soon as it becomes aware of the main aspects of the price-sensitive information. Disclosure must be made so as to ensure the equal treatment of all market participants.

The company may postpone the disclosure of price-sensitive information, if such information is based on a plan or decision of the company and its dissemination might prejudice the company's legitimate interests. This is particularly important in case of a (financial) restructuring, as any disclosure might jeopardize negotiations with creditors. The company must ensure that the price-sensitive information remains confidential for the entire term during which disclosure is postponed. In the event of a leak, the market must be informed immediately in accordance with the rules on disclosing price-sensitive information (ad hoc publicity).

Management transactions

A company whose equity securities are primarily listed on SIX Swiss Exchange must ensure that the members of its board of directors and its executive committee report any transactions in the company's equity securities or related financial instruments. In particular, this obligation covers transactions in the company's equities or similar equity instruments, such as participation certificates, as well as conversion, purchase or sale rights on the company's shares, and any financial instruments that provide for or permit a cash settlement and other contracts for difference whose performance depends on the company's share price.

Members of the board of directors and the executive committee must report to the company all transactions that fall within the scope of these regulations within two trading days after the reportable transaction has been entered into (trade date). Upon receipt of this notification, the company must submit to SIX Exchange Regulation within three trading days a report that discloses (among other things) the name and position of the individual and the details of the transaction. This report is required in any case, regardless of the notified transaction's value. The report will finally be published by SIX Exchange Regulation without disclosing the individual person's name and may be accessed through its website for a period of three years.

Enforcement

SIX Exchange Regulation is responsible for enforcing the reporting requirements and reserves the right to impose sanctions. In recent years, SIX Exchange Regulation has placed increasing emphasis on compliance with ongoing reporting obligations.

Foreign issuers

In case of a primary listing, a foreign company is subject to the same reporting obligations as are domestic issuers.

In case of a secondary listing by a foreign company, the following specific rules apply:

- A confirmation from the primary exchange of the current number of listed equity securities must be submitted once a year.
- Information arising in the company's area of activity that is potentially price-sensitive must be published in accordance with the regulations of the primary exchange. The issuer must further ensure that SIX Exchange Regulation and the Swiss market receive the information at the same time.

- The company must specifically report to SIX Exchange Regulation any change of name, change of registered office, change to the share capital and capital structure and dividend payments/anticipated ex-dividend date on the primary exchange.

Finally, SIX Exchange Regulation conducts an annual data collection survey among issuers with a secondary listing concerning general data about the issuer and the issued securities.

Insider dealing

According to article 154 Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FMIA), insider dealing is prohibited and may, in extreme cases, be punished with imprisonment of up to five years or a monetary penalty. Accordingly, insider trading can be a predicate offense for money laundering offenses. This provision applies to transactions in securities that are listed on an exchange in Switzerland. Transactions in securities of a foreign company that are listed on the SIX Swiss Exchange can therefore be subject to insider dealing regulations.

According to said provision, an insider is prohibited from exploiting the knowledge of confidential information for his own or another's economic benefit. Information is considered to be inside information for these purposes if its disclosure will considerably influence the price of the listed securities. The information must be sufficiently precise and certain, such that the effect on future price developments can be assessed in advance. As a general rule, the inside information corresponds to the price-sensitive information for purposes of ad hoc publicity (see above).

The information also needs to be confidential. Confidentiality is assumed when information is only known to a limited group of persons.

The law distinguishes between three types of insiders:

- "**Primary insiders**" are persons with access to inside information on a regular basis as part of their duties, regardless of whether the person is in a management position. Members of the executive management and of an oversight body (for example, members of the board of directors) are, for instance, considered to be primary insiders. Furthermore, it is also possible for people outside the company (for example, financial analysts or journalists) to qualify as a primary insider.

- "**Secondary Insiders**" are persons who actively obtain inside information from a primary insider (also known as tippees). Persons who obtain such information by committing a felony or a misdemeanor are also considered to be secondary insiders.

- "**Coincidental insiders**" are persons who obtain inside information by coincidence (for example, a member of the cleaning staff while emptying the trash or persons overhearing a conversation between primary insiders).

Whereas primary insiders are prohibited from trading, tipping off and making trading recommendations to third parties based on inside information (irrespective of whether the inside information gets disclosed), secondary insiders are only prohibited from trading, but not from tipping and making trading recommendations to third parties. While primary insiders may face imprisonment of up to five years, and a pecuniary penalty, secondary insiders may face imprisonment of up to one year, as well as a pecuniary penalty. Coincidental insiders, on the other hand, are only prohibited from trading, but not from tipping off and making trading recommendations and only face a fine in the event of a breach.

The FMIA also provides for an administrative regime against insider dealing set out in art. 142 FMIA which operates independently from the described criminal law regime. Art. 142 FMIA in essence prohibits the same actions as art. 154 FMIA but does not require the

aim to achieve an economic benefit on the part of the offender. Furthermore, the administrative regime confers on FINMA the authority to sanction non-regulated market participants for insider dealings with administrative sanctions. In consideration of the broad application of the rules on insider trading, the Ordinance on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FMIO) provides safe harbor exceptions for various situations in which the use and/or disclosure of insider information is permitted and which, from both a criminal and regulatory perspective, lead to no sanctions. These exceptions apply to, among other things, public share buyback programs, stabilization activities after a public placement, transactions carried out in implementing one's own investment decision and the disclosure of insider information to persons who need the inside information in order to fulfill their legal and contractual responsibilities or that receive the information with a view to entering into a contract with them. The FINMA Circular "Market Conduct Rules" provides further clarifications as to what FINMA considers to be a potential violation of insider dealing rules. It provides for very limited safe harbor rules for market participants.

Manipulation of the stock exchange price

The securities of a company listed on a Swiss stock exchange may further become the object of manipulation of the stock exchange price according to article 155 FMIA. This provision applies to any person who has the intention of considerably influencing the price of securities traded on a Swiss stock exchange, in order to secure for him- or herself or a third party an economic benefit, and therefore either disseminates misleading or false information in bad faith or purchases and sells such securities on behalf of and for the account of the same person or for persons acting in concert for such purposes. Such a person is subject to imprisonment of up to three years or a fine. Furthermore, should the economic benefit obtained exceed CHF1 million (approximately US$1.03 million), the offender may face

imprisonment of up to five years or a pecuniary penalty, making such criminal behavior a predicate offense for money laundering.

The FMIA also contains administrative sanctions regarding the prohibition of market manipulation applicable to all market participants, irrespective of whether they are subject to FINMA's supervision or not. Unlike the criminal provision in art. 155 FMIA which only applies to simulated transactions (for example, wash sales), the administrative market manipulation also encompasses real market transactions which manipulate the market price of a security. Another difference to the criminal provision is that art. 143 FMIA does not require the aim to achieve an economic benefit on the part of the offender. The FINMA Circular "Market Conduct Rules" provides further clarifications as to what FINMA considers to be potential market abuse. Further, the FINMA Newsletter 52 (2013) of 18 November 2013 (Trading own equity securities with the purpose of ensuring liquidity under the new provisions on market manipulation) contains rules to be followed in the event that the company or a securities trader on behalf of the company wishes to engage in market making.

Like for insider trading, the Swiss Federal Council passed corresponding safe harbor exceptions, such as for public share buyback programs, stabilization activities after a public offering, and the acquisition of securities with regard to a subsequent tender offer.

5. Corporate governance

In 2002, SIX Swiss Exchange (then SWX Swiss Exchange) issued the Directive on Information relating to Corporate Governance (DCG). At the same time and in coordination with the implementation of the DCG, economiesuisse – the main federation of Swiss businesses – published the Swiss Code of Best Practice for Corporate Governance (the Swiss Code) that entails non-binding recommendations and guidelines for companies. The most recent version of the Swiss Code was published in 2014.

The DCG requires an issuer to disclose important information about its board of directors and executive management (or to give substantial reasons why this information is not disclosed) in order to maintain its listing on the SIX Swiss Exchange. The DCG itself establishes the basic principles, including the principle of "comply or explain". Details on what information is to be disclosed are indicated in the annex to the DCG.

The DCG applies to all issuers whose equity securities have their primary or main listing on the SIX Swiss Exchange, including foreign companies. It does, however, not apply to foreign companies with a secondary listing on the SIX Swiss Exchange.

The publication of information relating to corporate governance should be limited to what is essential to investors, and should be provided in an appropriate and comprehensible form. Information relating to corporate governance is to be published in a separate section of the annual report. This section may refer to other parts of the annual report or other easily accessible sources of information (such as the company's website). For all information prescribed in the annex, the principle of "comply or explain" applies: if the issuer opts not to disclose certain information, then the annual report must include a specific reference to this effect, and contain an individual, substantiated justification for each such nondisclosure.

Particularly in recent years, the topic of corporate governance has risen in importance. In early 2013, Switzerland adopted say on pay rules (art. 95 para. 3 of the Swiss Constitution). Subsequently, the Ordinance against Excessive Compensation at Listed Joint-Stock Companies (OaEC) was introduced, providing for enhanced shareholders' rights. Against this background, the DCG was amended (the revised DCG entered into force on 1 October 2014) and its annex now contains a number of additional items to be disclosed by issuers subject to the OaEC.

The say on pay rules mentioned above as well as the OaEC apply to all companies incorporated in Switzerland which are listed on a stock

exchange – irrespective of whether it is a domestic or a foreign stock exchange. Foreign companies listed in Switzerland are not subject to the OaEC, and are therefore exempt from the additional disclosure provisions of the DCG. It should be noted, however, that certain OaEC provisions with respect to disclosure of the remuneration for members of the board of directors and executive committee are incorporated by reference into the DCG, and are thus also binding on foreign issuers.

The DCG requires the company to disclose information on several topics, which can be summarized as follows. For issuers subject to the OaEC (that is, listed companies incorporated in Switzerland) additional disclosure obligations apply, which are not specified in the following chart.

Group structure and shareholders • Group structure • Significant shareholders • Cross shareholdings	**Capital structure** • Share capital • Authorized and conditional capital • Changes in share capital • Shares and participation certificates • Dividend-right certificates • Limitations on transferability and nominee registrations • Convertible bonds and options	**Board of directors** • Members of the board of directors • Other activities and vested interests of the members of the board of directors • Elections and terms of office • Internal organizational structure • Definition of areas of responsibility • Information and control instruments vis-à-vis the executive committee
Executive committee • Members of the executive committee • Other activities and vested interests of the members of the executive committee	**Compensation, shareholdings and loans** • Content and method of determination of the compensation	**Shareholders' participation** • Voting rights restrictions and representation • Statutory quorums

• Management contracts	and the shareholding programs • Disclosures on remuneration of the members of the board of directors and executive committee, in compliance with arts. 14 to 16 OaEC (remuneration report)	• Convocation of the general meeting of the shareholders • Inclusion of items on the agenda by shareholders • Inscriptions into the share register
Changes of control and defensive measures • Mandatory bid obligations (including opting in or opting out, in case the articles of incorporation contain respective clauses) • Change of control clauses	**Auditing body** • Duration of the mandate and term of office of the lead auditor • Auditing fees • Additional fees • Information instruments related to external audits	**Information policy**

As outlined above (see section 4), the SIX Swiss Exchange enforces compliance with the DCG. For example, the information relating to the compensation of a company's executive bodies and its determination must be specific and describe the methods and standards that the company applies in detail.

6. Specific situations

Large multinational companies

There are no additional requirements or any changes in the normal requirements that exclusively apply to large multinational companies.

Young companies

As mentioned in section 2 above, the Regulatory Board may grant exceptions to "young companies", which do not have a financial track record of at least three years. To protect investors' interests, these

issuers are subject to stricter transparency provisions (for example, quarterly reporting).

Listing according to the Swiss Reporting Standard

Instead of the International Reporting Standard, equity securities can be listed according to the Swiss Reporting Standard. The Swiss Reporting Standard serves as a means for listing equity securities of companies that wish to use the domestic accounting standards, Swiss GAAP ARR. For the rest, the rules are identical as those of the international reporting standard.

Listing according to the Standard for Investment Companies

Equity securities issued by investment companies are listed according to their own regulatory standard. Investment companies are stock companies whose main purpose is investment in other entities, thus earning dividend and/or interest income as well as obtaining capital gains. They do not perform a commercial activity in the literal sense.

These companies can be compared with investment funds as regards their investment strategy, but they are organized under corporate law. Generally speaking, compared to the International Reporting Standard, they do not need to show a specific financial track record. An investment company that is incorporated outside Switzerland and that, under Swiss legislation on collective investment schemes, is not subject to authorization in Switzerland, must prove that investors are able to exercise their participation and property rights to the same extent as would be possible under Swiss corporate law.

Listing according to the Standard for Real Estate Companies

Real estate companies are governed by their own regulatory standard. A company qualifies as a real estate company if it continually draws at least two thirds of its revenue from real estate-related activities (specifically, from rental income, from income from revaluations or sales and from real estate services). A real estate company does not need to show a specific financial track record, and it may apply the

domestic accounting standard, Swiss GAAP ARR. It may however not apply US GAAP.

Listing according to the Standard for Collective Investment Schemes

Units (or shares) of domestic or foreign collective investment schemes that, pursuant to the Swiss Federal Act on Collective Investment Schemes, are subject to the supervision by FINMA, as well as exchange-traded funds, are listed according to the Standard for Collective Investment Schemes. Specifically, minimum assets under management must be at least CHF100 million (approximately US$103.38 million). The scheme or fund does not need to have a specific financial track record, and certain special legal provisions with regard to accounting apply. The DCG is not applicable.

Listing according to the Standard for Depository Receipts

The Standard for Global Depository Receipts (GDRs) serves as a means for listing global depository receipts. GDRs are tradable certificates that are issued in lieu of deposited equity securities (underlying securities) and allow for the (indirect) exercise of the membership and proprietary rights attached to the deposited equity securities. Under this standard:

- Management transactions need not be disclosed;
- The DCG is not applicable; and
- It is not necessary to publish interim financial statements.

7. Presence in the jurisdiction

The SIX Swiss Exchange does not impose any requirements as to presence in Switzerland for listed foreign companies, except for the authorized representative who must submit the listing application. In the recent past, some foreign issuers have opted for moving their corporate domicile to Switzerland and having the newly incorporated

entity listed on the SIX Swiss Exchange. This triggers minimum requirements as to substance and operations in Switzerland. Furthermore, each issuer will make its own tax considerations, which may have a decisive influence on the extent to which a Swiss presence is established.

Except for the corporate records (that is, the articles of association and the extract from the commercial register) to be submitted to the SIX Swiss Exchange with the application and the other attachments thereto, the company does not need to keep any corporate records in Switzerland.

8. Fees

Initial listing fees

A basic charge of CHF3,000 (approximately US$3,100) is levied for the processing of a listing application. For the listing of new equity securities, a variable charge of CHF10 (approximately US$10.35) per CHF1 million (approximately US$1.03 million) of capitalization is levied, not to exceed CHF80,000 (approximately US$82,700) for new issuers (CHF50,000, or approximately US$51,690, in the case of a capital increase of an issuer).

If the issuer of the securities to be listed has not previously had any securities listed with SIX Swiss Exchange Ltd, an additional non-recurring charge of CHF10,000 (approximately US$10,340) is levied. For the examination of the listing prospectus, an additional charge of between CHF2,000 (approximately US$2,070) and CHF10,000 (approximately US$10,340) is levied by the review body.

Also, if additional categories of securities shall be listed, an additional fee of CHF2,000 (approximately US$2,070) for each additional category is charged.

For the secondary listing on the SIX Swiss Exchange of securities of foreign issuers that are already listed on a regulated market with equivalent listing regulations in the given issuer’s country of domicile

or in some third country (home country exchange), a one-time, flat fee of CHF5,000 (approximately US$5,170) is levied. No further charges are levied in this regard.

Annual fees

For maintaining a listing, an annual basic charge of CHF6,000 (approximately US$6,200) is levied for each listed security. In addition, an annual variable charge of CHF10 (approximately US$10.35) per CHF1 million (approximately US$1.03 million) of capitalization is levied, not to exceed CHF50,000 (approximately US$51,690). No charge is levied with regard to maintaining a secondary listing.

9. Additional information

The information and materials submitted to the SIX Swiss Exchange or the licensed review body may be in the German, French, Italian or English language.

Key differences in requirements for domestic companies

Listing requirements for domestic companies are essentially the same as those for foreign companies.

10. Contacts within Baker McKenzie

Matthias Courvoisier and Marcel Giger in the Zurich office are the most appropriate contacts within Baker McKenzie for inquiries about prospective listings on the SIX Swiss Exchange.

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Spanish Stock Exchange

Initial financial listing requirements

Companies seeking a listing on the Spanish Stock Exchange must meet mainly the following requirements:

- The expected aggregate market value of all shares to be listed must be at least €6 million (approx. US$6.7 million).
- At least 25% of the shares to be listed must be distributed among the public (free-float).

However, the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores* or CNMV) may waive the market capitalization and free float requirements if it considers there is already enough liquidity in the market for the securities.

Other initial listing requirements

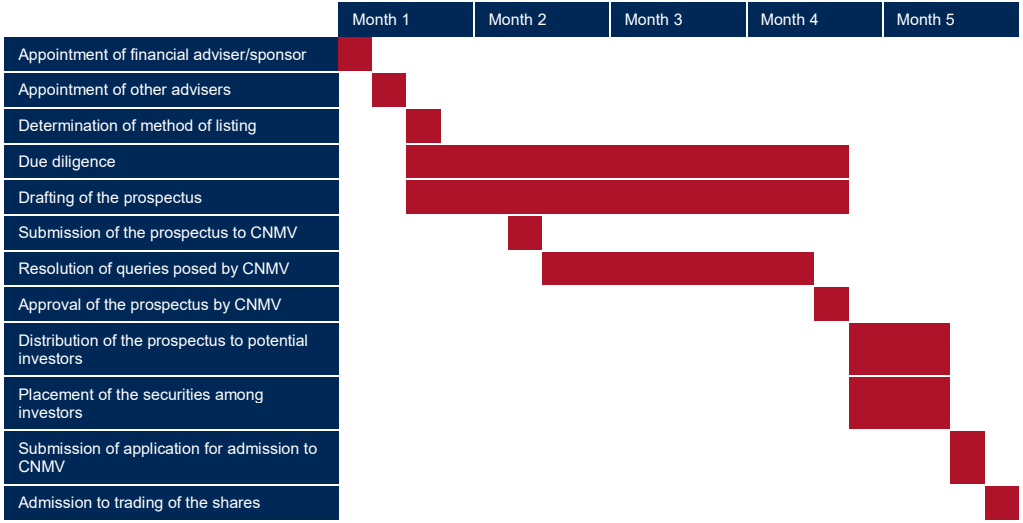
- Due filing and registration of a prospectus with the CNMV (which can be in English if there is no retail public offering).
- Shares freely transferable and represented in book-entry form.
- Settlement through IBERCLEAR, the Spanish central security depository.
- Listing including all securities of the same class.
- Documents must be duly legalized in the country of origin and be translated by a sworn translator (if applicable).

Accounting standards. The financial information must be prepared in accordance with IFRS or, if not applicable to a member State, with national accounting standards for issuers from the Community. For an issuer incorporated outside the EEA, the accounts should be prepared under IFRS or under GAAP that have been internationally accepted (US and Japanese GAAP have been deemed equivalent to IFRS by the European Commission).

Financial statements. The issuer of securities must provide to the CNMV individual and consolidated (if applicable) financial statements. The financial statements must include historical financial information for the last three financial years. Additionally, the financial statements must have been audited in accordance with the law which may be applicable to the issuer. Any quarterly or half-yearly financial information that the company has published since the date of the last audited financial statements must also be provided, together with any audit or review report. Also, if there has been a significant change in the company's position (such as a significant acquisition or merger), pro-forma financial information must be provided reflecting how the transaction would have affected its assets, liabilities and earnings if it had occurred at the beginning of the period covered by the report.

Listing process

Listing involves the CNMV reviewing the prospectus in its capacity as the Spanish Listing Authority. The CNMV also includes the shares on the Official List, and the Spanish Stock Exchange admits the shares to trading. The following is a fairly typical process and timetable for a listing of a foreign issuer on the Spanish Stock Exchange.



Corporate governance and reporting

A listed company in Spain must comply with the Corporate Governance Code or explain why it has not done so. This consists of principles of good governance, dealing with the following areas:

- By-laws and General Meeting.
- Board of Directors.
- Members of the Board of Directors.
- Committees.

Additionally, listed companies must issue on a yearly basis a corporate governance report which must be submitted to the CNMV.

Fees

A company seeking to be listed must pay a fixed fee of €1,500 (approx. US$1,682) in relation to the study, exam and filing of the listing application. Additionally, with regards to admission rights, national securities (such as those issued by Spanish companies) must generally pay 0.11 per thousand over the capitalization value of the shares to be admitted to trading calculated as of the first market value they obtain, with a minimum of €6,000 (approx. US$6,727). Foreign securities are generally discounted by 50%. In addition, the CNMV charges (i) between €4,080 (approx. US$4,574) (or €25,502 for first-time issuers (approx. US$28,593)) and €71,407 (approx. US$80,062) in relation to admission to listing of domestic shares to a Spanish regulated market, and (ii) between €612 (approx. US$686) (or €4,080 for first-time issuers (approx. US$4,574)) and €11,221 (approx. US$12.581) in relation to admission to listing of foreign-issued shares to a Spanish regulated market.

Annual fees amount to €0.05 (approximately US$0.06) per thousand over market capitalization at closing of the last session of the previous fiscal year.

1. Overview of exchange

There are four stock exchanges (*Bolsas de Valores*) in Spain, namely the *Bolsas de Valores* of Madrid, Barcelona, Bilbao and Valencia. The *Bolsas de Valores* have established a common electronic continuous trading system known as *Sistema de Interconexión Bursátil* (*Mercado Continuo* or SIB) which encompasses those securities admitted to trading on more than one *Bolsa de Valores*. In this summary, we are discussing the SIB when referring to the "Spanish Stock Exchange".

Since 2002, all Spanish regulated markets have been integrated into an organizational system run by *Bolsas y Mercados Españoles* (BME), a listed company that operates all stock markets and financial systems in Spain. On 18 November 2019, Six Group AG, the operator of the Swiss stock exchange, announced an all-cash tender offer for BME that as of the date of this summary is pending authorization by the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*, or CNMV).

The Spanish Stock Exchange is currently the sole regulated market in Spain for equity securities and is intended for relatively large, domestic and foreign, companies from all industries and economic sectors. The Spanish Stock Exchange is divided into three segments by type of securities traded: equities and subscription rights, warrants, and exchange traded funds (ETFs). As of 1 January 2020, there were almost 130 companies listed in the Spanish Stock Exchange.

In addition to the Spanish Stock Exchange, two multilateral trading facilities also operate in Spain: the LATIBEX and the Alternative Equity Market (MAB). LATIBEX (*Mercado de Valores Latinoamericanos*) was created in 1999 as an international market for Latin American companies with a market capitalization of more than €300 million (approximately US$336 million). LATIBEX is a vehicle for directing European investment to Latin America, as it allows European investors to access Latin American companies in the forefront through one individual market, one trading and settlement system, with recognized transparency and security standards, and

which operates with one single currency, the Euro. As of 1 January 2020, there were 19 companies listed in LATIBEX from some of the main Latin American countries.

The MAB is a multilateral trading facility established in 2006 to grant SMEs access to capital markets with a less burdensome framework. The MAB is divided into five segments aimed at different types of companies: (i) growth companies; (ii) real estate investment trusts (REITs); (iii) open-ended investment schemes; (iv) venture capital firms; and (v) hedge funds. As of 1 January 2020, there were 41 growth companies and 79 REITs listed on the MAB.

The relevant regulatory authority for a listing on the Spanish Stock Exchange is the CNMV.

Unless stated otherwise, this summary focuses on the regulatory framework of the Spanish Stock Exchange only.

2. Principal listing and maintenance requirements and procedures

As a general rule, any company that meets the requirements described in this summary and carries out a legal business activity is eligible for listing on the Spanish Stock Exchange, regardless of the industry to which it belongs or its country of incorporation. There are no differences in terms of requirements between foreign and domestic companies, or between primary and secondary listings.

Regarding issuer eligibility requirements, the issuer must be a public limited company (*sociedad anónima*), or an equivalent legal form for foreign issuers, validly incorporated and existing in accordance with the laws of the country in which it is domiciled. Further, the issuer's shares to be admitted to trading must grant the same rights to all holders.

The expected aggregate market value of all shares to be listed must be at least €6 million (approximately US$6.7 million) and at least 25% of the shares to be listed must be distributed among the public (free-

float), or a lower percentage if the market can operate suitably with such lower percentage due to the high number of shares of the same class and their degree of distribution among the public.

Besides the above free-float minimum threshold, there is no requirement for listed companies to have or to maintain a minimum number of shareholders. There is also no requirement to maintain a minimum trading price for the securities or for shares to be placed into escrow (or otherwise be restrained from being traded, such as through "lock-in" or "lock-up" arrangements) in connection with the listing. However, upon initial listing, underwriters typically require directors and major selling shareholders to agree to a "lock-up" arrangement. There are no restrictions on the currency denomination of securities.

As a general rule, and subject to certain exceptions, a company applying for listing must file with the CNMV its individual audited accounts (and, if applicable, its consolidated ones) covering at least the three fiscal years prior to listing.

Spanish companies applying for listing must comply with the specific corporate regulations applicable to listed companies (*sociedades cotizadas*) under the Spanish Companies Act (*Ley de Sociedades de Capital*), which sets forth specific provisions regarding shares, shareholders' rights and transparency, including the obligation of disclosure of all shareholders' agreements that affect voting rights or that establish restrictions on the transferability of the shares. Also, Spanish entities to be listed on the Spanish Stock Exchange must either comply with the recommendations contained in the Spanish Good Governance Code approved by the Board of the CNMV on 18 February 2015, (*Código de Buen Gobierno*, or *Good Governance Code*), or explain the reasons for non-compliance. Corporate governance rules under the Spanish Companies Act (*Ley de Sociedades de Capital*) require companies, among other things, to have an audit committee and to publish annual corporate governance reports and directors' remuneration reports. These rules are also applicable to non-Spanish companies primary listed in Spain,

provided that they are not subject to equivalent obligations under regulations applicable in their respective jurisdictions, as described below.

An issuer seeking admission to listing on the exchange may appoint a financial institution to coordinate the design of the financial, temporal and commercial conditions of the admission to trading, and to liaise with the supervisory authorities, market operators, potential investors and remaining placement and underwriting entities.

There is no requirement for an applicant company to conduct interviews with the CNMV. However, it is a common practice to hold meetings and interviews with the CNMV as part of the listing process, particularly with respect to application proceedings and approval of the prospectus.

Securities to be admitted to trading will necessarily be represented by book entries (*anotaciones en cuenta*) and settled within IBERCLEAR, which is the Spanish central securities depository. For secondary listings of foreign companies, securities will also be represented by book entries registered with IBERCLEAR, by means of either a "link entity" (*entidad de enlace*), which blocks the securities in its origin and is responsible for the relevant trading in Spain, or a direct account held in Clearstream.

Further listing requirements are as follows:

- The securities to be listed must be freely transferable and shall not grant different rights to shareholders under equal circumstances.
- An application for listing must include all securities of the same class. In case there are securities of the same class already listed, the application must encompass all securities of such class, both issued or to be issued.
- Prospectus and audit financial statements may be required as discussed below.

3. Listing documentation and process

The following requirements must be satisfied for the admission to trading of securities on the Spanish Stock Exchange:

- Provision and registration with the CNMV of the documents that evidence that the issuer and the securities are subject to the legal regime applicable to them.
- Provision and registration with the CNMV of the financial statements of the issuer prepared and audited in accordance with the legislation applicable to the issuer.
- Provision, approval and registration with the CNMV of a prospectus, as well as its publication.

On 16 May 2017, the European Council adopted new rules on prospectuses for the offering and listing of securities (the Prospectus Regulation) which replaced the former prospectus rules under Directive 2003/71/EC. The new rules are aimed at lowering the regulatory hurdles that companies face when issuing equity and debt securities, and intend to simplify administrative obligations related to the publication of prospectuses while ensuring that investors are well informed. Although the Prospectus Regulation is binding in its entirety and directly applicable in all Member States, certain of its provisions will need to be implemented by Spanish national law. Such laws that, as of the date of this summary, are still pending approval.

The Prospectus Regulation is supported by secondary legislation such as Commission Delegated Regulation (EU) 2019/980 that provides the format and content of the different sorts of prospectuses and repeals former Commission Regulation (EC) No 809/2004.

Prospectuses are divided into three different documents: a share registration document disclosing material information about the issuer such as its business, industry, financial situation, management and shareholders; a securities note describing the offered securities and the placement procedure; and a summary of both documents.

The prospectus to be approved by the CNMV for the admission to trading on the Spanish Stock Exchange only must be in Spanish, in a language which is commonly used in the framework of international financing (such as English), or in another language expressly accepted by the CNMV.

The CNMV normally accepts a prospectus drafted only in English if there is no retail public offering and as long as the summary is translated into Spanish. In recent years, in IPOs addressed to qualified investors only it has become customary to prepare a single offering document in English, compliant with the Prospectus Regulation and also drafted in international format.

A prospectus approved by the CNMV will be valid for the public offering and admission to trading on any of the regulated markets of other member States of the European Union, provided that the CNMV notifies the competent authority of the relevant member State, and provides a certificate of approval of the prospectus and a copy of the prospectus. Also, a prospectus approved by the competent authority of the home member State will be valid for the public offering in Spain and admission to trading on the Spanish Stock Exchange, provided that the relevant competent authority submits to the CNMV the required documentation (i.e. a certificate of approval of the prospectus and a copy of the prospectus).

In the event of an issuer that has its corporate address outside the European Union, the CNMV may approve a prospectus drafted in accordance with the laws of such non-EU country and admit the relevant securities to trading on the Spanish Stock Exchange or on another regulated market of the European Union, provided Spain has the condition of home member State and certain conditions are met.

The following persons are liable for the content of the prospectus and, if applicable, its supplements: (i) the issuer, the offeror, or the person that requests the admission to trading of the securities to which the prospectus refers; (ii) the directors of the aforesaid entities; (iii) the persons that accept to assume liability for the prospectus, to the extent

expressly stated, when such circumstance is mentioned in the prospectus itself; or (iv) any other person that authorizes, either totally or partially, the content of the prospectus when such circumstance is mentioned in the prospectus itself. A lead manager may also be liable if it does not carry out the necessary actions to verify that the information included in the prospectus regarding the securities or the transaction is not false and that no essential information is omitted.

The prospectus must also include audited historical financial information for the three previous fiscal years together with the relevant audit reports. The financial information must be prepared in accordance with IFRS or, if not applicable to a member State, with national accounting standards for issuers from the EEA. For an issuer incorporated outside the EEA, the accounts should be prepared under IFRS or under GAAP that have been internationally accepted (US, Canadian, Chinese, South Korean and Japanese GAAP have been deemed equivalent to IFRS by the European Commission). Any quarterly or half-yearly financial information that the company has published since the date of the last audited financial statements must also be included together with any audit or review report. If there has been a significant change in the company's position (such as a significant acquisition or merger), pro-forma financial information reflecting how the transaction would have affected its assets, liabilities and earnings if it had occurred at the beginning of the period covered by the report must also be included. The prospectus must also replicate the audit reports for each relevant period including any refusals, qualifications or disclaimers and the reasons for the same. If any financial data included in the prospectus is not extracted from the company's audited financial information, its source must be disclosed. Any significant post-balance sheet change in the financial or trading position of the group must also be described.

The prospectus must be approved and registered with the CNMV. The CNMV usually reviews a number of interim drafts and provides detailed comments until the document satisfies, as judged at the

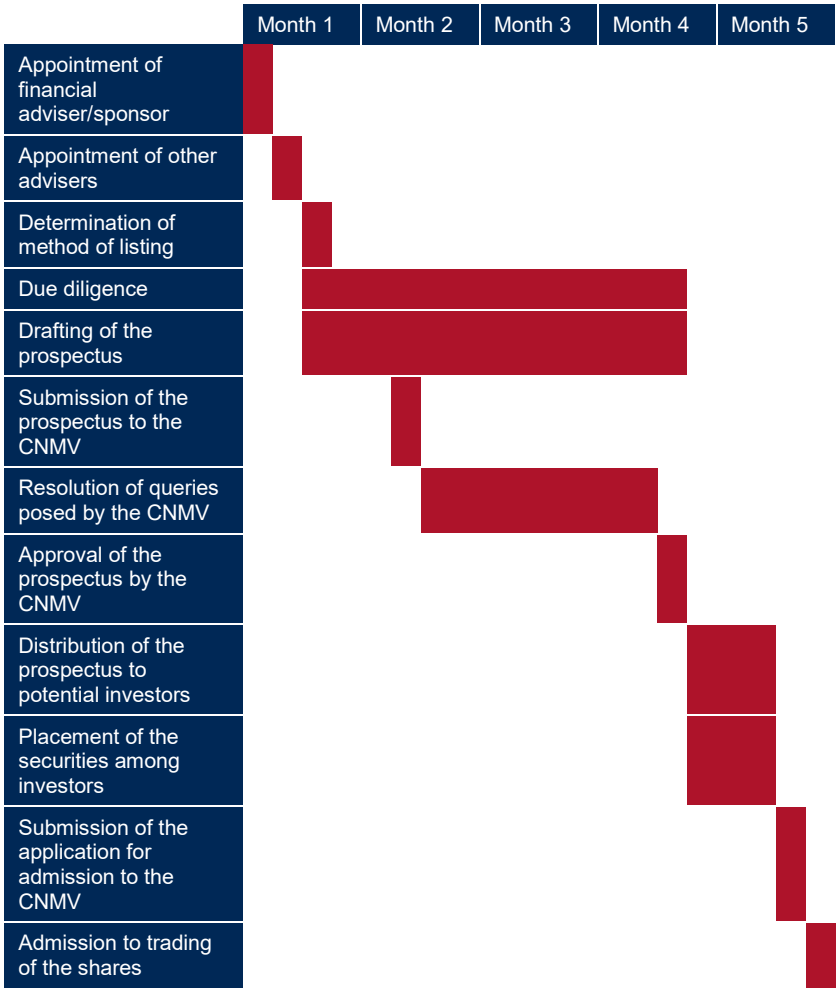
CNMV's discretion, all regulatory requirements. This process generally takes approximately between two and three months.

The prospectus may not be published until expressly approved by the CNMV. Once approved, the prospectus is filed with the CNMV's registry and publicly disclosed, such disclosure to take place as soon as feasible and, in any event, reasonably prior to the securities' admission to trading or, at most, at that same moment.

Additionally, the Spanish Stock Exchange requires the following documentation for the admission to trading of shares:

- Letter requesting the admission to trading.
- Mandate letter addressed to the representative chosen by the issuer or, as the case may be, to the management company of the Spanish Stock Exchange to carry out the formalities of the admission to trading.
- Certificate of the corporate resolutions of the issuer.
- Certificate regarding any relevant litigation proceedings with impact on the financial situation of the issuer.
- Certificate regarding any judicial withholdings on the shares to be admitted to trading.
- Certificate of the issuer's bylaws.
- Copies of the relevant public deeds of the transaction.
- Information about the spread of the shares to be admitted to trading.
- Copy of the prospectus approved by the CNMV.

Typical process and timetable for the listing of a company in the Spanish Stock Exchange



4. Continuing obligations/periodic reporting

Significant holdings and own shares

A shareholder who acquires or transfers shares with voting rights in a company listed on the Spanish Stock Exchange, or on another regulated market of the European Union provided that Spain has the condition of home member State, must notify the company and the CNMV the proportion of voting rights held by the shareholder when such proportion reaches, exceeds or is reduced below the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 35%, 40%, 45%, 50%, 60%, 70%, 75%, 80% or 90% with regards to the share capital of the relevant listed company.

The voting rights will be calculated over the total amount of shares with voting rights, even if the exercise of the voting rights is suspended. Consequently, treasury self-owned shares will also be taken into consideration to this effect.

The percentages described above will be replaced by 1% or successive multiples if the subject required to make the notification has his residence in a tax haven or in a country or territory with no taxation or with which there is no effective exchange of tax information in accordance with applicable law.

The obligation of communication also applies to any person who possesses, acquires or transfers, directly or indirectly, other financial instruments that (i) give the right to acquire, at its sole discretion, shares already issued that attribute voting rights of an issuer; or (ii) are referenced to shares of the issuer and have a similar economic effect, when the proportion of voting rights reaches, exceeds or is reduced below the referred percentages, either by itself or on an aggregated basis with the voting rights attributed by the shares.

In case of a takeover bid, the shareholders of the target company who acquire shares attributing voting rights must notify the CNMV of the acquisition if the proportion of voting rights held reaches or exceeds 1%. Also, the shareholders who already had 3% of the voting rights

must provide notice of any transaction which implies a subsequent change in such percentage.

Directors and top executives of an issuer, as well as their persons closely associated, must provide notice of any transaction carried out over shares of the issuer admitted to trading in a regulated market, regardless of the percentage they represent in the issuer's share capital, or over derivatives or financial instruments linked to such shares.

The obligation of communication of significant holdings also applies to any natural or legal person that, irrespective of the ownership of the shares, acquires, transfers or has the possibility of exercising the voting rights attributed by those shares, provided that the proportion of voting rights reaches, exceeds or is reduced below the thresholds referred to above, and is a consequence of any or some of the following actions: (i) the entering into shareholder agreements concerning the concerted exercise of voting rights and which set forth the adoption of a long-lasting common policy regarding the management of the company, or which have the purpose of significantly influencing the same; (ii) the entering into agreements which foresee the temporary transfer, on an onerous basis, of the referred voting rights; (iii) the deposit of shares as a guarantee, if the voting rights are controlled by the person mentioned above and the intention of exercising the same is expressly declared; and (iv) agreements whereby an usufruct over the listed shares is granted.

The obligation of communication of significant holdings also applies to any natural or legal person that possesses the voting rights attributed to the shares acquired or transferred through a nominee (*persona interpuesta*). In the event of group companies, it will suffice to carry out a single notification by the dominant entity of the group for all the entities that would otherwise be subject to reporting obligations.

The notification to the issuer and to the CNMV must be made no later than four market business days (three in case of directors and officers

of the issuer), as of the following day on which the person knew or should have known about the acquisition or transfer of the shares or the possibility of exercising the relevant voting rights.

The issuer of shares admitted to trading on the Spanish Stock Exchange, or on another regulated market with domicile in the European Union for which Spain is the home member State, must notify the CNMV the proportion of voting rights that remains in its power when it acquires self-owned shares (treasury shares) that attribute voting rights and such acquisition reaches or exceeds 1% of the issuer's voting rights. The CNMV will incorporate this information into the registry of regulated information provided for by the Spanish Securities Market Act.

Periodic public information

Pursuant to Directive 2004/109/EC (the so-called Transparency Directive), the Spanish Securities Market Act and Spanish Royal Decree 1362/2007, on Transparency Requirements, a listed company must issue an annual financial report within four months after the closing of the relevant fiscal year. This report will include the company's annual accounts and its management report, both audited, together with the relevant directors' responsibility statements, in which the latter will declare that, to the best of their knowledge, the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and its consolidated undertakings, taken as a whole, and that the management report includes a fair review of the development and performance of the business and the position of the company and its consolidated undertakings, taken as a whole, together with a description of the principal risks and uncertainties they face.

If the issuer is required to prepare consolidated annual accounts, the accounts must be prepared in accordance with IFRS as adopted by the European Commission.

The company must also publish a half-yearly financial report covering the first six months of the relevant fiscal year. The report must be published no later than two months after the end of the period to which it relates, and must remain publicly available for at least five years. Additionally, and unless the annual accounts have been made public within a two month period as of the closing of the exercise, the company must issue another half-yearly financial report in respect to the second half of the fiscal year. Each of the half-yearly financial reports must be published within two months from the end of the respective half of the year. The half-yearly financial report must include the summarized annual accounts, the interim company management report and the directors' responsibility statements thereto.

If the half-yearly financial report has been voluntarily audited, the audit report must be published in its entirety. Otherwise, the half-yearly financial report must contain a declaration by the issuer stating that the half-yearly financial report has not been audited nor reviewed by the auditors.

If the audit report issued in respect of the individual annual accounts of the entity (or, if applicable, of its consolidated group) contains an opinion with qualifications or if the opinion of the auditor was adverse, or if it denies the opinion, the issuer must demand from its auditors a special report, which will be annexed to the subsequent half-yearly financial report, and which must contain, at least, the following information:

- In the event that the reasons that have caused the opinion to be with qualifications, including the denial of opinion and the adverse opinion, have disappeared, this circumstance must be indicated, as well as the incidence that the introduced corrections may have had on the information of the half-year subject of the report.

- If the reasons that have caused the opinion to be with qualifications, including the denial of opinion and the adverse

opinion, persist, this circumstance must be indicated, as well as the effects that may have derived if such qualifications would have been incorporated on the results and, if applicable, on the own funds that appear in the information of the half-year subject of the report.

The interim management report, which is part of the half-yearly report, must include an indication of the important facts that have taken place in the corresponding period and its incidence in the summarized annual accounts. Also, the interim management report corresponding to the first half-year must contain a description of the main risks and uncertainties for the remaining half-year of the same fiscal year. Further, an issuer must include in the interim management report the most relevant transactions among related parties.

The company's management must also issue two interim statements regarding the first and second half of the year. These statements must be published within 45 days as from the end of the first and third quarter of the year and must include an explanation of the significant facts and transactions that may have taken place during the corresponding period as well as a general description of the financial situation and the issuer results during the corresponding period. Companies that publish quarterly financial reports, in accordance with their national legislation, will be treated as satisfying the foregoing requirements.

The issuer must publish its regulated information on its website and must disclose the regulated information by means that guarantee the free, non-discriminatory and general access within the European Union to the information. Spanish regulation applies to the content, publication and disclosure of regulated information concerning issuers of securities admitted to trading on the Spanish Stock Exchange or on another regulated market with domicile in the European Union if Spain has the condition of home member State. In the event that Spain has the condition of home member State and the issuer has its corporate domicile in a State that is not a member of the European

Union, the CNMV may exempt the issuer from the fulfillment of the obligations concerning periodic public information, provided that the legislation of the country where such issuer has its corporate address has requirements equivalent to Spanish regulation or provided that the issuer complies with the obligations imposed by the legislation of a third country that the CNMV considers equivalent to the Spanish one.

Market abuse: disclosure of inside information and applicable prohibitions

On 3 July 2016, Regulation 596/2014 of the European Parliament and of the Council on market abuse (MAR) came into force in Spain. In accordance with its provisions, the following obligations and prohibitions need to be considered:

Disclosure of inside information. Once listed, the company will be subject to an ongoing requirement of disclosure of information to the public. In this sense, the company will be required to inform the public as soon as possible of inside information that directly concerns the company. For these purposes, "inside information" is deemed to be information of a precise nature, which has not been made public, relating, directly or indirectly, to the company or its shares and which, if it were made public, would be likely to have a significant effect on the prices of the shares.

The issuer shall ensure that the inside information is made public in a manner which enables fast access and complete, correct and timely assessment of the information by the public. Additionally, the issuer shall post and maintain on its website for a period of at least five years, all inside information it is required to disclose publicly.

An issuer may, at its own risk, delay disclosure to the public of inside information, provided that all the following conditions are met:

- Immediate disclosure is likely to prejudice the legitimate interests of the issuer (e.g. ongoing negotiations related a major deal).
- Delay of disclosure is not likely to mislead the public.

- The issuer is able to ensure the confidentiality of that information.

Where disclosure of inside information has been delayed and the confidentiality of that inside information is no longer ensured, the issuer must disclose that inside information to the public as soon as possible.

Insider dealing. Pursuant to MAR, any person in possession of inside information must refrain from carrying out, for its own benefit or on behalf of a third party, directly or indirectly, any of the following actions:

- Carry out or attempt to carry out any kind of transaction in respect of the financial instruments to which the inside information refers. The use of inside information by cancelling or amending an order concerning a financial instrument to which the information relates, where the order was placed before the person concerned possessed the inside information is also considered insider dealing.

- Recommend to a third party that he or she acquires or transfers financial instruments to which the inside information relates or induce that person to make such acquisition or disposal. The recommendation, based on inside information, that another person cancel or amend an order concerning a financial instrument to which the information relates is also considered insider dealing.

- Communicate inside information to third parties, except in the ordinary course of his or her work, profession or position.

These prohibitions apply to any person in possession of inside information that knows, or should have known, that the information had such character.

The Spanish Criminal Code provides that any person who uses any information relevant for the quotation of any kind of securities or traded instruments to which such person has had reserved access with the occasion of the exercise of his professional or business activity, and any person who provides this kind of information that results in

an economic benefit or causes a damage of at least €500,000 (approximately US$560,600), is committing a criminal offence.

Market manipulation. According to MAR, any person or entity acting in or related to the securities' market must refrain from engaging or attempting to engage in market manipulation. MAR provides for a non-exhaustive list of actions that will be deemed market manipulation practices. These include, among others the following:

- Entering into a transaction, placing an order to trade or any other behavior which (i) gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of, a financial instrument; or (ii) secures, or is likely to secure, the price of one or several financial instruments at an abnormal or artificial level, unless it can be shown that such transactions or orders have been carried out for legitimate reasons and in accordance with an accepted market practice (such as liquidity agreements).

- Entering into a transaction, placing an order to trade or any other activity which affects or is likely to affect the price of one or several financial instruments, which employs a fictitious device or any other form of deception or contrivance.

- Disseminating information through the media, including the internet, or by any other means, which gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of a financial instrument or secures, or is likely to secure, the price of one or several financial instruments at an abnormal or artificial level, including the dissemination of rumors, where the person who made the dissemination knew, or ought to have known, that the information was false or misleading. In respect of journalists, when they act in their professional capacity, such dissemination of information is to be assessed taking into account the rules governing their profession, unless those persons gain, directly or indirectly, an advantage or profit from the dissemination of the information in question.

However, certain "safe harbors" for market abuse exist, including: (i) certain operations carried out by or in the name of specific public entities; (ii) transactions over self-owned shares (treasury shares) in the framework of repurchase programs carried out by issuers, or stabilization programs of transferable securities or financial instruments, provided that such operations are carried out in accordance with developing regulation; (iii) transactions carried out for legitimate reasons in accordance with an accepted market practice; and (iv) in general, transactions or orders carried out in accordance with any given applicable law.

The CNMV has approved liquidity agreements as an accepted market practice in Spain with the purpose of enhancing liquidity and the regular trading of shares of companies whose shares are listed on Spanish regulated markets and multilateral trading facilities.

MAR also provides a new "market soundings" safe harbor to the offence of unlawfully disclosing inside information. Market soundings (also known as "pre-marketing") comprise the communication of information, before the announcement of a transaction, to one or more potential investors in order to evaluate their interest in a possible transaction. The market sounding safe harbor applies provided certain disclosure and record-keeping conditions are met.

5. Corporate governance

Corporate governance regulation in Spain is contained in two sets of rules. There are certain compulsory corporate governance rules primarily set forth under the Spanish Companies Act and the Spanish Securities Market Act. There are also certain voluntary rules set forth under the Good Governance Code of listed Companies of 2015, which are subject to the "comply or explain" principle.

The core of the Spanish compulsory corporate governance rules are in line with European Union standards and Directives, and incorporate certain corporate governance provisions, including information and transparency duties (such as the obligation to publish an annual

corporate governance report and an annual directors' remuneration report), certain directors' duties (namely in regard to conflicts of interest), provisions regarding directors' remuneration, the obligation to approve an internal regulation of the general shareholders meetings and the board of directors or the requirement to have an audit committee and a nomination and remuneration committee, regulations concerning general shareholders meetings (including certain rules for calling shareholders meetings and for participating and voting in the meetings) and the exercise of shareholders rights (such as information rights prior to the general shareholders meeting or the recognition of the principle of equal treatment of shareholders).

The Spanish Companies Act only applies to Spanish companies. Therefore, the corporate governance regulations set out therein (mainly the regulation relating to directors duties, to the obligation to approve an internal regulation of the general shareholders meetings and the board of directors, to the exclusion of pre-emption rights and to the exercise of shareholders rights) are generally not compulsory for non-Spanish companies listed in Spain. However, it is common practice that non-Spanish companies listed in Spain voluntarily comply with these regulations by incorporating them to their internal regulations and by-laws. Corporate governance rules under the Spanish Securities Market Act are applicable to all non-Spanish companies primary listed in Spain, provided that they are not subject to equivalent rules and obligations under the applicable regulation in their respective jurisdictions.

The voluntary corporate governance rules set forth in the Good Governance Code contain recommendations relating to a wide range of corporate related matters, such as the size and functional structure of the board of directors or the recommended proportion of independent and proprietary directors. The companies required to issue an annual corporate governance report are also required to include in the report an explanation of the degree of compliance (or lack of compliance) with the recommendations included in the Good Governance Code. Therefore, Spanish legislation leaves it up to the

companies to decide whether or not to follow corporate governance recommendations, but requires them to give a reasoned explanation for any deviation, so that shareholders, investors and the market can reach an informed judgment of their corporate governance practices.

6. Specific situations

There are no additional requirements, nor any changes in the ordinary requirements, that apply to very large multinational companies or smaller companies. There are no situations in which a "fast track" or expedited listing can be procured.

7. Presence in the jurisdiction

There are no requirements for a listed foreign company to maintain a presence in Spain (that is, no requirement for an agent for service of process, resident directors or corporate offices).

There is no requirement for any corporate records (such as a register of holders) to be kept in Spain, except that a foreign company admitted to trading on the Spanish Stock Exchange must have its shares registered with IBERCLEAR, by means of either a "link entity" (*entidad de enlace*), which blocks the securities in its origin and is responsible for the relevant trading in Spain, or a direct account held in Clearstream.

8. Fees

Initial listing

The Spanish Stock Exchange currently charges the following fees on domestic securities (those issued by a Spanish listed company):

- In relation to the study, exam and filing of proceedings, a fixed fee of €1,500 (approximately US$1,682).
- In relation to admission to listing rights of national securities (shares issued by Spanish companies), 0.11 per thousand over the capitalization value of the shares to be admitted to trading,

calculated as of the first market value they obtain, with a minimum of €6,000 (approximately US$6,727) or 0.5% of the capitalization value of the shares to be admitted to trading, whatever is the lower, and a maximum of €500,000.

As a general rule, fees charged on foreign securities (those issued by non-Spanish companies) will amount to 50% of those of domestic securities, calculated over the nominal value of the securities placed or offered in Spain prior to the admission to trading.

Additionally, the CNMV charges the following fees for the registration of the prospectus and the verification of the necessary requirements for the listing of the shares:

- In relation to admission to listing of Spanish shares in a Spanish regulated market (such as those issued by Spanish companies), 0.01% over the value of the public offering, with a floor and a cap of €4,080 (approximately US$4,574) and €71,407 (approximately US$80,061), respectively. In case of shares of a company admitted to trading for the first time, the floor is €25,502 (approximately US$28,593).

- In relation to admission to listing of shares issued in another EU member state under a prospectus approved by the relevant regulator of such EU member state, 0.002% over the value of the public offering, with a floor and a cap of €612 (approximately US$686) and €11,221 (approximately US$12,581), respectively. In case of shares of a company admitted to trading for the first time, the floor amounts to €4,080 (approximately US$4,574).

Ongoing fees

In general terms, the annual amount of fees will be 0.05 per thousand over the capitalization value of the shares admitted to trading at closing of the last session of the previous fiscal year.

9. Additional information

Additional information on the Spanish Stock Exchange and the other markets managed by BME is available on www.bolsamadrid.es.

10. Contacts within Baker McKenzie

Enrique Carretero in the Madrid office is the most appropriate contact within Baker McKenzie for inquiries about prospective listings on the Spanish Stock Exchange.

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Stock Exchange of Thailand

Initial financial listing requirements

To qualify for listing, a company must typically have the following qualifications:

- Paid-up capital for common shares of at least THB300 million (approx. US$9.93 million).
- If the shares have a par value, a share value of not less than THB0.5 (approximately US$0.02) per share, being fully paid-up.
- Must have been in operation for at least three years, with the same management for at least one year prior to the application date.
- Must have a stable and healthy financial condition with sufficient working capital.

A "foreign private issuer" must have the following qualifications for primary and secondary listing:

- Be a foreign company under the Notification of the Capital Market Supervisory Board for Foreign Companies.
- In the case of secondary listing, it shall not be in the process of remedying its qualifications for a listed company, shall not be a potential delisted company, nor subject to similar requirements as established by the home exchange or overseas regulatory agency.

The company must have paid-up capital, operating results, financial condition, and liquidity as follows:

- Have paid-up capital (only for ordinary shares) of at least THB300 million (approx. US$9.93 million) shareholders' equity of at least THB300 million (approx. US$9.93 million), and shareholders' equity before a public offering of more than zero.
- Have aggregate net profits for the latest two or three years of at least THB50 million (approx. US$1.66 million), with net profits in the last year of at least THB30 million (approx. US$993,000) and accumulated net profits in the period prior to application submission.

A "domestic issuer" must additionally have a combined market capitalization of at least THB7.5 billion (approximately US$248.25 million), with Earnings before Interest and Tax (EBIT) of more than zero for the latest full year and in the year of filing the listing application, as shown by combining all quarterly results for that year.

Other initial listing requirements

Distribution. To list its securities, a company must have:

- At least 1,000 non-strategic or retail shareholders.
- They must hold:
  - Not less than 25% of paid-up capital for a company with paid-up capital of at least THB300 million but less than THB3 billion (approx. US$9.93 million to US$99.30 million).
  - At least 20% of paid-up capital for a company with paid-up capital more than or equal to THB3 billion (approx. US$99.30 million).

Financial statements. The registration statement must generally include three years' audited financial statements.

Accounting standards. Generally, financial statements must conform to either:

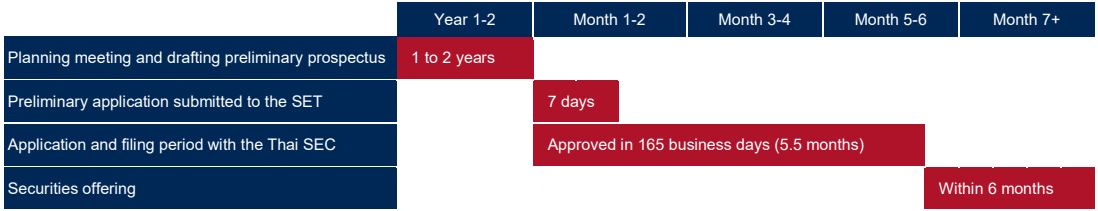
- Thai Accounting Standards.
- International Financial Reporting Standards (IFRS).
- An accounting standard recognized by the home exchange, so long as differences from IFRS are also presented alongside.

Operating history. An operating history of three years is generally required.

Management continuity. The SET requires continuity of management for at least one year prior to the submission of application.

Listing process

Listing involves registering the class of securities with the Securities and Exchange Commission (Thai SEC). The SEC will typically review the registration statement, including the prospectus. Typical process and timetable for listing of a foreign company on the SET:



Language: English if the filing submitted for the home exchange is in English, otherwise, the issuer may choose to submit in English or Thai.

The listed company has disclosure and reporting obligations both to the SET and the Thai SEC.

Fees

A company seeking to list must pay an application fee, initial listing fee, and annual fees. The application fee is THB50,000 (approx. US$1,655). The initial listing fee for common stock typically ranges from THB100,000 to THB3 million (approx. US$3,310 to US$99,300). Additional shares listed subsequently will require additional payments. The annual fee is at least THB50,000 (approx. US$1,655), increases depending on the paid-up capital but not exceeding THB3 million (approx US$99,300). Additional costs may include printing costs and registration fees required by the Thai SEC.

Corporate governance and reporting

Requirements for a cross-border listing include:

- A foreign company must generally abide by the corporate governance requirements of the SET. In general, the company must disclose information in accordance with the SET requirements regarding periodic and non-periodic reporting.
- A foreign company must comply with all corporate governance and essential shareholder protection requirements of foreign laws and regulations, which are comparable to the laws and regulations regulating Thai companies, otherwise it must provide a mechanism for corporate governance and essential shareholder protection being comparable to the relevant Thai laws and regulations.
- The home regulator must be able to cooperate and exchange information with the Thai SEC without any reasonable grounds to suspect that the home regulator, under its established jurisdiction or its material business operations, is unable to provide cooperation and assistance relating to any provision of law concerning enforcement regarding securities markets.

1. Overview of exchange

The Stock Exchange of Thailand (more commonly referred to as the SET) has four markets:

- The SET.
- The Market for Alternative Investment (the MAI).
- The Bond Electronic Exchange (the BEX).
- The Thailand Futures Exchange Plc (the TFEX).

At present, foreign companies are able to seek listing on the SET by way of both primary listing and secondary listing (dual listing). The information below relates only to the SET, and the offering and listing of a foreign company's newly issued shares on the SET, unless noted otherwise.

As of 1 January 2020, the aggregate market capitalization of listed securities on the SET was THB16.7 trillion (approximately US$552.77 billion). This represents a decrease of 9.58% compared to January 2018 when the aggregate market capitalization was THB18.3 trillion (approximately US$605.73 billion).

Foreign investors were net buyers with trading in Thai shares valued at THB336 billion (approximately US$11.12 billion).

The information as of 31 January 2017 showed 521 listed Thai companies on the SET, and 134 listed Thai companies on the MAI.

Companies from all industry sectors and in a variety of sizes have listed on the SET. The SET has not specialized in, or encouraged, listings by any particular type of company. It is open to all business sectors.

The Securities and Exchange Commission of Thailand (commonly known as the Thai SEC) is the main regulatory authority for the capital markets of Thailand. The Thai SEC was established in 1992 by

virtue of the Securities and Exchange Act, B.E. 2535 (the SEA). The Thai SEC has the power and duty to formulate policies to promote and develop, as well as to supervise, the capital markets of Thailand. It oversees and regulates matters concerning securities, securities businesses, the securities exchange, over-the-counter centers and related businesses, organizations related to the securities business, issuance or offer of securities for sale to the public, acquisition of securities for business takeovers, and prevention of unfair securities trading practices. The Capital Markets Supervisory Board, which is overseen by the Thai SEC, was established in 2008, with the authority to promulgate and issue regulations under the SEA regarding various capital market-related transactions. In addition, under the Royal Decree on the Digital Asset Businesses B.E. 2561 (the DAB), the Thai SEC has the duty and power to establish policies as prescribed under the DAB to regulate and supervise the issuance and offering of digital assets and the undertaking of digital asset businesses.

In 2019, the SEA was further amended by the SEA (No.6) B.E. 2562 (2019), which came into force on 17 April 2019, to address the following issues:

- To enhance flexibility of securities business supervision.
- To enhance supervision of mutual fund management.
- To enhance supervision over the SET to be in line with international standards.
- To enhance competitiveness of the capital market.
- To establish the Capital Market Development Fund (CMDF) as a center to promote market development.
- To enhance effectiveness, clarity and transparency of the Thai SEC's operation.

Pursuant to the SEA, any offering of securities to public investors in Thailand requires prior approval from the Office of the Securities and

Exchange Commission (the SEC Office), an administrative office of the Thai SEC. Such an offering involves filing the registration statement and the draft prospectus with the SEC Office.

The relevant regulatory authority for listing on the SET is the Board of Governors of the Exchange, whose approval is required for any proposed listing on the SET.

2. Principal listing and maintenance requirements and procedures

Applications from foreign companies for both primary and secondary listings on the SET are permitted.

There are no jurisdictions of incorporation or industries that would not be acceptable for a listing on the SET. Nonetheless, the SEC Office has discretion not to approve an application by a foreign company for the offering of shares if any of the following suspicious grounds is apparent to the SEC Office:

- The foreign company or the offering appears to qualify and comply with the required criteria, but there are indications that the purpose or the substance of the offering is intended to avoid any provision of law on securities and exchange.
- The offering may contravene public policy or national policy.
- The offering may cause an adverse effect to the trustworthiness of the Thai capital markets as a whole.
- The offering may cause damage or unfair treatment to investors, or investors may not obtain correct and sufficient information for making investment decisions.

Similarly, if the Board of Governors of the SET determines that listing a foreign applicant's shares might conflict with public well-being or government policy, damage the credibility of the capital market (and

thus damage investor interests), or contain insufficient information for investors, the Board may not approve the company's shares for listing.

Principal listing requirements and procedures

A foreign company must obtain approval from the Thai SEC to offer its shares to public investors in Thailand, and approval from the Board of Governors of the SET to list its shares on the SET. The principal requirement is similar to the secondary listing requirement, except for certain qualifications, such as par value. In addition, a foreign company whose shares are already listed on the SET may offer other types of SET-listed securities to public investors.

Exchanges and regulators. A foreign company must comply with the following criteria for offering newly issued shares with the purpose of being listed on the SET:

- In the case of primary listing, a foreign company must comply with all corporate governance and essential shareholder protection requirements of foreign laws and regulations applicable to it, and which are comparable to the laws and regulations regulating Thai companies, or it must provide a mechanism for the corporate governance and essential shareholder protection comparable to the relevant Thai laws and regulations.

- Moreover, the home regulator must be able to cooperate and exchange information with the Thai SEC without any reasonable grounds to suspect that the home regulator, under its established jurisdiction or its material business operation, is unable to provide cooperation and assistance relating to any provision of law concerning enforcement regarding securities markets.

- In the case of secondary listing, the home regulator must be able to cooperate or give assistance to the SEC Office in relation to any investigation of violation of Thai capital market laws on securities and exchange. The home regulator must be either:

    - Classified as a recognized country in the Thai SEC list.

- Qualified under the Financial Sector Assessment Program (FSAP) as an issuer that complies with the standards of the International Organization of Securities Commissions (IOSCO) regarding the Objectives and Principles of Securities Regulation, at not less than the Broadly Implemented or equivalent level.
- The listed company supervision regulations requirements of its home exchange meet those of the SEC Office, and the material and significant aspects are equivalent to corporate laws and regulations applicable to a company whose shares are traded on the Stock Exchange of Thailand.

Corporate requirements. To list its shares on the SET, a foreign company must:

Type of requirement	Summary of listing requirements	Primary listing	Secondary listing
Applicant's status	• Be a foreign company under the Notification of the Capital Markets Supervisory Board for Foreign Companies.	✓	✓
	• Not in the process of remedying qualifications for a listed company; not a potential delisted company or subject to any similar requirements established by the home exchange or overseas regulatory agency.	-	✓
Qualification of shares	• Par value of not less than THB0.5 (approximately US$0.015) per share.	✓	-
	• Shares are fully paid-up.	✓	✓
	• No restriction of share transfer by virtue of its governing law.	✓	✓
Shareholders' equity	• Shareholders' equity of at least THB300 million (approximately US$9.93 million) and shareholders' equity before public offering of more than zero.	✓	✓

Type of requirement	Summary of listing requirements	Primary listing	Secondary listing
Track record	• Been in operation for at least three years.	✓	✓
	• Have aggregate net profits for the latest two or three years of at least THB50 million (approximately US$1.66 million), with net profits in the last year of at least THB30 million (approximately US$993,000) and accumulated net profits in the period before application submission.	✓	✓
	• Had the same company management for at least one year before the application date.	✓	✓
Paid-up capital for common shares (after public offering)	• Have paid-up capital (only in respect of ordinary shares) of no less than THB300 million (approximately US$9.93 million).	✓	✓
Distribution of minor shareholding	• Have at least 1,000 minority ordinary shareholders, who must hold shares, in aggregate, worth at least 25% of the paid-up capital, or at least 20% if the company's paid-up capital is at least THB3 billion (approximately US$9.93 million) (only for ordinary shares).	✓	✓
Public offering	• Its shares will be offered to the public in Thailand and the offering must have been granted approval by the Thai SEC.	✓	✓
	• The value of its ordinary shares is based on paid-up capital. If the foreign company has paid-up capital of less than THB500 million (approximately US$16.55 million), the cumulative number of shares offered for sale cannot be less than 15% of the paid-up capital.	✓	-
	• If the foreign company has paid-up capital of not less than	✓	-

Type of requirement	Summary of listing requirements	Primary listing	Secondary listing
	THB500 million (approximately US$16.55 million), the cumulative number of shares offered for sale shall not be less than 10% of the paid-up capital or the total value of ordinary shares (calculated using par value) shall not be less than THB75 million (approximately US$2.48 million), whichever is higher. • Their market capitalization must not be less than THB300 million (approximately US$9.93 million), or 5% of its paid-up capital, whichever is less. • The applicant must be able to show to the SET that it will trade its shares on the exchange and has deposited its shares with a depository center as prescribed by the SET.	- -	✓ ✓
Liaison agent in Thailand	• The company has a contact person in Thailand for the purpose of coordinating and receiving any notice, order, warrant, or any document relevant to the foreign company, and can demonstrate that person's competence to perform the assigned tasks.	✓	✓
Financial condition	• It has a stable and healthy financial condition and has sufficient working capital, relative to the existing condition of businesses in related industries. • Not in the process of remedying its qualifications as a listed company, or subject to possible delisting, or any other similar process, under the rules prescribed by the home exchange or overseas regulatory authority.	✓ -	✓ ✓
Board members qualifications/ ID/AC	• The board members shall not have any prohibited characteristics under the	✓	✓

Type of requirement	Summary of listing requirements	Primary listing	Secondary listing
composition/CFO and Chief Accountant	prescribed rules of the Thai SEC or be in violation of any regulations or rules of the SET, where such violation may adversely affect the rights and benefits of shareholders or investors, or the price of the securities.		
	• The board members shall have at least 2 directors having Thai nationality with a residence in the Kingdom of Thailand and at least 1 person shall be the audit committee.	✓	-
	• The board members shall realize its roles, duties and responsibilities to shareholders thoroughly. In case the board members have appointed the general manager or any other person to act on its behalf for any matter, such appointment shall comply with the regulations of the Thai SEC.	✓	-
	• No less than one-third of board members need to be independent directors, with a minimum of three directors.	✓	-
	• No less than three members in the audit committee, one of which needs to have expertise in finance.	✓	-
	• The company filing for its IPO from 1 January 2018 onwards shall appoint a CFO and a Chief Accountant, whose qualifications are in accordance with the Thai SEC regulations.	✓	-
Accounting standard	• Thai GAAP, International Financial Reporting Standards (IFRS), another standard recognized or prescribed by the home regulator or the home exchange, so long as differences	✓	✓

Type of requirement	Summary of listing requirements	Primary listing	Secondary listing
	from IFRS are also presented alongside.		
Auditor	• The auditor must be approved by the SEC Office.	✓	✓
Method of public offering	• Have its shares offered to the public via underwriters.	✓	✓
	• An application submission shall be jointly prepared by the issuer and financial advisor in the SEC approved list and the financial advisor must advise the company at least three consecutive years after listed.	✓	✓
	• Have a securities registrar in Thailand, and obtain approval from the SET.	✓	✓
	• Comply with other conditions or special agreements as prescribed by the SET to protect the interests of investors.	✓	✓
Maintenance requirements and procedures	• To maintain its status as a listed company on the SET, a foreign company must maintain its qualifications for securities pursuant to the SET listing rule for foreign companies regarding the liquidity of traded securities, no conflicts of interest, the qualifications and composition of their Board members, AC and ID, management, auditors, securities registrar and contact agent in Thailand as the requirements described above for a foreign company.	✓	✓
	• A foreign company must not reduce the par value of ordinary shares or preferred shares that are listed securities to less than THB0.5 (approximately US$0.02) per share except in some circumstances as permitted by the SEC regulations.	✓	-
		✓	

Type of requirement	Summary of listing requirements	Primary listing	Secondary listing
	• The number of minority ordinary shareholders shall be not less than 150 and such shareholders shall hold shares in aggregate not less than 15% of the paid-up capital of the foreign company, or the number of minority ordinary shareholders and the aggregate number of shares held by them are in accordance with those to be waived by the Board of the Governor of the SET.		✓
	• A foreign company must maintain a status of listed company in accordance with the regulations of its home exchange.	-	✓
	• A foreign company shall comply with other conditions or special agreements regarding the listing of securities of a company as determined by the Thai SEC and the SET to protect the benefits of investors in addition to the rules prescribed by the home exchange (if any).	✓	✓

Regulatory Mapping requirements. A foreign company is required to provide regulatory mapping that compares Thai corporate laws and regulations with the jurisdiction of its incorporation, especially in the material and significant aspects. In the event that the foreign company's corporate laws and regulations are not equivalent to Thai corporate laws and regulations and affect the right of shareholders, such foreign company needs to provide suitable equivalency mechanisms.

Minimum trading price. There is no minimum trading price imposed by the SET for foreign companies' securities. However, the value of shares for which approval is requested must not exceed the remaining quota allowed to be allocated by the SEC Office, based on the total

quota determined by the Bank of Thailand for control over capital market transactions concerning foreign currency.

Escrow and lock-up. The SET does not impose an escrow requirement, however the SET prohibits a foreign company from selling its shares and other securities for a period of three years from the first trading day of such shares or securities ("lock-up" arrangements). The same lock-up arrangements also apply to the secondary listing of a foreign company. However, for secondary listings, a foreign company can be exempt from the requirement to institute a lock-up if it is already in the process of observing or has fully observed a lock-up (or similar) requirement established by its home exchange.

Currency and settlement. At present, a foreign company's shares that are listed on the SET must be traded in Thai baht. Trades must be settled with the Thailand Clearing House Co., Ltd, a wholly-owned subsidiary of the SET that provides back-office operational support for the SET.

Advisers. A foreign company does not need to engage a compliance adviser established with the SET. However, the company may, and should, obtain a legal adviser in order to ensure compliance with the laws and regulations of both its home exchange and the SET. A financial advisor approved by the Office of the SEC is required if the foreign company will use Form 69-FE in filing with the Office of the SEC.

Domestic company requirements. As there are differences between the requirements described above for a foreign company and those applicable to a domestic company, it may be helpful to understand the basic requirements expected of a domestic company wishing to be listed on the SET. The following table summarizes these requirements:

Type of requirement	Domestic company qualification standard
Applicant's status	Public limited company or corporation established under a special law.
Share value	Par value of not less than THB0.5 (approximately US$0.02) per share, being fully paid-up.
Paid-up capital for common shares (after public offering)	At least THB300 million (approximately US$8.73 million).
Distribution of minor shareholding	Number of minor or non-strategic shareholders must be at least 1,000. They must hold: • At least 25% of paid-up capital for a company with paid-up capital of at least THB300 million (approximately US$9.93 million) but less than THB3 billion (approximately US$9.93 million). • At least 20% of paid-up capital for a company with paid-up capital of at least THB3 billion (approximately US$99.30 million). "Strategic shareholder" refers to any: • Director, manager, or member of the executive management, including any related or associated person. • Shareholder holding more than 5%, including any related person.
Public offering approval	Must be granted approval by the Thai SEC except for a company established under a special law.
Number of shares cumulatively offered for sale	If paid-up capital is less than THB500 million (approximately US$16.55 million), offered shares must be at least 15% of paid-up capital. If paid-up capital is at least THB500 million (approximately US$16.55 million), offered shares must be at least 10% of paid-up capital or THB75 million (approx. US$2.48 million), whichever is higher.
Method of public offering	Offering through an underwriter.
Track record	The company must have: • Been in operation for at least three years. • Had the same company management for at least one year before the application date. • Combined minimum net profits from operations of THB50 million (approximately US$1.66 million) over

Type of requirement	Domestic company qualification standard
	the past two or three years, with net profits from operations of THB30 million (approximately US$993,000) for the latest full year, and net profits from operations in the year of filing the listing application, as shown by combining all quarterly results for that year. • Combined market capitalization of not be less than THB7.5 billion (approximately US$248.25 million), with Earnings before Interest and Tax (EBIT) of more than zero for the latest full year and in the year of filing the listing application, as shown by combining all quarterly results for that year.
Financial condition	Stable and healthy financial condition, with sufficient working capital.
Shareholders' equity	Minimum total shareholders' equity of THB300 million (approximately US$9.93 million) and shareholders' equity before public offering of more than zero.
Management	Qualifications for management and control persons should conform to the requirements and prohibitions in the Thai SEC's regulations, with duties and responsibilities clearly defined as specified by the Thai SEC.
Corporate governance	Good corporate governance practices and a qualified audit committee, as specified by the SET.
Auditing and internal control	Effective auditing and internal control systems, as specified by the Thai SEC.
Conflict of interest	No existing or potential conflicts of interest, as specified by the Thai SEC.
Financial statements	Prepared in accordance with Thai SEC rules and regulations.
Auditors	The auditor must be approved by the Thai SEC.
Provident fund	On the application date, the applicant must already have established its provident fund.

Certain listing requirements or conditions for domestic infrastructure companies or holding companies may be different from the above requirements or conditions.

3. Listing documentation and process

Primary listing. The foreign company can apply to the SEC Office to offer its newly issued shares using the application form (Form 35-1-F),which must be submitted electronically through the Digital IPO system of the SEC Office, together with the following supplementary documents:

- A certified copy of company's Memorandum of Association.
- A certified copy of certificate of incorporation.
- A certified copy of company's and its subsidiaries' Articles of Association.
- A document containing information regarding the foreign company that is similar to the prescribed form for the registration statement (69-1-F). The foreign company may file the registration statement and draft prospectus simultaneously with the filing of the application for approval of the securities offering, in which case the registration statement will be deemed to comprise the supporting documents of the application.
- A copy of the shareholders' resolution adopted at the shareholders' meeting approving the issuance of the shares, which must be dated not more than one year before the date of submission of the application.
- A copy of the board of directors' resolution adopted at the directors' meeting approving the issuance of the shares.
- A letter certifying the performance of duties by any financial adviser.
- A copy of any agreement authorizing a third party to have absolute power of management.

- A letter of appointment or any resolution adopted at any board meeting approving the appointment of a representative in Thailand and appointment of a responsible person in documents arrangement of the foreign company.
- A copy of a confirmation letter acknowledging the company's responsibilities and duties after its offer of sale of securities.
- A copy of a confirmation letter acknowledging the directors' and executives' responsibilities and duties of report of securities holding.
- A copy of a confirmation letter acknowledging the independent directors' responsibilities and duties of the company.
- A copy of a confirmation letter acknowledging the audit committee's responsibilities and duties of the company.
- A copy of any letter showing the audit committee's opinion on any related party transactions.
- A copy of any letter showing the audit committee's opinion on the sufficiency and suitability of the company's and its subsidiaries' internal control policies.
- A certified copy of the company's latest internal control report.
- A copy of the latest auditor's notes on the internal control policies.
- A copy of a letter showing that the offer for sale of newly issued securities (for which the application is filed) has been made in accordance with the laws, rules and regulations applicable to the foreign company, if the foreign company is not required to obtain approval from its home regulator or home exchange for its offering of newly issued securities in Thailand.

- A copy of the latest report from the company's regulators, including the internal control report.
- A copy of a confirmation letter from the company's regulators regarding the permission to increase capital.
- A checklist form for the information and supporting documents required by the Office of the SEC.
- A checklist form for the financial advisers' due diligence.
- A checklist form showing that the company's qualifications are in accordance with the holding company's laws (in the event that such company is a holding company).
- A copy of any specialized personnel's opinion(s).
- A copy of financial statements and the latest annual financial statements and latest quarterly financial statements of the foreign company.
- A copy of any rehabilitation plan.
- A copy of any power of attorney authorizing the financial advisers to submit the listing application through the Digital IPO system.
- A copy of a confirmation letter acknowledging that the CFO's qualifications are in accordance with the related regulations.
- A copy of the audit committee's resolution adopted at the audit committee meeting approving the qualifications of the CFO and the chief accountant as being in accordance with the required regulations.
- A copy of the legal opinion or commercial opinion that conforms to the business model of the foreign company (in the event that such foreign company operates as a holding company).

Subject to the discussion above, if the securities are offered only in Thailand, the issuer may submit a filing that has the information previously filed in the home exchange, and additional information.

The registration statement and draft prospectus should be submitted electronically through the Digital IPO system of the SEC Office and in printed form, as specified by the SEC Office.

The registration statement should include information as follows:

- Executive Summary.
- Information regarding the issuer on the following topics:
    - Objectives of the fund.
    - Business operation:
        - Policy and overview of business operation.
        - Nature of business operation.
        - Risk factors.
        - Research and development.
        - Assets used in business operations.
        - Future projects.
        - Legal disputes.
        - Other important information.
    - Management and corporate governance:
        - Information on securities and shareholders.
        - Management structure.
        - Corporate governance.

        - Social responsibility.
        - Internal control and risk management.
        - Related party transactions.
    - Financial position and operating results:
        - Important financial information.
        - Management discussion and analysis.
    - Comparative information on foreign laws and regulations.
- Information on the offer for sale of securities:
    - Details of the securities being offered for sale.
    - Transfer restrictions on the securities being offered for sale.
    - Sources of the pricing of the securities being offered for sale.
    - Price of the ordinary shares in the secondary market.
    - Subscription, distribution and allocation.
- Certification of Information.
- Details of the directors, executives, controlling persons, company secretary and representatives for contact and coordination in Thailand.
- Details of the directors of the subsidiaries.
- Details of the head of internal control and compliance supervisor.
- Details of the asset appraisal.
- Information on restrictions and risks concerning:

  - The extent of the rights of, and protections available to, investors in the foreign company's securities.
  - The ability to take legal action against the foreign company or the securities offeror, given its domicile overseas, including the competent foreign court of law where legal proceedings may be brought.
  - Effects of any currency restrictions on holders of securities (if any).
  - Restrictions on purchasing shares issued by the foreign company, if the value of shares to be allocated to Thai investors exceeds the remaining quota allowed to be allocated by the SEC Office, based upon the Bank of Thailand's quotas for capital markets transactions concerning foreign currency.
  - Other material issues that may affect the exercise of any right or investment decision by investors, such as a restriction on giving a proxy to vote, or a restriction on the delivery of share certificates because shares of the foreign company are in a book entry (scripless) system.

- A clear statement about the language to be used in the company's prospectus, financial statements, annual report, annual registration statement, supplementary documents for its shareholders' meeting, and any other business-related information or report prepared by the foreign company for disclosure to the public.
- If the shares being offered are to be newly listed on the SET, a clear statement that the foreign company has passed the SET's preliminary consideration for accepting its shares as listed securities.

The registration statement shall be certified true and correct by the authorized persons as specified by the SEC Office.

Financial statements must conform to either:

- Thai Accounting Standards.
- IFRS.
- An accounting standard recognized or prescribed by the home regulator or the home exchange, so long as differences from IFRS are also presented alongside.

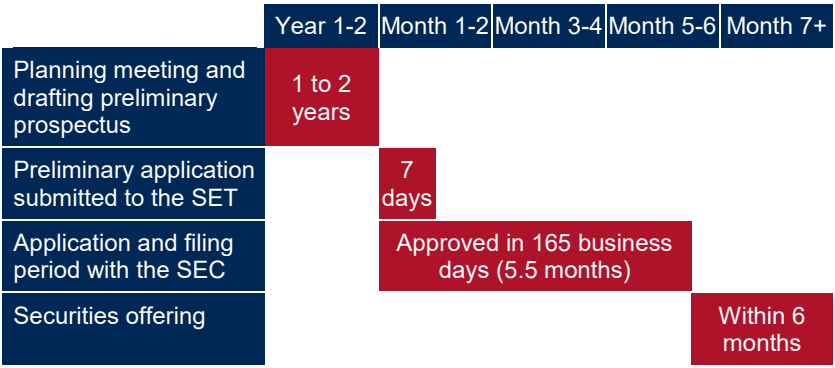
Secondary listing. In the case of secondary listing, there is an additional provision that the company must comply with, together with some additional documents, for instance:

- A shareholders' resolution for the issuance of shares must be proposed by the company, with complete, accurate, and sufficient information for shareholders to be able to consider and pass the resolution.
- A letter showing that, at the time of filing the application, approval has been granted by the home regulator and home exchange for the offer for sale of newly issued securities, whether made in the jurisdiction where the home exchange is located or in any other jurisdiction.

The offer for sale of securities may be made only after the foreign company has obtained approval from the SEC Office, once the filing of the registration statement and draft prospectus has become effective. The application approval process can last up to 165 days from the date that the Office of the SEC obtains the complete application package, while the registration statement and draft prospectus become effective 14 days after the date when the SEC Office receives the complete registration statement and draft prospectus. An application review process must not exceed 45 business days upon completion of documentation.

The foreign company must complete the offering of its shares within six months from the date on which the SEC Office gives its approval.

Typical process and timetable for listing of a foreign company on the SET



There are differences between the documentation and process requirements described above for foreign companies and those required for domestic companies. For comparison purposes, the following table summarizes the requirements for a domestic company wishing to be listed, assuming that it substantially complies with SET listing requirements:

Estimated timeframe	Domestic company activities
18 to 24 months before filing the listing application	• Study relevant rules and regulations, including the Public Limited Company Act, Thai SEC rules and regulations, and SET listing rules and regulations. • Appoint a financial adviser approved by the Thai SEC. • Discuss company information with the financial adviser to enable it to examine the company's qualifications and make appropriate adjustments as needed, in accordance with relevant requirements. • Plan for information preparation and make schedules of tasks to be completed. • Restructure the shareholding of the applicant company and the other companies in its group. • Eliminate existing or potential conflicts of interest and establish a suitable corporate governance system.

Estimated timeframe	Domestic company activities
	• Engage an auditor to prepare financial statements and other accounting reports, in line with acceptable accounting standards. • Establish an audit committee and appoint independent directors for listing on the SET.
12 months before filing the listing application	• Establish an audit committee and independent directors. • Practice the preparation of financial statements ready to disclose at least 2 quarters to make sure company is able to submit before deadline.
Six months before filing the listing application	• Prepare an initial public offering (IPO) application and relevant documents to submit Thai SEC and SET. • Pre-consult important company issues with the Thai SEC and SET. • Plan and research pricing method and distributions of securities. • Prepare a public relation plan to promote IPO stock.
One to two months before listing application filing	• Convert to a public company limited. • Establish provident fund. • Appoint share registrar (which should be Thailand Securities Depository Co. or another person approved by the SET). • Prepare timetable for FA working paper, Auditor working paper, Company visit and management interview by the Thai SEC. • Prepare the listing application and relevant documents.
Filing of listing application	• Submit IPO application and a listing application to the Thai SEC and the SET. • Prepare for a company visit and management interview by the SET (for parallel application filings, the Thai SEC and the SET will visit the company together).
Consideration and approval of the listing application (120 days + 45 days)	• The SET and the Thai SEC review the submitted documents, visit the company, interview the company's management and audit committee for the approval of the listing application. • Plan and study the price determination and shares distribution.

Estimated timeframe	Domestic company activities
	• Prepare the information to be disclosed to the public.
Trading and listing on SET (6 months + 6 months)	• Appoint share registrar (which should be Thailand Securities Depository Co. or another person approved by the SET). • Appoint underwriter. • Distribute shares to the public. • Submit share distribution report and other required documents to the SET. • Trading begins within two days after share distribution report and other required documents have been submitted to the SET.

4. Continuing obligations and periodic reporting

Post-offering filing requirements

A foreign company must report the sale of its shares, to the SEC Office, within 45 days after the closing date of offering, in the form prescribed (Form 81-1-FE).

Reports of securities holdings by any director, manager, person holding a managerial position, or auditor of the company (as well as those of his or her spouse and children) must also be filed with the SEC Office.

Periodic and non-periodic reporting

A foreign company must also file the following financial documents with the SEC Office:

- Annual financial statements (audited).
- Quarterly financial statements (reviewed).
- Annual registration statement that contains the information posted on the SEC Office's website.

As for primary listings, a foreign listed company is required to disclose information by submitting a report to the SET pursuant to the

SET regulations regarding periodic and non-periodic reports. In this regard, a foreign listed company must disclose information to the SET upon the occurrence of any of the events that affect the company's operations (or conditions in the market) that is likely to have a significant effect on the company's trading price, investors' deliberations, and shareholders' interests as prescribed by the SET regulations relating to domestic company disclosure requirement. In addition, a foreign company may submit to the SET a report regarding any change in laws or rules within three business days of the date on which a home regulatory agency announces the change.

As for secondary listings, the foreign company is also required to submit the periodic and non-periodic reports to the SET mentioned above. A foreign listed company must also disclose information to the SET upon the occurrence of any of the events or acts a foreign company with a secondary listing is required to disclose to an overseas regulatory authority or the home exchange. In addition, if the foreign company is ordered, notified, or requested to clarify any events by an overseas regulatory authority, or is required by the home exchange to provide such information, provided that such order or request is in the form of public information, it must also provide this information to the SET.

Reports must be submitted either at least one hour before each securities trading session begins on the SET, or after the securities trading hours on the SET. As for secondary listings, a foreign company must also report to the SET no later than the time when the relevant information is disclosed to the company's home exchange.

There are differences between the documentation and filing requirements described above for foreign companies and those required of domestic companies. For comparison purposes, the tables below summarize the periodic and non-periodic reports required of Thai companies.

For periodic reports:

Domestic company report	Due date		Submit to SET via SETLink		Submit to Thai SEC		Provide to shareholders	
	After end of accounting period	For calendar year companies	In Thai	In English	In Thai	In English	In Thai	In English
Annual financial statements (audited)	Two months unless Q4 report is also submitted (in which case, three months)	1 March unless Q4 report is also submitted (in which case, 31 March)	✓	✓	The reports submission to SET via SETLink is also regarded as report submission to SEC.	—	—	—
Quarterly financial statements (reviewed)	45 days	Q1: 15 May Q2: 14 Aug Q3: 14 Nov Q4: 14 Feb	✓	✓	—	—	—	—
Annual registration statement (Form 56-1)	Three months	31 March	✓	Optional	—	—	—	—
Annual report (Form 56-2)	Four months	30 April	✓	Optional	—	—	✓	Optional

For non-periodic reports:

Type of information for a domestic company	Timing of public disclosure
Information about the company's operations (or conditions in the market) that is likely to have a significant effect on the company's	Immediately (and at

Type of information for a domestic company	Timing of public disclosure
trading price, investors' deliberations, and shareholders' interests, such as: • The date of a shareholders' meeting, a record date, or the book closing date of the company share register. • An acquisition or disposition of assets, any connected transaction, and the establishment or cancellation of a joint venture. • An increase or decrease in the company's capital, a new share issue, or a share repurchase. • Declaration or non-payment of a dividend. • The acquisition or loss of a significant commercial contract.	least 14 days before a record date or book closing date).
Information that has no direct impact but should be disclosed to the public, such as: • Moving the company's head office. • Changing the company's directors or auditor.	Within three business days
Information that the SET requires for further reference, such as minutes of shareholders' meetings.	Within 14 business days

Unfair trading practices

The trading on the SET of a foreign company's shares will be subject to Thai law regarding unfair securities trading practices. These practices, as defined by the SEA, are criminal offenses that include:

- Spreading misleading or false information, news, or rumors.
- Insider trading.
- Price manipulation by (a) placing a trading order or trading securities in such a way that misleads other persons regarding the price or volume of the securities trading; or (b) placing a securities trading order or trading securities on a continued basis with an intent to cause the price or the volume of such securities trading to be inconsistent with the normal market condition.

Under the SEA, (a) spreading misleading or false information, news, or rumors; (b) insider trading; and (c) manipulating stock price by placing a trading order or trading securities in such a way that misleads other persons regarding the price or volume of the securities trading, are subject to severe penalties, including imprisonment for up to two years and/or a fine from THB500,000 to THB 2 million (approximately US$16,550 to US$66,200).

In the event that the person who spreads the misleading or false information, news or rumor is a director, manager or any person responsible for the operation of a securities issuing company, such person shall be liable to imprisonment for a term not exceeding five years or a fine ranging from THB1 million to THB5 million (approximately US$33,100 to US$165,500), or both.

In addition, any person who manipulates stock price by (a) placing a securities trading order or trading securities on a continued basis with an intent to cause the price or the volume of such securities trading to be inconsistent with normal market conditions; or (b) placing, modifying or cancelling a securities trading order through the securities trading system of the SET or the over-the-counter center, even though it is known or ought reasonably to be known that such act is likely to cause the price or volume of the securities trading to be inconsistent with normal market conditions and cause the securities trading system to delay or discontinue, shall be liable to imprisonment for a term not exceeding five years or a fine from THB1 million to THB5 million (approximately US$33,100 to US$165,500), or both.

The SEA provides for civil penalties, a fine of up to the amount of the benefits that the offender received or would have received, a ban on securities trading for a maximum period of five years, a ban on being a director or executive for a maximum period of 10 years, and a reimbursement of investigative expenses incurred by the SEC Office.

5. Corporate governance

A foreign company must comply with all corporate governance and essential shareholder protection requirements applicable to it on its home exchange, which are comparable to the laws and regulations regulating Thai companies, or it must provide a mechanism for corporate governance and essential shareholder protection being comparable to the relevant laws and regulations of Thailand.

6. Specific situations

There are no additional requirements (or changes to the normal requirements) that apply to very large multinational companies, smaller companies, or companies in particular industries.

Fast-track or expedited listing is not applicable to a foreign company wishing to list its securities on the SET.

7. Presence in the jurisdiction

A foreign company must have a contact person in Thailand to coordinate various tasks, including receiving any notice, order, warrant, or other relevant document. The company should be able to demonstrate the contact person's competence in performing the expected tasks.

As discussed above, a listed company must have a securities registrar in Thailand approved by the SET.

There is no requirement for corporate records to be kept in Thailand.

8. Fees

For a foreign company to create and maintain its secondary listing of common shares or preferred shares on the SET, the principal fees (excluding any applicable VAT) would be:

- *Application fee*. THB50,000 (approximately US$1,655).

- *Initial fees*. Initial listing fees vary based on paid-up capital, ranging from THB100,000 to THB3 million (approximately US$3,310 to US$99,300).

- *Annual fees*. Payable annually based on paid-up capital, ranging from THB50,000 to THB3 million (approximately US$1,655 to US$99,300).

9. Additional information

The language used in all documents filed with the SEC Office should be as follows:

- If the documents filed with the company's home exchange are in English, the foreign company may submit the documents in English.

- In all other cases, the foreign company must file the documents in Thai or English.

- If the documents were translated from other languages, the translator must certify that the substance of the translation is correct when compared to the original documents, and the foreign company must certify that the translated information is true and does not conceal information that should have been disclosed.

Key differences in requirements for domestic companies

The key differences in requirements between domestic and foreign companies listing on the SET relate to approval by the Thai SEC, financial statements, and corporate governance. Under the domestic requirements, there are a number of regulatory relaxations for foreign companies, which are intended to facilitate access to Thai capital markets by non-Thai companies.

Any offering of securities to public investors in Thailand, either by domestic or foreign companies, requires prior approval from the Thai SEC. The language used in the documents of foreign companies filed

with the Thai SEC can be in English, provided that all subsequent filing documents are also in English.

Unlike the financial statements of domestic companies, financial statements of foreign companies can conform to Thai Accounting Standards, IFRS, an accounting standard recognized or prescribed by the home regulator or home exchange, or any other accounting standard recognized by the Thai SEC.

The SEC Office may grant a relaxation to a foreign company in relation to its compliance with the following corporate governance requirements:

- Connected transactions.
- The report of the interests of the directors, executives, and related persons.
- The acquisition and disposition of material assets of the company.
- Proxy voting.
- The report of the acquisition and disposition of securities of the business or company.
- Takeover.
- Frustration actions.

10. Contacts within Baker McKenzie

Kitipong Urapeepatanapong and Theppachol Kosol in the Bangkok office are the most appropriate contacts within Baker McKenzie for inquiries about prospective listings on the SET.

Kitipong Urapeepatanapong
Bangkok
kitipong.urapeepatanapong
@bakermckenzie.com
+66 2636 2000 p 3777

Theppachol Kosol
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theppachol.kosol
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+66 2636 2000 p 3043

Taiwan Stock Exchange

Primary listing requirements

Size. A foreign enterprise applying for a primary listing should meet one of the following requirements in respect of its company size:

- Its paid-in capital or shareholders' equity must be at least NT$600 million (approx. US$20.10 million), or for a technology enterprise, at least NT$300 million (approx. US$10.05 million).
- Its market capitalization must be at least NT$1.6 billion (approx. US$53.60 million), or for a technology enterprise, at least NT$800 million (approx. US$26.80 million).

If the applicant is a domestic company which is not a state-owned enterprise in Taiwan, its paid-in capital must be at least NT$600 million (approx. US$20.10 million) and the number of common shares to be publicly offered and issued common stock must be at least 30 million shares.

For companies that have not yet been profitable, alternative listing standards are available - either:

- Where the company has a market capitalization of NT$5 billion (approx. US$167.50 million) or more:
  - Operating income in the most recent fiscal year must exceed NT$5 billion (approx. US$167.50 million), such amount also to be an improvement on the previous fiscal year;
  - It must have positive cash flow from business activities in the most recent fiscal year, and
  - Net worth as shown on the financial reports for the most recent quarter and the most recent fiscal year must be at least two-thirds of the capital stock identified in the financial report, or
- Where the company has a market capitalization of NT$6 billion (approx. US$201.00 million) or more:
  - Operating income in the most recent fiscal year must exceed NT$3 billion (approx. US$100.50 million), such amount also to be an improvement on the previous fiscal year, and
  - Net worth as shown on the financial reports for the most recent quarter and the most recent fiscal year must be at least two-thirds of the capital stock identified in the financial report.

Profitability. For a foreign enterprise other than a technology enterprise, the net income before tax for the most recent three fiscal years must be NT$250 million (approx. US$8.38 million) or higher, and net income before tax for the most recent fiscal year must be NT$120 million (approx. US$4.02 million) or higher, with no accumulated deficits.

For a technology enterprise, at the time of the listing application, the net value of the enterprise must be at least two thirds of the capital, and the working capital must be sufficient to operate the business for 12 months according to the audited financial statements of the most recent year.

For a domestic issuer, net income before tax in its financial statements must meet one of the following criteria:

- At least 6% of the share capital stated on the financial statements for the annual final accounts for the most recent two fiscal years.
- At least 6% of the amount of paid-in capital in its final accounts for the most recent two fiscal years must equal and profitability for the most recent fiscal year must be greater than that for the immediately preceding fiscal year.
- At least 3% of the share capital stated on the financial statements for the annual final accounts for the most recent five years.

In addition, the issuer may not have any accumulated deficit for the most recent fiscal year.

Primary listing documentation

The applicant company will need to prepare a prospectus to be sent to investors. The application must be sent to the TWSE and the Central Bank (Taiwan). The prospectus must include the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the issuer of the shares and of any guarantor and of the rights attaching to the shares.

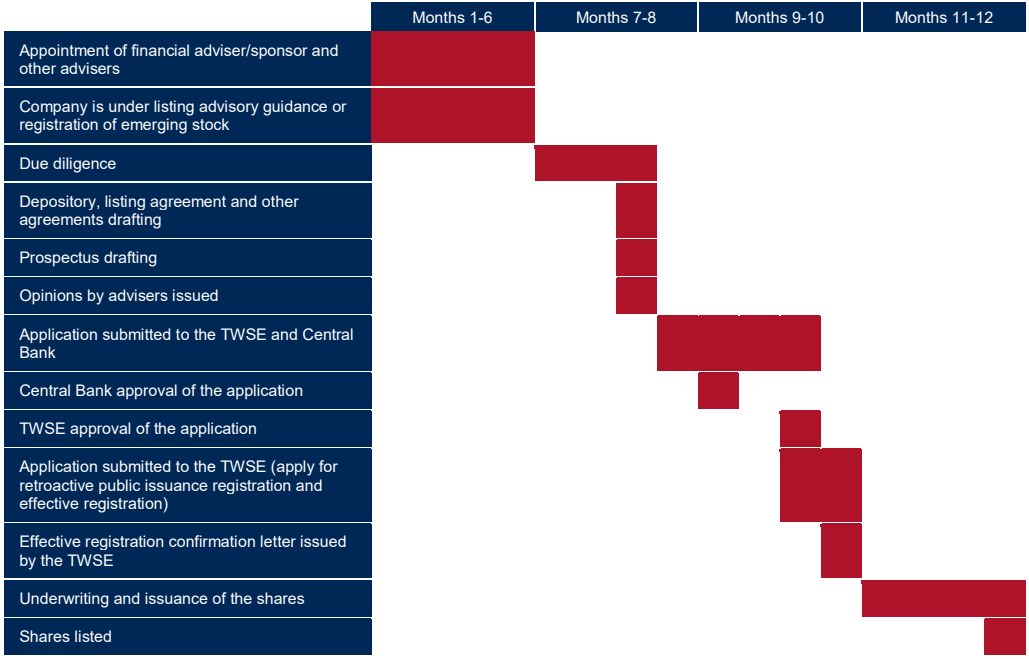
In particular, the prospectus for a primary listing must include disclosure relating to topics such as:

- Company summary, including a brief description of the company, its risks, company organization, capital and shares, status of issue of corporate bonds, preferred shares, overseas depositary receipts, employee stock warrants, mergers and acquisitions and assignments of shares of other companies.
- Operational summary, including the operation of the company, fixed assets and other real properties, other companies in which it has invested, important contracts and any other items required to be described or supplemented.
- Issuance plan and implementation status, including an analysis of the fund application plan for the previous cash capital increase (or merger or acquisition, assignment of another company's shares, or issue of corporate bonds), an analysis of the fund application plan for the current cash capital increase or issue of corporate bonds and the status of the current issue of new shares in connection with assignment of another company's shares, or current issue of new shares in connection with a merger or acquisition.
- Financial summary.
- Special items to be included, including the status of corporate governance practices and other special items to be included.
- Important resolutions.

Taiwan Stock Exchange: Quick Summary

Primary listing process

For a primary listing application, it takes approximately one year to complete the process, because the foreign company must be under listing advisory guidance by the lead underwriter, or have its stock traded over the counter, for not less than six months before making the application.



Corporate governance and reporting

Any company applying for a primary listing must have at least five board members and at least two independent directors, at least one of whom must be domiciled in Taiwan. The number of independent directors must not be less than one-fifth of the total number of directors. If the laws of the country of incorporation provide that a certain court (other than the courts in Taiwan) has exclusive jurisdiction, at least two directors must be domiciled in Taiwan.

The issuer must have an audit committee. The audit committee must include all of the independent directors and must have at least three persons, one of whom will serve as the convener of the audit committee. The issuer must also establish a compensation committee, which should consist of three members appointed by the board of directors.

The issuer must submit a self-assessment report on its corporate governance. The report is to be assessed by the underwriter, which will provide an opinion on the report.

Fees

The TWSE charges a fee of NT$500,000 (approximately US$16,750) for reviewing the listing application. It also charges annual fees through a formula based on the total par value of the securities, which range from NT$100,000 to NT$450,000 (approximately US$3,350 to US$15,075).

Secondary listing requirements

Size. An enterprise applying for a secondary listing should meet all of the following requirements in respect of its company size:

- Shareholders' equity must be at least NT$600 million (approximately US$20.10 million), or for a technology enterprise, at least NT$300 million (approx. US$10.05 million).
- At least 20 million shares/units must be listed, or the market capitalization must be at least NT$300 million (approximately US$10.05 million). However, the listed shares/ units should not exceed 50% of the issued shares of the foreign issuer.

Profitability. With regard to the profitability of an enterprise other than a technology enterprise, the enterprise must have no accumulated deficits and meet at least one of the following requirements:

- The ratio of revenue before tax to shareholder's equity for the most recent fiscal years must be at least 6%.
- Either the ratio of revenue before tax to shareholder's equity for each of the past two fiscal years must be at least 3%, or the average must be at least 3%, and the profitability in the most recent fiscal year must be better than in the preceding year.
- The income before tax for each of the most recent two years must be at least NT$250 million (approximately US$8.38 million).

A technology enterprise, at the time of the listing application must meet at least one of the following requirements:

- Shareholders' equity must be at least two thirds of the capital plus the paid-in capital.
- The working capital must be sufficient to operate the business for 12 months.
- Half of the working capital must be used for main business activities according to the audited financial statements of the most recent year.

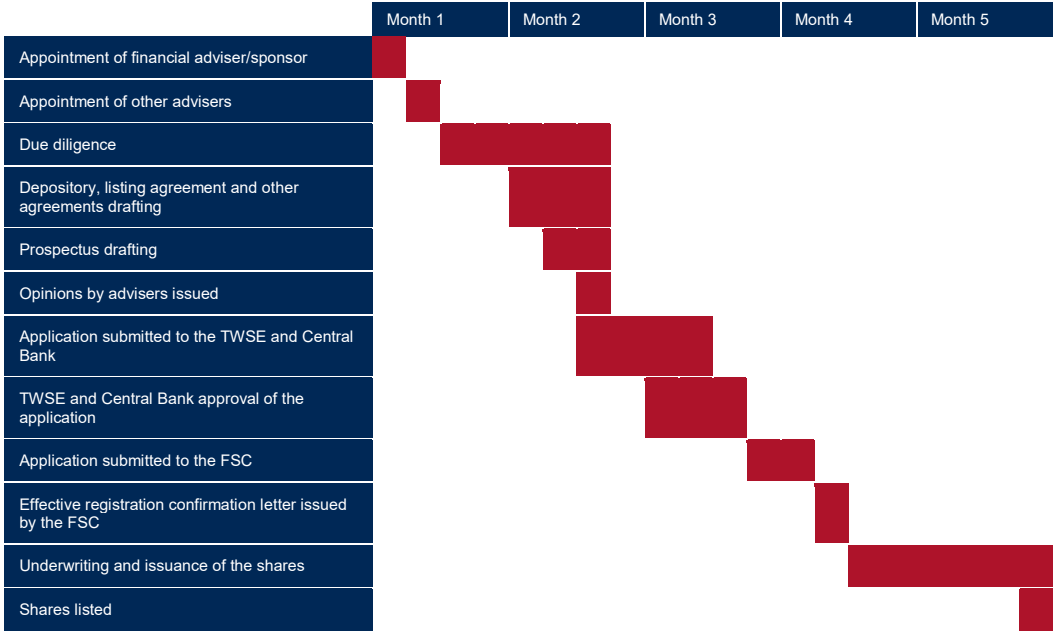
Secondary listing documentation

The applicant company will need to prepare a prospectus to be sent to investors. The application must be sent to the TWSE, the Central Bank (Taiwan) and the Financial Supervisory Commission (FSC). The prospectus for a secondary listing must include disclosure relating to topics such as:

- Company summary, including a brief description of the company, its risks, company organization, capital and shares, status of issue of corporate bonds and information relating to the directors, supervisors, managers and main shareholders.
- Operational summary, including the scope of operation of the company, the competition strategies, business goals, strategies and plans, important contracts and any other items required to be described or supplemented.
- Issuance plan and capital application plan, including the method of setting the issuance price and analysis of the fund application plan.
- Financial summary.
- The implementation of corporate governance practices.
- An evaluation report by the underwriter, which includes advisory opinion(s) provided by the industry expert(s) the underwriter engages.
- A copy of a legal opinion by a lawyer.
- The institution that acts as stock agent.
- Major terms and conditions of the custody contract (or other custodian documents) and the deposit contract.
- Any matters requiring attention in connection with restrictions on securities transactions by foreign nationals, tax burdens and tax payment procedures, relating to the foreign company's home country and the country in which its shares are listed.
- The highest, lowest and average market prices for the most recent six months of the underlying securities on the TWSE (or, if the securities have been listed for less than six months, the highest, lowest and average market prices for the shorter period).
- Methods for the shareholders to exercise their rights.
- A credit evaluation report.
- Other important matters agreed upon by the parties, or requested or required to be specified by the FSC.

Secondary listing process

For a secondary listing application, it generally takes approximately four to five months to complete the process.



Corporate governance and reporting

Unlike primary listed companies, there is no similar corporate governance requirement that applies to a secondary listed company.

The secondary listed company must retain a compliance adviser, who is responsible for disclosing the financial and business information of the secondary listed company on the website of the adviser on a quarterly basis after listing.

Fees

The TWSE charges a fee of NT$300,000 (approximately US$10,050) for reviewing the listing application. It also charges annual fees through a formula based on the total numbers/units of the securities, which range from NT$50,000 to NT$450,000 (approximately US$1,675 to US$15,075).

1. Overview of exchange

The Taiwan Stock Exchange (commonly referred to as the TWSE) has only one market, and the TWSE does not make any specific distinction between primary and secondary listings.

As of 1 January 2020, the aggregate market capitalization of listed securities was NT$36.7 trillion (approximately US$1,229.45 billion). This represents an increase of 25.2% since December 2018, when the aggregate market capitalization was NT$29.32 trillion (approximately US$982.22 billion). The market is designed for listed companies from Taiwan and abroad.

Companies of various sizes in all industry sectors have been listed on TWSE. The TWSE does not specialize in, or encourage listings by, particular types of companies. As of 1 January 2020, 942 companies were listed on the TWSE. Of these, 853 were domestic and 89 were foreign companies.

The Securities and Futures Bureau, Financial Supervisory Commission (FSC), in its capacity as the Taiwan Listing Authority, is the regulatory authority for a listing on the TWSE.

A foreign issuer may apply for a primary listing if its stocks are not listed on any foreign securities exchange or securities market.

A foreign issuer may apply for a secondary listing if its stocks are already listed on the main board of a foreign securities exchange or securities market. For a secondary listing application, a foreign issuer may apply for listing of its shares, Taiwan depositary receipts (TDRs) or bonds. As of 1 January 2020, of the 14 foreign companies that had applied for secondary listing, all of them were TDR cases.

2. Principal listing and maintenance requirements and procedures

Save for companies that were incorporated in China, there is no other jurisdiction of incorporation or industries that would not be acceptable for a listing on the TWSE.

There is a difference between primary listing and secondary listing with respect to the financial requirements for a foreign enterprise to be qualified to list its securities on the TWSE. Further, different financial requirements are imposed on domestic and foreign companies.

Primary listing

Size. An enterprise (other than a technology enterprise) applying for a primary listing should meet one of the following requirements in respect of its company size:

- Its paid-in capital or shareholders' equity must be at least NT$600 million (approximately US$20.10 million).
- Its market capitalization must be at least NT$1.6 billion (approximately US$53.60 million).

If the applicant is a domestic company which is not a state-owned enterprise in Taiwan, its paid-in capital must be at least NT$600 million (approximately US$20.10 million) and the number of common shares to be publicly offered and issued common stock must be at least 30 million shares.

A technology enterprise applying for a primary listing should meet one of the following requirements:

- Its paid-in capital or shareholders' equity must be at least NT$300 million (approximately US$10.05 million).
- Its market capitalization must be at least NT$800 million (approximately US$26.80 million).

Since March 2019, the TWSE have made alternative listing standards available for companies that have not yet been profitable, specifically:

- Where the company has a market capitalization of NT$5 billion (approx. US$167.50 million) or more:
    - Operating income in the most recent fiscal year must exceed NT$5 billion (approx. US$167.50 million), such amount also to be an improvement on the previous fiscal year;
    - It must have positive cash flow from business activities in the most recent fiscal year, and
    - Net worth as shown on the financial reports for the most recent quarter and the most recent fiscal year must be at least two-thirds of the capital stock identified in the financial report, or
- Where the company has a market capitalization of NT$6 billion (approx. US$201.00 million) or more:
    - Operating income in the most recent fiscal year must exceed NT$3 billion (approx. US$100.50 million), such amount also to be an improvement on the previous fiscal year, and
    - Net worth as shown on the financial reports for the most recent quarter and the most recent fiscal year must be at least two-thirds of the capital stock identified in the financial report.

Profitability. For an enterprise other than a technology enterprise, the net income before tax for the most recent three fiscal years must be NT$250 million (approximately US$8.38 million) or higher, and net income before tax for the most recent fiscal year must be NT$120 million (approximately US$4.02 million) or higher, with no accumulated deficits.

For a technology enterprise, at the time of the listing application, the net value of the enterprise must be at least two thirds of the capital, and the working capital must be sufficient to operate the business for 12 months according to the audited financial statements of the most recent year.

For a domestic issuer, net income before tax in its financial statements must meet one of the following criteria:

- The net income before tax for the most recent two fiscal years must equal at least 6% of the share capital stated on the financial statements for the annual final accounts.
- The net income before tax for the most recent two fiscal years must equal at least 6% of the amount of paid-in capital in its final accounts and the profitability for the most recent fiscal year must be greater than that for the immediately preceding fiscal year.
- The net income before tax for the most recent five years must equal at least 3% of the share capital stated on the financial statements for the annual final accounts.

In addition, the issuer may not have any accumulated deficit for the most recent fiscal year.

If the issuer (foreign and domestic alike) is in the food industry or at least 50% of its annual revenue for the more recent fiscal years was from food/beverage business, the following additional requirements must be satisfied:

- It has a laboratory and conduct internal testing and inspection.
- If it retains an external laboratory/organization to test and inspect the ingredients, semi-product or products, that laboratory/organization must be recognized by a local competent authority, international testing/inspection organization or organization accredited by local competent authority.

- A fairness opinion issued by an independent expert on the matters including the issuer's food safety monitoring plan, inspection period and inspection items.

For a domestic issuer which is not a state-owned enterprise in Taiwan, before filing the application, it must have obtained an effective public issuance registration from the FSC and then registered for trading as an emerging stock on the Taipei Exchange (over-the counter market) for not less than six months.

Secondary listing

Size. An enterprise (other than a technology enterprise) applying for a secondary listing should meet all of the following requirements in respect of its company size:

- Shareholders' equity must be at least NT$600 million (approximately US$20.10 million).
- At least 20 million shares/units must be listed, or the market capitalization must be at least NT$300 million (approximately US$10.05 million). However, the listed shares or units should not exceed 50% of the issued shares of the foreign issuer.

A technology enterprise applying for a secondary listing should meet all of the following requirements:

- Shareholders' equity must be at least NT$300 million (approximately US10.05 million).
- At least 20 million shares/units must be listed, or the market capitalization must be at least NT$300 million (approximately US$10.05 million). However, the listed shares or units should not exceed 50% of the issued shares of the foreign issuer.

Profitability. With regard to the profitability of an enterprise other than a technology enterprise, the enterprise must have no accumulated deficits and meet at least one of the following requirements:

- The ratio of revenue before tax to shareholder's equity for the most recent fiscal years must be at least 6%.
- Either the ratio of revenue before tax to shareholder's equity for each of the past two fiscal years must be at least 3%, or the average must be at least 3%, and the profitability in the most recent fiscal year must be better than in the preceding year.
- The income before tax for each of the most recent two years must be at least NT$250 million (approximately US$8.38 million).

For a technology enterprise, at the time of the listing application:

- Shareholders' equity must be at least two thirds of the capital plus the paid-in capital.
- The working capital must be sufficient to operate the business for 12 months.
- Half of the working capital must be used for main business activities according to the audited financial statements of the most recent year.

Continued listing standards and other requirements

There are no specified ongoing financial maintenance requirements for a foreign company to comply with after the initial listing. However, if the net value of a primary listed company is less than one-half of the capital of the company according to the financial statements, the TWSE may request the company to change the trading method of its securities. Further, the TWSE may delist a primary listed company if the company's net value is less than zero according to the latest consolidated financial statements, or if more than 70% of

its total issued shares or market capitalization is held by another listed company.

In order to apply for a primary listing, a foreign enterprise other than technology enterprise must demonstrate at least three years' business records, and a foreign technology enterprise must demonstrate business records for one or more fiscal years. For enterprises applying for a secondary listing, there is no such limitation.

For a domestic company which is not a state-owned enterprise in Taiwan, it shall have incorporated under the Company Law of Taiwan for more than three years.

There are also corporate governance requirements for companies applying for a primary listing. Please refer to section 5 below for further information.

Any company applying for a primary or a secondary listing must appoint a sponsor that has been approved by the FSC. The sponsor provides financial advice and is responsible for liaising with the FSC on behalf of the company. A foreign company that applies for primary listing must engage its sponsor to advise on compliance with the securities laws and regulations of Taiwan, the rules and announcements of the TWSE and the listing contract for the year of listing and the following two years.

There is no provision that requires an applicant company to conduct interviews with the TWSE as part of the listing process.

For a foreign company applying for a primary listing, its directors, supervisors and shareholders holding at least 10% of the issued shares must submit their shares for central custody.

For a foreign company or domestic company applying for listing as a technology-based enterprise, the following persons shall submit their shares for central custody:

- Its directors, supervisors, president and chief R&D officer.

- Shareholders holding at least 5% of the issued shares.
- Any of its shareholders who holds a position at the company and owns either:
    - At least 0.5% of the issued shares of the company by contributing patent right or know-how as consideration for its equity capital as of the time of filing of the listing application.
    - At least 100,000 issued shares of the company by contributing patent right or know-how as consideration for its equity capital as of the time of filing of the listing application.

For a primary listing application, at the time of listing, the number of holders of registered shares of an enterprise (other than technology) must be at least 1,000. Also, there must be at least 500 shareholders (other than insiders of the company and judicial entities whose shares are held by those insiders with more than 50% shareholding), and the total number of shares they hold must be at least 20% of the total outstanding shares, or at least 10 million.

The number of holders of registered shares of a technology enterprise must be at least 500. Also, shareholders (other than insiders of the company and judicial entities whose shares are held by those insiders with more than 50% shareholding) must hold at least 20% of the total outstanding shares, or at least 5 million. Further, before the primary listing, the applicant company must appoint an underwriter to conduct the public offering of at least 10% of the shares to be listed, and must increase its capital by issuing new shares. However, if the number of shares subject to the underwriting for public offering is more than 20 million, the issuer may conduct a public offering for not less than 20 million shares.

The above public float requirements apply to both foreign and domestic issuers.

For a secondary listing application, at the time of listing, the number of holders of registered shares of all enterprises must be at least 1,000.

Also, shareholders (other than insiders of the company and judicial entities whose shares are held by those insiders with more than 50% shareholding) must hold at least 20% of the total issued units, or at least 10 million units.

After the listing, there is no minimum public float and no minimum number of security holders. However, if more than 70% of the issued and outstanding shares in an foreign and domestic issuer are held by another listed company, TWSE may delist that issuer.

The currency denomination of shares in a foreign issuer may be in New Taiwan Dollars or any other currency. All listed shares must be settled with Taiwan Depository and Clearing Corporation.

In order to maintain its listing, a foreign company must retain its lead underwriter as the compliance adviser.

A foreign company also must comply with the Law Governing Relations between Peoples of the Taiwan Area and the Mainland Area when applying for a primary and secondary listing. Further, a foreign company applying for a primary listing should receive counsel from an adviser for not less than six months, or register for trading as an emerging stock on the Taipei Exchange for not less than six months, before filing the application.

The requirements described in this section 2 are not significantly different from what would be expected of a domestic company except for the requirement to retain the lead underwriter as an issuer's compliance adviser.

3. Listing documentation and process

The applicant company will need to prepare a prospectus to be sent to investors. The application must be sent to the TWSE, the Central Bank (Taiwan) and the FSC. Submission of an application to the TWSE and the Central Bank (Taiwan) can be made simultaneously. The TWSE will review the application together with the issuance plan, evaluation report, draft prospectus, listing agreement, depository

agreement, checklist for the application and legal opinion. The TWSE will then provide detailed comments and raise points for clarification by the company's advisers before issuing a listing approval letter. An applicant company that has obtained a letter of approval from the TWSE and the Central Bank (Taiwan) will file an effective registration with the FSC.

The prospectus must include the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the issuer of the shares and of any guarantor and of the rights attaching to the shares. In particular, the prospectus for a primary listing must include disclosure relating to topics such as:

- Company summary, including a brief description of the company, its risks, company organization, capital and shares, status of issue of corporate bonds, preferred shares, overseas depositary receipts, employee stock warrants, mergers and acquisitions and assignments of shares of other companies.

- Operational summary, including the operation of the company, fixed assets and other real properties, other companies in which it has invested, important contracts and any other items required to be described or supplemented.

- Issuance plan and implementation status, including an analysis of the fund application plan for the previous cash capital increase (or merger or acquisition, assignment of another company's shares, or issue of corporate bonds), an analysis of the fund application plan for the current cash capital increase or issue of corporate bonds and the status of the current issue of new shares in connection with assignment of another company's shares, or current issue of new shares in connection with a merger or acquisition.

- Financial summary.

- Special items to be included, including the status of corporate governance practices and other special items to be included.
- Important resolutions.

The prospectus for a secondary listing must include disclosure relating to topics such as:

- Company summary, including a brief description of the company, its risks, company organization, capital and shares, status of issue of corporate bonds and information relating to the directors, supervisors, managers and main shareholders.
- Operational summary, including the scope of operation of the company, the competition strategies, business goals, strategies and plans, important contracts and any other items required to be described or supplemented.
- Issuance plan and capital application plan, including the method of setting the issuance price and analysis of the fund application plan.
- Financial summary.
- The implementation of corporate governance practices.
- An evaluation report by the underwriter, which includes advisory opinion(s) provided by the industry expert(s) the underwriter engages.
- A copy of a legal opinion by a lawyer.
- The institution that acts as stock agent.
- Major terms and conditions of the custody contract (or other custodian documents) and the deposit contract.
- Any matters requiring attention in connection with restrictions on securities transactions by foreign nationals, tax burdens and tax

payment procedures, relating to the foreign company's home country and the country in which its shares are listed.

- The highest, lowest and average market prices for the most recent six months of the underlying securities on the TWSE. However, if the period of listing of the underlying securities has been less than six months, the highest, lowest and average market prices for the shorter period.
- Methods for the shareholders to exercise their rights.
- A credit evaluation report.
- Other important matters agreed upon by the parties, or requested or required to be specified by the FSC.

For a primary listing application, the prospectus should include audited historical financial information for the latest two fiscal years, together with the audit report for each year. For a secondary listing application, the prospectus should include audited historical financial information for the latest five fiscal years, together with the audit report for each year.

There is no significant difference when it comes to the required contents in the prospectus for a foreign issuer and domestic issuer.

For a primary listing, it takes 12 business days to obtain a letter of approval from the Central Bank (Taiwan) and at least eight weeks from the TWSE. After receipt of the approval, the applicant may apply for retroactive public issuance registration with the TWSE, which is authorized by the FSC to review and approve the application on behalf of the FSC, and will obtain the approval after 12 business days. After that, the applicant may fill in and submit a report form of capital increase in cash to the TWSE, and, after seven business days, the TWSE will issue an effective confirmation letter to the applicant.

For a secondary listing, it takes 12 business days to obtain a letter of approval from the Central Bank (Taiwan) and 10 business days from

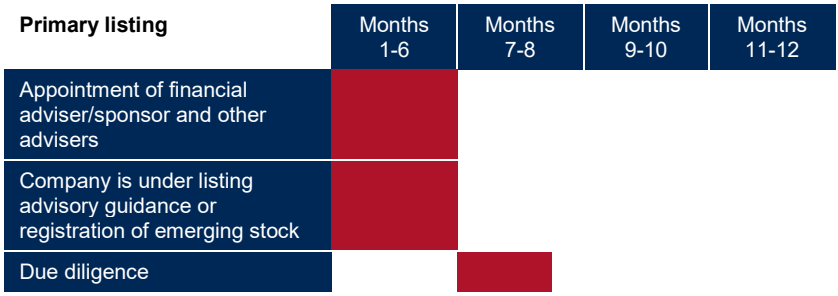
the TWSE. After receipt of the approval, the applicant may file the application with the FSC, and the FSC will issue an effective registration confirmation letter to the applicant seven to 12 business days after the filing of the application. In addition, it will take another 11 business days at the earliest to conduct and complete public issuance, submit the list of distribution of shareholding and apply for the listing.

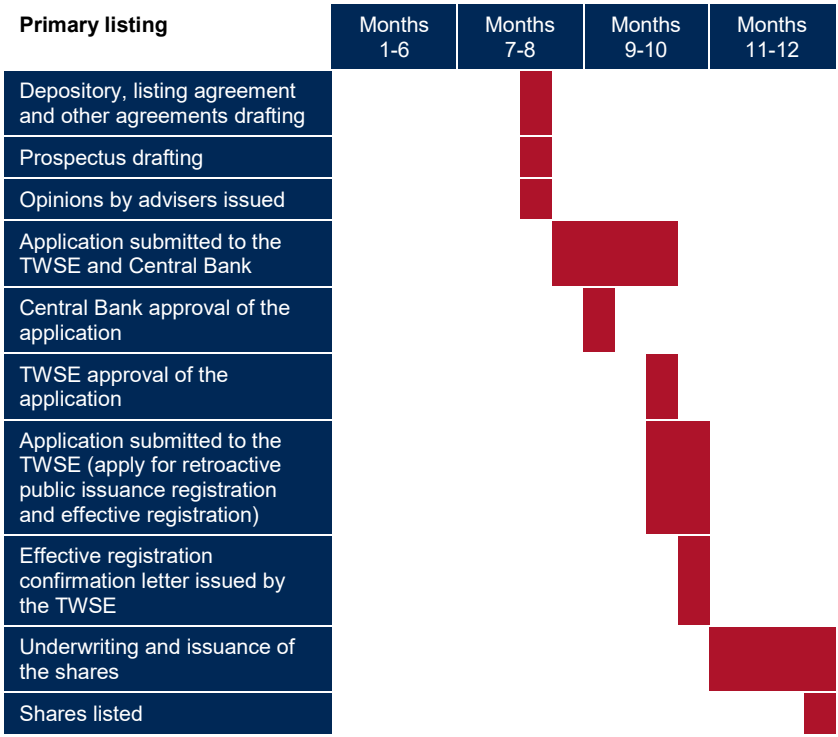
For a listing of a domestic issuer, no approval from the Central Bank (Taiwan) is required. It takes at least eight weeks to obtain approval of listing from the TWSE. After receipt of the approval, the applicant may fill in and submit a report form of a capital increase in cash to the FSC, and, after seven business days, if the FSC has submitted no request for additional information, the FSC will issue an effective confirmation letter to the applicant.

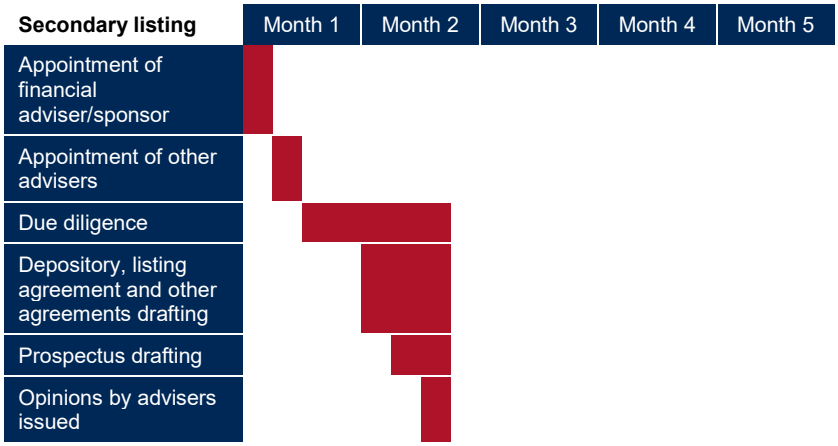
Typical process and timetable for a listing of a foreign company on the TWSE

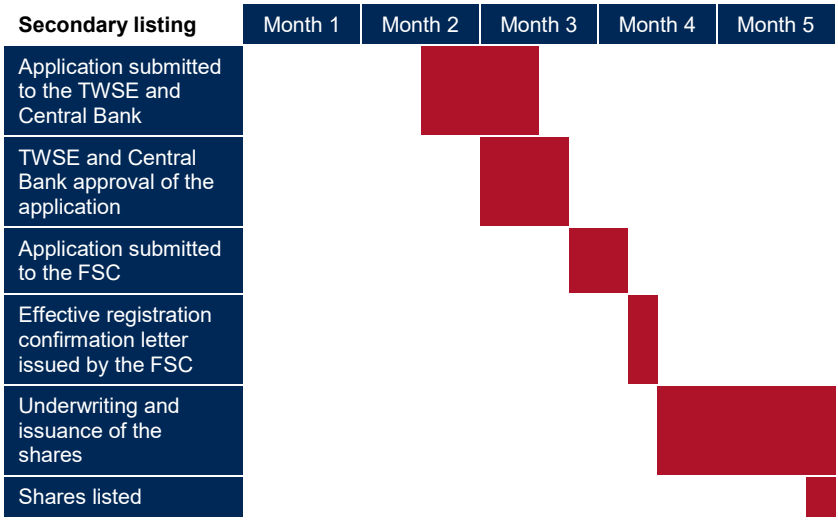
For a primary listing application, it takes approximately one year, subject to the authorities' review process, to complete the process because the foreign company has to be under listing advisory guidance by the lead underwriter, or have its stocks traded over the counter, for not less than six months before making the application.

For a secondary listing application, it generally takes approximately four to five months to complete the process.




Primary listing
Months 1-6
Months 7-8
Months 9-10
Months 11-12
Depository, listing agreement and other agreements drafting
Prospectus drafting
Opinions by advisers issued
Application submitted to the TWSE and Central Bank
Central Bank approval of the application
TWSE approval of the application
Application submitted to the TWSE (apply for retroactive public issuance registration and effective registration)
Effective registration confirmation letter issued by the TWSE
Underwriting and issuance of the shares
Shares listed


Secondary listing
Month 1
Month 2
Month 3
Month 4
Month 5
Appointment of financial adviser/sponsor
Appointment of other advisers
Due diligence
Depository, listing agreement and other agreements drafting
Prospectus drafting
Opinions by advisers issued



The documentation and process requirements described in this section are different from what would be expected of a domestic company in that a domestic issuer must have been registered as an emerging stock only in months 1-6. In addition, a domestic issuer does not need approval by the Central Bank (Taiwan).

4. Continuing obligations/periodic reporting

Continuous disclosure

Once listed, a company will be subject to a continuous disclosure requirement in relation to its routine business. The company will also be required to publicly disclose any material information that has a direct impact on the company. This information must be input into a designated website before the next trading day begins. If a press release is released previously, it must be input into the website at the time of its issuance. A listed company is required to establish its own website and shall disclose information regarding its “stakeholders” on the website.

Where foreign laws or regulations impose time constraints on the disclosure of material information relating to a foreign enterprise, the company may accommodate these time constraints and make the required disclosure at that time.

To ensure the accuracy of and general access to the information, a listed company cannot disclose any information to the public before announcing any material information.

The announcement of material information must describe in detail the facts of the event, the cause, the estimated impact on the company's finance and business, the monetary amount of the impact and any countermeasures.

Under certain circumstances, the spokesperson of a foreign company must hold a press conference (either by video conference or personal attendance at the TWSE) to explain a particular occurrence or event to the press. This would be required to be held on the business day following the day the company learns of the occurrence or media reporting of the event.

There is no significant difference when it comes to the continuous disclosure requirements that apply to a foreign issuer and a domestic issuer.

Financial statements

A primary listed company must use a designated website to provide the TWSE with certain financial information. This includes the consolidated balance sheet, income statement, cash flow statement, statement of changes in shareholders' equity, CPA audit or review report, name of the CPA and matters disclosed in the notes of the financial statements (related party transactions, loans of funds, endorsements and guarantees, and acquisition or disposal of assets).

Since fiscal year 2012, annual data must be provided within three months from the closing of each fiscal year. The deadline for data for each quarter is forty-five days from the end of the quarter.

A secondary listed company must provide the TWSE with annual and semi-annual consolidated financial statements, condensed balance sheets and condensed income statements. The compliance adviser must disclose the financial and business information of the secondary listed company on the website of the adviser on a quarterly basis.

The above information must be publicly announced at the same time as is required by the laws and regulations of the home country or country of listing of the foreign issuer, but the annual data must be reported no later than six months after the closing of each fiscal year. Also, if the laws or regulations of the home country or country of listing of the foreign issuer require preparation of first and third quarter financial statements, these must also be publicly announced at the same time.

These financial statements must be audited.

In practice, foreign issuers of primary listings and domestic issuers follow the same standards in preparing the financial statements, which are Taiwan GAAP, now consistent with the International Financial Reporting Standards.

Insider dealing

The Securities and Exchange Act (SEA) provides that it is a criminal offence for an individual who has "inside information," and has that information "as an insider," to deal with securities on the TWSE or another regulated market, or through a professional intermediary.

Article 157-1 of the SEA prohibits certain persons from purchasing or selling, in the person's own name or in the name of another, shares of a company that are listed on an exchange or an over-the-counter market, or any other equity-type security of the company. This prohibition applies:

- Upon actually knowing any information that will have a material impact on the price of the securities of the issuing company.

- After the information becomes precise and final.
- Before the public disclosure of the information or within 18 hours after its public disclosure.

The types of persons to whom the prohibition applies are:

- A director, supervisor and/or managerial officer of the company.
- A natural person designated to exercise the powers of a representative pursuant to paragraph 1, Article 27 of the Company Act.
- Shareholders holding more than 10% of the company's shares.
- Any person who has learned the information by reason of an occupational or controlling relationship.
- A person who, though no longer among those listed in one of the preceding bullets, has only lost that status within the preceding six months.
- Any person who has learned the information from any person described in any of the preceding bullets.

Anyone who violates the insider dealing prohibition can be held liable to trading counterparts who on the day of the violation undertook the opposite-side trade with *bona fide* intent. Damages would be equal to the difference between the purchase or sale price and the average closing price for 10 business days after the date of public disclosure. The court may assess three times these damages, if the violation is severe, and may reduce the damages if the violation is minor.

Under Article 171 of the SEA, the penalty for an offense is imprisonment for three to ten years. In addition, a fine of NT$10 million to NT$200 million (approximately US$335,000 to US$6.70 million) may be imposed. However, if the amount gained by the commission of an offense is NT$100 million (approximately US$3.35

million) or more, a sentence of imprisonment for at least seven years will be imposed, and a fine of NT$25 million to NT$500 million (approximately US$837,500 to US$16.75 million) may be imposed.

Foreign issuers and domestic issuers must follow the same insider dealing law.

Market manipulation

The SEA provides that market manipulation is a criminal offence. Pursuant to Article 155 of the SEA, the following actions with regard to securities publicly listed on a stock exchange are prohibited:

- To order or report a trade on a centralized securities exchange market and fail to perform settlement after the transaction is made, where the act is sufficient to affect the market order.
- To conspire with other parties in a scheme such that the first party buys or sells designated securities at an agreed price, while the second party buys or sells from the first party in the same transaction, with an intention to inflate or deflate the trading prices of securities that are traded on the centralized securities exchange market.
- To continuously buy at high prices or sell at low prices designated securities for one's own account or under the names of other parties, with an intention to inflate or deflate the trading prices on securities that are traded on the centralized securities exchange market.
- To continuously order or report a series of trades under one's own account or under the names of other parties, and complete the corresponding transactions with an intention of creating an impression on the centralized securities exchange market of brisk trading in a particular security.

- To spread rumors or information, with an intention to influence the trading prices of designated securities that are traded on the centralized securities exchange market.
- To perform directly or indirectly any other manipulative acts to influence the trading prices of securities that are traded on the centralized securities exchange market.

Persons who violate this "market manipulation clause" will be held liable to compensate the damages suffered by the *bona fide* purchasers or sellers of the securities.

The criminal penalties for market manipulation are imposed under Article 171 of the SEA, and are the same as described above for insider dealing.

Certain of the requirements in this section 4 are different from what would be expected of a domestic company.

Foreign issuers and domestic issuers must follow the same market manipulation law.

5. Corporate governance

Primary listing requirements. Any company applying for a primary listing must have at least five board members and at least two independent directors, at least one of whom must be domiciled in Taiwan. The number of independent directors must not be less than one-fifth of the total number of directors. If the laws of the country of incorporation provide that a certain court (other than the courts in Taiwan) has exclusive jurisdiction, at least two directors must be domiciled in Taiwan.

The issuer must have an audit committee. The audit committee must include all of the independent directors and must have at least three persons, one of whom will serve as the convener of the audit committee. The issuer must also establish a compensation committee,

which should consist of three members appointed by the board of directors.

The issuer must submit a self-assessment report on its corporate governance. The report is to be assessed by the underwriter, which will provide an opinion on the report.

Secondary listing requirements. No similar provision applies to a secondary listed company.

Ongoing requirements. After listing, there are no additional similar corporate governance requirements for foreign issuers.

6. Specific situations

There are no additional requirements (or changes in the normal requirements) that apply to very large multinational companies or smaller companies. For a technology enterprise recognized by the Taiwan authorities applying for listing, the requirements, which have been specified above, are different from those for a general enterprise.

There is no provision for "fast track" or expedited listing.

7. Presence in the jurisdiction

A foreign issuer must:

- Designate a manager who is a Taiwan resident to act as an emergency contact person with the TWSE and serve as the main contact point with TWSE.
- Designate a litigious and non-litigious agent in Taiwan to assist the company in complying with the securities laws and regulations, public announcements, regulations of the TWSE and listing contract.
- Have at least one director who is domiciled in Taiwan, as described above.

8. Fees

Different fees apply to primary listings and secondary listings.

Primary listing

The TWSE charges a fee of NT$500,000 (approximately US$16,750) for reviewing the listing application. It also charges annual fees through a formula based on the total par value of the securities, which range from NT$100,000 to NT$450,000 (approximately US$3,350 to US$15,075). Such fee standards also apply to domestic issuers.

Secondary listing

The TWSE charges a fee of NT$300,000 (approximately US$10,050) for reviewing the listing application. It also charges annual fees through a formula based on the total numbers/units of the securities, which range from NT$50,000 to NT$450,000 (approximately US$1,675 to US$15,075).

9. Additional information

All information and materials submitted to the FSC, the Central Bank (Taiwan) and the TWSE in Taiwan must be written in the Chinese language. Further, all information disclosed on a designated website must be stated in the Chinese language, although it may be accompanied by an English version.

10. Contacts within Baker McKenzie

Wen-Yen Kang in the Taipei office is the most appropriate contact within Baker McKenzie for inquiries about prospective listings on the TWSE.

Wen-Yen Kang
Taipei
wen-yen.kang
@bakermckenzie.com
+886 2 2715 7207

Tokyo Stock Exchange

Financial tests for initial listing

The company's expected aggregate market capitalization as of the listing day must be at least ¥25 billion (approx. US$230.00 million) for a listing on the First Section (¥2 billion, or approx. US$18.40 million, for a listing on the Second Section). The company's net assets (shareholders' equity) must be at least ¥1 billion (approx. US$9.20 million). In addition, the company must meet either of the following:

- *Profit for the two most recent years*. The total amount of profits in the last two years must be at least ¥500 million (approximately US$4.60 million).
- *Market capitalization and sales*. The market capitalization of at least ¥50 billion (approx. US$460.00 million), with sales of ¥10 billion (approx. US$92.00 million) or more in the most recent year.

Other requirements for listing

Operating history. A foreign company is required to have continuously carried out its business for three full fiscal years before the listing application.

Ownership. In the case of a secondary listing, a significant number of shares must not be held by major shareholders (or holders of foreign stock depositary receipts). In addition, a company seeking a primary listing must have by the time of listing at least:

- 2,200 shareholders worldwide, in the case of a listing on the First Section.
- 800 shareholders worldwide, in the case of a listing on the Second Section.

For a secondary listing, the requirement is at least:

- 800 shareholders in Japan and 2,200 worldwide, in the case of a listing on the First Section.
- 800 shareholders in Japan, in the case of a listing on the Second Section.

A foreign company with a primary listing on the First Section or the Second Section must maintain at least 400 shareholders.

Accounting standards. Financial information must be prepared under Japanese GAAP or (in certain cases) other GAAP that Japan's Financial Services Agency may deem permissible.

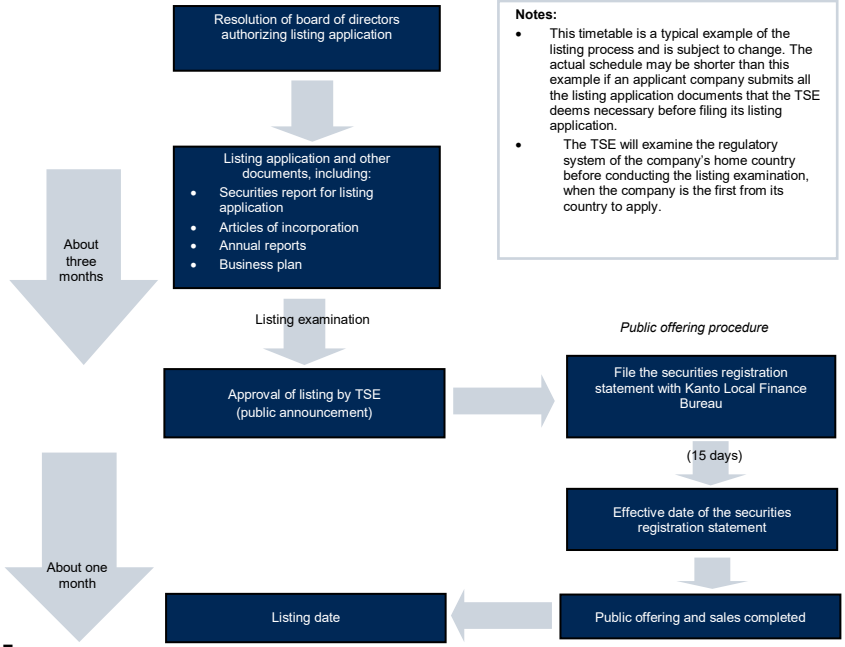
Financial statements. In order to be listed:

- A "false statement" must not have made in any financial statements for the last two years or in the latest quarterly financial statements.
- A CPA must have opined that the financial statements represented the company's financial position (i) "fairly," on "unqualified terms" or "fairly" albeit on "qualified terms" in an audit report attached to the financial statements for the next-to-last full business year; and (ii) "fairly," on "unqualified terms" in an audit report attached to the financial statements for the most recent full business year.

	Public float: First Section	Public float: Second Section
Primary listing	• At least 20,000 trading units of tradable shares (that is, not held by insiders or large shareholders). • At least ¥1 billion (approximately US$9.20 million) in market cap of tradable shares. • Ratio of tradable shares to listed shares of at least 35%.	• At least 4,000 trading units of tradable shares. • At least ¥1 billion (approximately US$9.20 million) in market cap of tradable shares. • Ratio of tradable shares to listed shares of at least 30%.
Secondary listing	• At least 20,000 trading units of tradable shares. • No particular holder holds an exceptionally large number of shares.	• At least 4,000 trading units of tradable shares. • No particular holder holds an exceptionally large number of shares.

** "Trading units" are determined for a foreign company in accordance with the shares' average market price over the past year converted into yen (one unit represents 1 share to 1,000 shares, depending upon the share prices).*

Sample timeline for listing on the TSE



Corporate governance

Sound corporate management. The foreign company and its related companies must not be making transactions with interested persons, related companies or other entities under conditions clearly advantageous and/or disadvantageous to the applicant company. In addition, when the applicant company has a parent company, the applicant must be shown to be independent from its parent.

Effective corporate governance and internal control system. The company must have an internal control system for a board member to adequately execute his or her duties and for the company to effectively conduct its business activity, which is appropriately secured and operated. The accounting system that the applicant company and its related companies employ is recognized as appropriate for investor protection.

Corporate governance report. The company must submit a report concerning corporate governance. TSE will make this information available for public inspection before and after listing.

Facilitating the exercise of voting rights. The company must send to each beneficial holder of foreign shares, two weeks prior to the general shareholders' meeting:

- An instruction sheet (for the beneficial holder's use in providing voting instructions).
- A reference document that explains how the beneficial holder can provide voting instructions.

Fees

Initial listing and listing examination fees range from an aggregate of ¥4.5 million (plus an additional fee) for a secondary listing to ¥19 million for a primary listing (approx. US$41,400 to US$174,800). If TSE First Section is the company's main market, the annual listing fee ranges from ¥960,000 to ¥4,560,000 (approx. US$8,832 to US$41,952). If the company's main market is not the TSE, the annual listing fee ranges from ¥120,000 to ¥840,000 (approx. US$1,104 to US$7,728). If the TSE is the main market, a public offering fee/additional listing fee and TD-net user fee are also charged.

1. Overview of exchange

The Tokyo Stock Exchange (commonly referred to as the TSE) has six markets:

- The First Section.
- The Second Section.
- The Mothers (market for high-growth and emerging stocks).
- JASDAQ (JASDAQ Standard and JASDAQ Growth).
- The TOKYO PRO Market.
- The TOKYO PRO-BOND Market.

The Tokyo Stock Exchange group merged with the Osaka Securities Exchange group in January 2013 and the cash equity markets of TSE and Osaka Securities Exchange (OSE) were integrated in July 2013. Following the integration, the cash equity markets are operating under TSE listing and trading rules.

Trading in the integrated cash equity market is conducted on TSE trading systems. "Arrowhead" will be used for the auction market and "ToSTNeT" (Tokyo Stock Exchange Trading NETwork System) for off-auction trading.

OSE main markets (OSE First Section and Second Section) were integrated into the TSE main markets (TSE First Section and Second Section, as the case may be). JASDAQ was integrated into TSE.

The TOKYO PRO-BOND Market was established in 2011 as a new debt securities market for professional investors. Market participants in the TOKYO PRO-BOND Market are limited to "specified investors," which include "specified investors" and non-Japanese residents. The term "specified investors" includes: (i) Japanese banks, insurance companies and other qualified institutional investors; (ii) listed companies; (iii) joint-stock corporations with at least ¥500

million (approximately US$4.60 billion) in capital; and other approved corporations, together with approved individuals.

To be listed on the TOKYO PRO-BOND Market, the securities must be designed as transferrable only among the eligible market participants. For that purpose, certain transfer restriction agreements must be incorporated in the bonds or the transaction documents. TOKYO PRO-BOND Market would be convenient for cross-border issuers in the following respects:

- The listing procedure is simple and could be completed in a relatively short time.
- Japanese language disclosure documents are not required and English disclosure documents may be used.
- After the offering, continuous disclosure requirements (the filing of annual and semi-annual securities reports) are largely exempted. Only a limited simple disclosure under the listing regulations of the TSE is required.
- EDINET disclosure (filing for public viewing) and printing and distribution of hardcopy prospectus is not required.

As of the end of December 2019, the aggregate market capitalization of listed securities on the TSE was ¥672,505 billion (approximately US$6,187.05 billion), of which ¥648,224 billion (approximately US$5,963.66 billion) was listed in the First Section. This represents an increase of 15.4% since December 2018, when an aggregate market capitalization stood at ¥582,670 billion (approximately US$5,360.56 billion) (of which ¥562,121 billion was listed in the First Section).

The First Section is the TSE's principal market for domestic and foreign-listed companies. Companies from all industry sectors and in a variety of sizes have been listed, and the First Section does not specialize in or encourage listings by particular types of companies. The TSE does not make any specific distinction between primary and secondary listings.

As of the end of December 2019, there were 2,161 companies (January 2019: 2,129) with equity securities listed on the First Section, along with 489 for the Second Section; 316 for Mothers; 670 for JASDAQ Standard; 37 for JASDAQ Growth and 33 for TOKYO PRO Market. Of these, 4 (December 2018: 4) were foreign companies. In Japan, two main regulators are normally involved in the proposed listing on the TSE. They are the TSE and the Kanto Local Finance Bureau (KLFB). The TSE takes the lead role in regulating companies seeking admission to the TSE markets and supervising those companies once they are listed. The KLFB performs a lead role in the registration of the offering of securities and reviewing the disclosure documents. During the listing process, the Listing Division of the TSE is the primary point of contact for listing applicants and their advisers. The Listing Division vets materials submitted by listing applicants for compliance with the TSE's listing rules and prospectus requirements under the local company and securities laws. The KLFB does not actively participate in the listing approval process, but, if it appears to the KLFB that the disclosure materials of a listing applicant contain false or misleading information, the KLFB can intervene in the applicant's offering.

2. Principal listing and maintenance requirements and procedures

The TSE does not consider any jurisdictions of incorporation or industries to be unacceptable for a listed company.

Financial tests for initial listing

There is no difference in financial requirements between a foreign company and a domestic company, or between a primary and secondary listing. The company's expected aggregate market capitalization as of the listing day must be at least ¥25 billion (approximately US$230.00 million) for a listing on the First Section (¥2 billion, or approximately US$18.40 million, for a listing on the Second Section). The company's net assets (shareholders' equity) must be at least ¥1 billion (approximately US$9.20 million). In addition, the company must meet either of the following requirements:

- *Profit for the two most recent years*. The total amount of profits in the last two years must be at least ¥500 million (approximately US$4.60 million).

- *Market capitalization and sales*. The company's total market capitalization must be at least ¥50 billion (approximately US$460.00 million), with sales of ¥10 billion (approximately US$92.00 million) or more in the most recent year.

Other requirements for listing

Operating history. A foreign company is required to have continuously carried out its business for three full fiscal years before the date of its listing application, as evidenced by setting up a board of directors (or an analogous institution).

Corporate form. A foreign company does not need to adopt a specific type of corporate organization. The soundness of corporate management and the effectiveness of corporate governance and internal control system, however, will be examined, as discussed in Section 5 below.

Financial statements. In order to be listed:

- A "false statement" must not have been made in any of the year-end financial statements for the last two years or in any quarterly financial statements for a quarterly accounting period ending in the current year.

- A CPA must have opined that the financial statements represented the company's financial position "fairly," on "unqualified terms" or "fairly" albeit on "qualified terms" in an audit report attached to the financial statements for the next-to-last full business year.

- A CPA must have opined that the financial statements represented the company's financial position "fairly," on "unqualified terms" in an audit report attached to the financial statements for the most recent full business year, as a general rule.

Ownership. There is no ownership requirement applicable to the listing of a foreign company's securities, except that, in the case of a secondary listing (also called by the TSE a "multiple listing," where the securities are already listed on another exchange), a significant number of shares must not be held by major shareholders (or holders of foreign stock depositary receipts).

In addition, a company seeking a primary listing (also known in the TSE's parlance as a "single listing," where the securities will only be listed on the TSE) must have by the time of listing at least:

- 2,200 or more shareholders worldwide, in the case of a listing on the First Section.
- 800 or more shareholders worldwide, in the case of a listing on the Second Section.

For a secondary listing, the requirement is:

- 800 or more shareholders in Japan and 2,200 or more worldwide, in the case of a listing on the First Section.
- 800 or more shareholders in Japan, in the case of a listing on the Second Section.

A foreign company with a primary listing on the First Section or the Second Section must maintain at least 400 shareholders.

Minimum price, escrow and "lock-in." A listed foreign company is not required to have or maintain a minimum trading price for its securities, and in connection with the listing, the TSE does not require any shares to be placed in escrow (or otherwise be restrained from being traded, such as through "lock-in" or "lockup" arrangements). However, on an initial listing, the underwriters will typically require that the directors and major selling shareholders agree to a "lock-in" arrangement.

Public float. The company must satisfy public float requirements in order to list its securities, as follows:

	First Section	Second Section
Primary listing	• At least 20,000 trading units of tradable shares (i.e., not held by insiders or large shareholders). • At least ¥1 billion (approximately US$9.20 million) in market capitalization of tradable shares. • Ratio of tradable shares to listed shares of at least 35%.	• At least 4,000 trading units of tradable shares. • At least ¥1 billion (approximately US$9.20 million) in market capitalization of tradable shares. • Ratio of tradable shares to listed shares of at least 30%.
Secondary listing	• At least 20,000 trading units of tradable shares. • No particular shareholder (or holder of foreign stock depositary receipts) holds an exceptionally large number of shares.	• At least 4,000 trading units of tradable shares. • No particular shareholder (or holder of foreign stock depositary receipts) holds an exceptionally large number of shares.

The "trading units" mentioned above are determined for a foreign company in accordance with the shares' average market price over the past year (or, if not listed elsewhere, the shares' public offering price), converted into yen:

Average closing price	Number of shares in trading unit
Less than ¥500 (approximately US$4.60)	1,000
At least ¥500 (approximately US$4.60) but less than ¥1,000 (approximately US$9.20)	500
At least ¥1,000 (approximately US$9.20) but less than ¥5,000 (approximately US$46)	100
At least ¥5,000 (approximately US$46) but less than ¥10,000 (approximately US$92)	50
At least ¥10,000 (approximately US$92) but less than ¥50,000 (approximately US$460)	10

Average closing price	Number of shares in trading unit
¥50,000 (approximately US$460) or more	1

Sponsors and advisers. A company that applies for a listing is not required to appoint a sponsor, though it is common for a securities company that is a TSE participant to act as a professional adviser to an applicant company during the preparation phase and as the lead underwriter of the issuance of new securities at the time the listing is made.

Interviews. A foreign company must conduct one or more interviews with the TSE, including the management interview.

Book-entry transfer. If listed securities are not already subject to the custody and book-entry transfer operation for foreign stocks or the book-entry transfer operation of the Japan Securities Depository Center, Inc., they are expected to become so by the time of listing. In addition, the company may need to enter into a deposit agreement for foreign stock depositary receipts and/or other agreements pertaining to an initial listing application.

Continued listing requirements

Market capitalization. A listed foreign company must maintain aggregate a market capitalization of ¥1 billion (approximately US$9.20 million), or the amount obtained by multiplying the number of the listed securities by ¥2 (approximately US$0.02), in either case of the company listed on the First Section or the Second Section.

Public float. After the listing, the requirement of public float is as follows:

	First Section	Second Section
Primary listing	• At least 400 shareholders	Same as the First Section.

	• At least 2,000 trading units of tradable shares • At least ¥500 million (approximately US$4.60 million) in market capitalization of tradable shares • Ratio of tradable shares to listed shares of at least 5% • Average monthly trading volume for the calendar year of at least 10 units • At least one trade made during the three preceding months	
Secondary listing	• No radical deterioration of the trading status on a foreign stock exchange, taking into account the number of foreign holders, the amount of stock held, the status of trading execution and the details of any offering of listed foreign shares	Same as the First Section.

There is no specific number of shareholders that must be maintained in the case of a secondary listing. Shares with a secondary listing on the First Section may be reassigned to the Second Section if they do not meet certain of the above criteria.

3. Listing documentation and process

For both a primary listing and a secondary listing, the applicant company must prepare a "Securities Report for Initial Listing Application" to be reviewed by the TSE. The contents of this report are similar to the securities registration statement that would be filed with the KLFB if the applicant company were to conduct a public

offering. The TSE then will review the draft report and comment on it before accepting the listing application.

The report must discuss, among other topics:

- An outline of the legal and corporate system in the company's home country.
- History of the company.
- Information on the company's capital and shares.
- Information on the executives and employees.
- Status of the parent company and its subsidiaries.
- Description of the company's business.
- Description of the company's production, distribution, sales and similar matters.
- Description of the company's facilities.
- Financial statements (with the audit report attached).
- Risk factors to be considered by investors (such as short length of operations, state of accumulated losses, competition with other companies, dependence on certain executives for management, uncertainty surrounding certain business fields and technologies, reliance on a third party for business support or involvement in management by major shareholders).

The financial statements mentioned above should include audited historical financial information for the two most recent fiscal years, together with the audit report for each year. The financial information should be prepared under Japanese GAAP or (in certain cases) other GAAP that Japan's Financial Services Agency (FSA) may deem permissible, as appropriate for the public interest or protection of investors.

In addition, the company must file certain additional documents with the TSE for its examination, including:

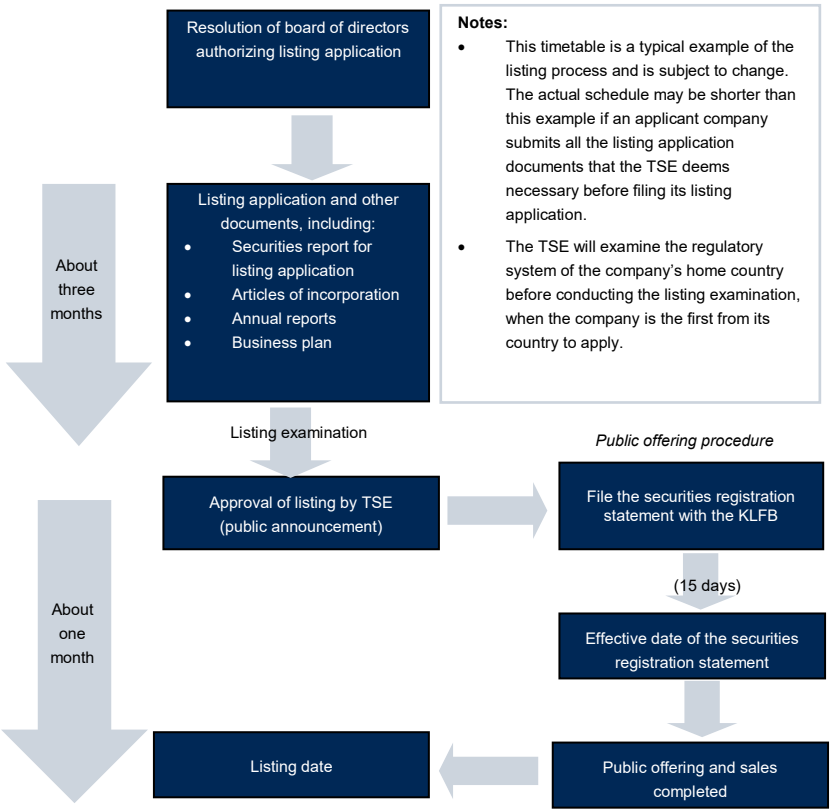
- Articles of incorporation.
- A written confirmation that the company does not have "ties to any anti-social forces," in the form adopted the TSE.
- A written recommendation of the managing trading participant of the initial listing, in the form adopted by the TSE.
- Written description of approvals and authorizations relating to the corporate group's principal business or products/merchandise.
- For a primary listing, a table of the company's stock distribution, in a form adopted by the TSE.
- For a secondary listing, a table that summarizes changes in the company's number of shareholders (or holders of foreign stock depositary receipts), in the form adopted by the TSE.
- Documents that have been prepared in a manner similar to that of a securities report by the parent company and that are deemed appropriate by the TSE, if the parent company's stock is not listed on a financial instruments exchange in Japan or if the parent company is not subject to ongoing disclosure requirements.
- A specimen of the foreign stock certificate for the securities to be listed.
- A certified board resolution authorizing the initial listing application.
- A legal opinion stating that the disclosures concerning laws and regulations in the company's initial application form (and the documents attached thereto) are true and accurate.
- A certified board resolution authorizing the company's representative, named in the initial application form, to have

proper authority concerning the listing of the foreign stock (however, if there are provisions in the company's articles of incorporation or similar document, specifying the persons who have the proper authority, a copy of this document may be submitted in lieu of the board resolution).

- A document certifying that the company's agent in Japan who will contact the TSE has been appointed, or that the company has received from the agent its informal acceptance of the appointment.
- The securities registration statement and prospectus, if the applicant conducts a public offering upon listing.

After the listing application is made, the TSE's examination process for a foreign company's application takes approximately three months. If the listing is approved, another month is required for the equity offering process. Therefore, a company applying for listing should expect the process to take approximately four months between application and actual listing.

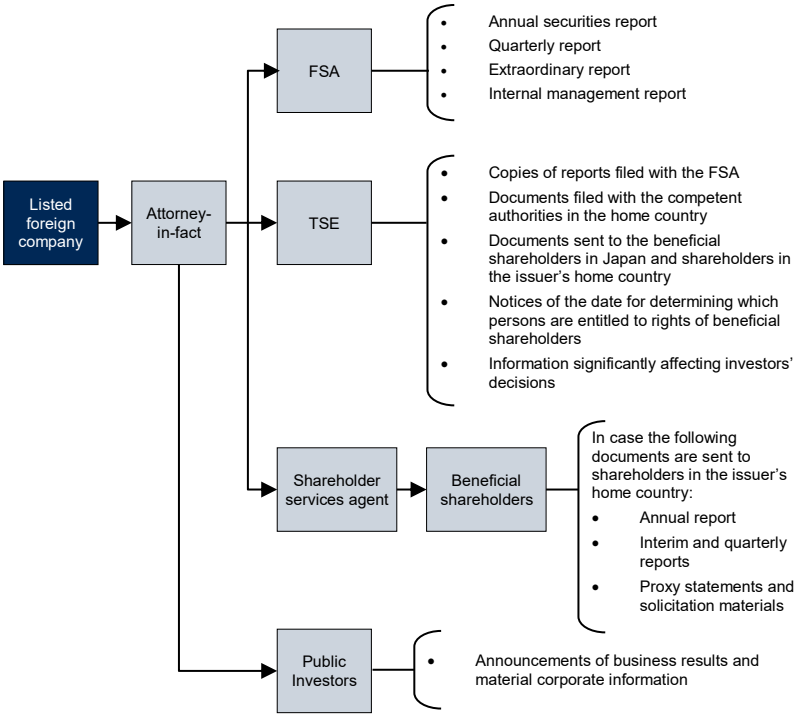
Sample timeline for listing on the TSE



The content of the securities registration statement and prospectus should be similar to that of the Securities Report for Initial Listing Application, described above. The securities registration statement generally becomes effective on the 16th day after its filing. Once the price is determined, pricing information will need to be filed as an amendment to the securities registration statement. If such an amendment with pricing information is filed, the securities registration statement will be subject to a further one-day seasoning period before it becomes effective. However, if the price is determined by a book-building formula, no such seasoning period is applicable.

4. Continuing obligations/periodic reporting

The TSE requires listed foreign companies as well as Japanese companies to make adequate disclosure after listing and to notify the TSE of specified matters in order to protect investors. A listed foreign company must appoint an attorney-in-fact residing in the Tokyo area and, through that person, fulfill the following continuous disclosure obligations:



A listed foreign company whose main market is the TSE must generally appoint an "Officer Responsible for Handling Information" (ORHI) in Japan. The ORHI, who plays the role of a liaison for investors in Japan as well as for the TSE, should generally be selected from among the executives or officers who are fluent in Japanese.

For a listed foreign company whose main market is not the TSE, the TSE requests the company designate a "Corporate Information Handling Officer" in order to keep close contact with the TSE and enhance timely disclosure. A Corporate Information Handling Officer is tasked with communicating with the TSE in Japanese or English and is in charge of corporate disclosure in the home country.

Timely disclosure

As shown in the diagram above, the TSE requires a listed company to disclose immediately to the public any information that might be expected to materially affect the prices of the company's stock. The following are considered to be major items with respect to the company's business results and material corporate information that must be disclosed to the public:

- Business results (annual, interim, quarterly). These must include sales and net profit as well as a profit forecast. However, for a listed foreign company whose main market is not the TSE, the TSE will consider the legal system or similar standards in the company's home country.
- Material corporate information. These include decisions by the company regarding:
    - The issuance or public sale of stocks, convertible bonds or bonds with warrants.
    - A decrease in paid-in capital.
    - A stock split or reverse split.
    - A merger.
    - A corporate dissolution.
    - The purchase or sale of stocks or equity resulting in change in the composition of subsidiaries.

- The change of a representative director.
- Change of the company's trade name or corporate name.

Material corporate information also includes the occurrence of a material fact, such as:

- Damage caused by a natural disaster or business operations.
- Change in the composition of major shareholders.
- Institution of litigation or judicial decision.
- Commencement of bankruptcy or reorganization proceedings.
- Dishonoring of a bill of exchange or a check.
- Change of laws and the like in the company's home country, if it would significantly influence the company's shareholders or business results, such as a restriction on transfer of stocks or the nationalization of the company.
- A tender offer for the company's stock.
- The occurrence of facts causing the company's delisting from its home stock exchange in the foreign country.

All disclosure documents must be prepared in Japanese.

The Japanese version of the annual report (to be sent to the beneficial shareholders in Japan) may be either a summary of the original report or a summary of the annual securities report filed with the KLFB. The semiannual report, quarterly report and the like may be either a summary or the earnings digest.

5. Corporate governance

Listing requirements

When it considers the listing of a foreign company, the TSE takes into consideration the legal framework and business practices of the

company's home country and/or the country of its chief business operations. The following aspects of a foreign company's corporate governance will be examined:

- *Sound corporate management*. The foreign company and its related companies must not be making transactions with interested persons, related companies or other entities under conditions clearly advantageous and/or disadvantageous to the applicant company. In addition, when the applicant company has a parent company, the applicant must be shown to be independent from its parent.

- *Effective corporate governance and internal control system*. The company must have an internal control system for a board member to adequately execute his or her duties and for the company to effectively conduct its business activity, which is appropriately secured and operated. The accounting system that the applicant company and its related companies employ is recognized as appropriate for investor protection.

Corporate governance report

A foreign company that applies for a primary listing on the TSE of its foreign stock must submit a report concerning corporate governance, addressing the following matters, and must agree that the TSE will make this information available for public inspection before and after listing:

- The company's basic approach to corporate governance and basic information about its capital structure, corporate attributes and other information, including guidelines on measures to protect minority shareholders' interest in dealings with any controlling shareholder.

- The organization of the company's business management function, as regards its management decision, execution and supervision and other matters pertaining to the corporate

governance system, and the reasons for selecting this organization and system.

- The implementation status of any measures to protect the interests of shareholders and other stakeholders.
- The company's basic approach to, and implementation status of, its internal control system, including matters concerning the development of the corporate structure for eliminating anti-social forces.
- Other matters deemed necessary by the TSE.

If any change occurs in the information contained in the company's corporate governance report, the company must submit a report after the change, without delay. In this case, the foreign company will also need to agree that the TSE will make the updated report available for public inspection as well.

Facilitating the exercise of voting rights

If a foreign company whose stock is traded principally on the TSE convenes a general shareholders' meeting, the company must send certain materials to each beneficial holder of foreign shares, two weeks prior to the meeting. These materials consist of:

- An instruction sheet (for the beneficial holder's use in providing voting instructions).
- A reference document that explains how the beneficial holder can provide voting instructions.

6. Specific situations

There are no additional requirements, or changes in the normal requirements, that apply to very large multinational companies, smaller companies or companies in particular industries.

Small- or medium-sized foreign companies considering an IPO in Japan usually apply for listing in the Mothers Section. The listing

criteria and procedures for the listing on Mothers are different from those of the First Section, described above. The Mothers listing criteria include, among others:

- *Novelty*. A listed company must have strong growth potential. The lead underwriter judges the eligibility of the applicant company through the underwriting examination, and submits in written form the reasons for this judgment to the TSE.

- *Liquidity*. The company must have prospects of circulating at least 2,000 trading units of its shares (2,000 times the trading unit on the TSE market) at the time of listing. It must also have prospects of obtaining at least 200 new shareholders in Japan in its public offering, as well as forecasted market capitalization (calculated by multiplying the number of shares to be listed by the public offering price) of at least ¥500 million (approximately US$4.60 million) at the time of listing. Furthermore, it must project that at least 25% of its total outstanding shares will be in circulation.

- *Business*. The company must have conducted business continuously for one year, under the direction of its board of directors, at the time of the listing application.

- *Auditor's opinion/financial statements*. The company must meet the following requirements:

    - The audit report attached to a "Securities Report for Initial Listing Application" (excluding an audit report attached to financial statements for the business year or the consolidated business year ended in the last 12 months) shall contain an "unqualified opinion" or a "qualified opinion with exceptions" of certified public accountants.

    - The audit report (limited to an audit report attached to financial statements for the business year or the consolidated business year ended in the last 12 months), an interim audit report or a quarterly review report attached to a "Securities

Report for Initial Listing Application" shall contain an "unqualified opinion", an "opinion that the interim financial statements provide useful information" or an "unqualified conclusion" of certified public accountants.

- No false statement shall be made in a Securities Report, containing or making reference to financial statements, interim financial statements or quarterly financial statements, pertaining to the audit report, the interim audit report, or the quarterly review report prescribed by the two bullet points above.

- *Shares*. There must be no restrictions on the transfer of shares in the law and regulations of the company's home country, its articles of association or other regulations. However, this is not applicable if the restriction is based on special regulation and is not deemed to obstruct any trading in the TSE. In addition, the company must appoint (or agree to appoint) a shareholder service agent and dividend paying bank(s) in Japan by the listing application date. Furthermore, the shares must be treated or expected to be treated under "Custody and Book-Entry Transfer System for Foreign Stocks" by a custody and book-entry transfer institution.

- *Disclosure of company profile and risk information*. Information such as the company's profile and risk information must be appropriately disclosed in the "Securities Report for Application for Listing" and similar documents.

- *Sound corporate management*. The company must not be conducting any transaction with certain officers and their relatives under terms and conditions clearly disadvantageous to the company. Furthermore, the applicant company and its parent company must not be conducting any transaction under non-standard terms and conditions.

- *Other*. The purpose or the content of the company's business must not offend public order and morals. In addition, there must be no

pending legal matter that would have material impact on the company's business performance.

There are no situations in which a "fast-track" or expedited listing can be procured on the TSE.

7. Presence in the jurisdiction

A foreign company must appoint an attorney-in-fact for the filing of an annual securities report with the FSA and a notice to the TSE. There are no other requirements on listed foreign companies to maintain a presence in Japan.

8. Fees

Various fees apply to a foreign company's listing on the TSE, including:

- A listing examination fee, to be paid by the end of the month following the listing application filing, of ¥4 million (approximately US$36,800) for a primary listing or ¥2 million (approximately US$18,400) for a secondary listing.
- An initial listing fee, to be paid by the end of the month following the listing application filing, of ¥15 million (approximately US$138,000) (First Section) or ¥12 million (approximately US$110,400) (Second Section)for a primary listing or ¥2.5 million (approximately US$23,000) (plus an additional fee) for a secondary listing.
- If the TSE is the main market for the company's securities, the company must pay a public offering fee/additional listing fee by the end of the month following the listing application filing. The fee depends on the following formula:
    - For the public offering of newly issued shares at the time of listing

0.0009 × the number of newly issued shares publicly offered × the offering price

- For the public offering of previously issued shares at the time of listing

  0.0001 × the number of previously issued shares publicly offered × the offering price

- If the TSE is the main market for the company's securities, it must pay a TD-net user fee of ¥120,000 (approximately US$1,104).
- The company must pay an annual listing fee that varies depending on market capitalization. If the TSE First Section is the company's main market, this fee ranges from ¥960,000 (approximately US$8,832) to ¥4,560,000 (approximately US$41,952). If the company's main market is not the TSE, this fee ranges from ¥120,000 (approximately US$1,104) to ¥840,000 (approximately US$7,728).

9. Additional information

All information and materials submitted to the TSE and the KLFB or disclosed to the market in Japan must be prepared in, or translated into, the Japanese language (save for the listing on PRO-BOND MARKET).

Key differences in requirements for domestic companies

Listing requirements for domestic companies are generally the same as those for foreign companies. However, Japanese companies must prepare financial statements in accordance with Japanese GAAP or IFRS, whereas a foreign company may use the accounting standard in its home jurisdiction, subject to the approval of Japanese authorities.

10. Contacts within Baker McKenzie

Seiji Matsuzoe and Kosuke Yatabe in the Tokyo office are the most appropriate contacts within Baker McKenzie for inquiries about prospective listings on the TSE.

Seiji Matsuzoe
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@bakermckenzie.com
+81 3 6271 9440

Kosuke Yatabe
Tokyo
kosuke.yatabe
@bakermckenzie.com
+81 3 6271 9722

Toronto
Stock Exchange

Initial financial listing requirements

There are two alternative listing standards according to an applicant's stage of development: exempt and non-exempt. An applicant may be categorized as "exempt" if it can be shown to have over C$7.5 million (approx. US$5.78 million) in net tangible assets (or proved developed reserves) and pre-tax cash flow of C$700,000 (approx. US$539,000) (and average pre-tax cash flow of C$500,000 (approx. US$385,000) for the immediately preceding two years) and meets a number of other sector-specific conditions.

Non-exempt companies are required to have an appropriate capital structure and:

- *Profitable companies*. Profitable companies must have net tangible assets of C$2 million (approx. US$1.54 million), earnings from ongoing operations of at least C$200,000 (approx. US$154,000), pre-tax cash flow of C$500,000 (approx. US$385,000), and adequate working capital.
- *Companies forecasting profitability*. These companies must have net tangible assets of C$7.5 million (approx. US$5.78 million), earnings from ongoing operations for the current or next fiscal year of at least C$200,000 (approx. US$154,000), pre-tax cash flow for the current or next fiscal year of at least C$500,000 (approx. US$385,000), and adequate working capital.
- *Technology*. Technology companies must have a minimum of C$10 million (approx. US$7.70 million) in the treasury (the majority of which has been raised by the issuance of securities qualified for distribution by a prospectus), adequate funds to cover all planned development and capital expenditures and G&A expenses for at least one year, projection of sources and uses of funds, covering the period (by quarter) and signed by the CFO; evidence that the company's products or services are at an advanced stage of development or commercialization and that the company has the required management expertise and resources to develop the business, a minimum market value of the issued securities that are to be listed of at least C$50 million (approx. US$38.51 million), and a minimum aggregate market value of the freely tradable, publicly held securities to be listed of at least C$10 million (approx. US$7.70 million).
- *R&D*. Research and development companies must have a minimum of C$12 million (approx. US$9.24 million) in the treasury (the majority of which has been raised by the issuance of securities qualified for distribution by a prospectus), adequate funds to cover all planned research and development and capital expenditures, and G&A expenses, for a period of at least two years. A projection of sources and uses of funds, covering the period (by quarter) and signed by the CFO; a minimum two-year operating history that includes research and development activities; and evidence, satisfactory to the TSX, that the company has the technical expertise and resources to advance the company's research and development program.
- *Mining (production)*. Producing mining companies must have proven and probable reserves to provide a mine life of at least three years, must either be in production or have made a production decision on the qualifying project or mine, must have sufficient funds to bring the mine into working production and adequate working capital, and must have net tangible assets of C$4 million (approx. US$3.08 million).
- *Mining (exploration/development)*. Mineral exploration and development-stage companies must have an advanced property (with continuity of mineralization demonstrated in three dimensions at economically interesting grades), a planned work program of exploration and/or development of at least C$750,000 (approx. US$578,000), sufficient funds to complete the planned program of exploration and/or development, working capital of at least C$2 million (approx. US$1.54 million), and net tangible assets of C$3 million (approx. US$2.31 million).
- *Oil and gas (producing)*. Producing oil and gas companies must have proved developed reserves of C$3 million (approx. US$2.31 million), a clearly defined program that can reasonably be expected to increase reserves, adequate funds to execute the program and cover all other capital expenditures and other expenses, for a period of 18 months with an allowance for contingencies.
- *Oil and gas (development-stage)*. Oil and gas development-stage companies must have contingent resources of C$500 million (approx. US$385.05 million), a clearly defined development plan and technical report, adequate funds to either (a) execute the development plan and cover all other capital expenditures as well as general, administrative and debt service expenses, for a period of 18 months with an allowance for contingencies, or (b) bring the property into commercial production and fund all capital expenditures and carry on the business for 18 months.

Other initial listing requirements

Share price. There is no minimum closing or offering price for shares to be listed.

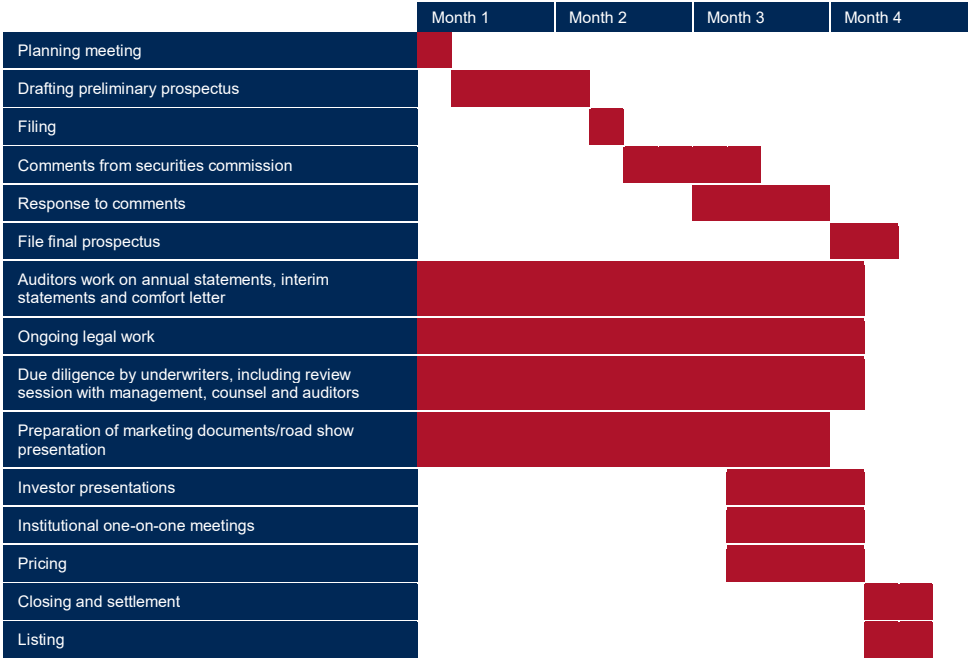
Distribution. To list its securities, a company must have:

- At least 300 holders, each holding one board lot or more.
- At least 1,000,000 freely tradeable shares.
- Generally, aggregate market value of C$4 million (approx. US$3.08 million).

Accounting standards. Financial statements are required to be prepared according to IFRS accounting standards, as applicable in Canada.

Listing process

The following is a typical process and timetable for a listing of a foreign company IPO through a prospectus offering on the TSX.



Corporate governance and reporting

Requirements for public companies include:

Corporate governance. Apart from the general requirement to disclose corporate governance practices, there are few proscriptive rules in Canada with respect to corporate governance.

Financial statements. Audited annual financial statements and unaudited interim financial statements must be filed within prescribed periods.

Acquisitions. A company effecting a significant acquisition must file a business acquisition report within 75 days after the date of the acquisition.

Annual meetings. A company must hold an annual meeting of its shareholders within prescribed periods.

Declaration of dividends. A company is obliged to promptly notify the TSX as soon as a dividend is declared.

Material changes. A company must disclose any material information concerning its business and affairs immediately after management of the issuer become aware of the existence of material information, or in the case of information previously known, upon it becoming apparent that the information is material.

Shareholder approval. Minority shareholder approval and/or valuation is required for certain transactions, depending on their nature and materiality. The rules that apply to related and connected party transactions are complex and require specific consideration based on the circumstances involved.

Fees

A company seeking to list must pay both initial listing fees and annual fees. For an international interlisted issuer, the initial listing fee ranges from C$7,500 to C$150,000 (approx. US$5,800 to US$115,500), plus a non-refundable amount of C$7,500 (approx. US$5,800) payable at the time of the application. Additional shares listed subsequently will require additional payments. The annual sustaining fee ranges from C$12,000 to C$125,000 (approx. US$9,200 to US$96,300), based on market capitalization, subject to discounts available to certain international inter-listed issuers.

1. Overview of exchange

The Toronto Stock Exchange is commonly known as the TSX. The TSX is operated by TMX Group Limited, which also operates a number of other exchanges, including the TSX Venture Exchange (TSXV). The TSXV is recognized as the primary Canadian market for junior issuers, while the TSX is regarded as the primary Canadian market for senior issuers, together representing significant international markets in terms of capital raised and number of listed companies.

For the most part, the TSX does not recognize the difference between primary and secondary listings, and little distinction is drawn between foreign and domestic companies in terms of initial listing requirements. However, it is expected that prospective issuers with properties or business in certain emerging markets will face additional scrutiny as the TSX has issued additional guidance for the review of applications by emerging market issuers.

TSX applicants are divided among three general listing categories: industrial (general), mining and oil and gas. The listing categories are set out as follows:

- Industrial (general).
    - Profitable companies.
    - Companies forecasting profitability.
    - Technology companies.
    - Research and development companies.
- Mining companies.
    - Producing mining companies.
    - Mineral exploration and development companies.

- Oil and gas companies.
    - Producing oil and gas companies.
    - Oil and gas development stage companies.

Depending on their level of development and financial sophistication (in addition to other criteria), applicants are classified as either "exempt" or "non-exempt." Non-exempt applicants are obliged to comply with a series of "special reporting rules" in addition to further industry specific sub-category requirements.

The total market capitalization of the TSX was C$3.17 trillion (approximately US$2.44 trillion) as of 30 November 2019, representing a 20% increase since 30 December 2018 when the market capitalization of the TSX was approximately C$2.65 trillion (approximately US$2.04 trillion).

The TSX and TSXV are global leaders in listing issuers in the resource sectors, including mining and oil and gas companies. As of 31 December 2019, approximately 50% of the world's public mining companies were listed on the TSX and TSXV, and 49% of the world's mining equity financings were completed by companies listed on the TSX and TSXV. Approximately 22% of all global public oil and gas companies are listed on the TSX and TSXV. The TSX and TSXV are also listing a growing number of technology and innovation companies (including those in the technology and life sciences sectors).

As of 30 November 2019, there were 1,578 companies listed on the TSX. Of these, 95 companies were foreign-based, representing approximately 6% of all TSX issuers.

In Canada, securities regulation is achieved through a combination of regulation by securities regulators, self-regulatory organizations and exchange level supervision. In the case of most public securities matters, there are issues to be addressed at each level. However, in terms of listing requirements, the TSX sets its own standards. In any

case, while neither the applicable provincial or territorial securities commission nor the Investment Industry Regulatory Organization of Canada (IIROC) is directly involved in the application process, these organizations impose restrictions on many other aspects of the securities regulation process.

2. Principal listing and maintenance requirements and procedures

Jurisdiction of issuer

There are technically no unacceptable jurisdictions of incorporation for companies seeking to list on the TSX. However, if an applicant's jurisdiction does not require incorporated companies to provide certain shareholder protections, the TSX may require certain amendments be made to a company's articles of incorporation (or equivalent document) as a condition of listing. Additional scrutiny may faced by entities organized in or with principal properties or businesses located in emerging market jurisdictions.

Apart from TSX regulations, the Canadian federal government also maintains restrictions on economic activities between Canada and certain foreign countries. While the specific extent of the sanctions varies by country, Canada currently maintains sanctions or restrictions against the following countries: Central African Republic, Democratic Republic of the Congo, Eritrea, Iran, Iraq, Lebanon, Libya, Mali, Myanmar, Nicaragua, North Korea, Russia, Somalia, South Sudan, Sudan, Syria, Tunisia, Ukraine, Venezuela, Yemen and Zimbabwe. While this legislation may not directly prohibit listing on the exchange, it may, depending on the country involved, restrict a foreign company's ability to trade its shares or raise capital through its TSX listing.

TSX listing requirements

The TSX divides applicants into the following industry-specific categories: industrial companies, mining companies, and oil and gas companies. Listing requirements for the TSX are determined by an

applicant's industry sector and its stage of development. There are no unique requirements for a foreign company, and there are no distinctions made between a primary and secondary listing.

For a company applying to list on the TSX, there are two alternative listing standards according to an applicant's stage of development: exempt and non-exempt.

- An industrial company applicant may be categorized as "exempt" if it has:
    - Over C$7.5 million (approximately US$5.78 million) in net tangible assets.
    - Earnings from ongoing operations of at least C$300,000 (approximately US$231,000) before taxes and extraordinary items in the fiscal year immediately preceding the filing of the listing application.
    - Pre-tax cash flow of C$700,000 (approximately US$539,000) in the fiscal year immediately preceding the filing and an average pre-tax cash flow of C$500,000 (approximately US$385,000) for the two fiscal years immediately preceding the filing.
    - Adequate working capital to carry on the business and an appropriate capital structure.
- A mining company applicant may be categorized as "exempt" if it has:
    - Over C$7.5 million (approximately US$5.78 million) in net tangible assets.
    - Pre-tax profitability from ongoing operations in the fiscal year immediately preceding the filing of the listing application.
    - Pre-tax cash flow of C$700,000 (approximately US$539,000) in the fiscal year immediately preceding the filing and an

average pre-tax cash flow of C$500,000 (approximately US$385,000) for the two fiscal years immediately preceding the filing.

- Proven and provable reserves to provide a mine life of at least three years, calculated by an independent qualified person.
- Commercial level mining operations.
- An up-to-date comprehensive technical report prepared by an independent qualified person.
- Adequate working capital to carry on the business and an appropriate capital structure.

- An oil and gas company applicant may be categorized as "exempt" if it has:
  - Proved developed reserves of C$7.5 million (approximately US$5.78 million).
  - Pre-tax profitability from ongoing operations in the fiscal year immediately preceding the filing of the listing application.
  - Pre-tax cash flow of C$700,000 (approximately US$539,000) in the fiscal year immediately preceding the filing and an average pre-tax cash flow of C$500,000 (approximately US$385,000) for the two fiscal years immediately preceding the filing.
  - Adequate working capital to carry on the business and an appropriate capital structure.

Applicants that are unable to meet these requirements can still be listed on the TSX, but are listed as "non-exempt" companies and are obliged to meet "special reporting rules."

In addition to the special reporting rules, non-exempt issuers are required to meet a series of industry-specific requirements. These requirements are set out below.

Industry-specific requirements for non-exempt companies

Industrial (general) companies. There are four sub-categories under the industrial (general) category. The specific requirements for each sub-category include:

- Profitable companies must have:
    - Net tangible assets of C$2 million (approximately US$1.54 million).
    - Earnings from ongoing operations of at least C$200,000 (approximately US$154,000) before taxes and extraordinary items in the fiscal year immediately preceding the filing of the listing application.
    - Pre-tax cash flow of C$500,000 (approximately US$385,000) in the fiscal year immediately preceding the filing of the listing application.
    - Adequate working capital to carry on the business and an appropriate capital structure.
- Companies forecasting profitability must have:
    - Net tangible assets of C$7.5 million (approximately US$5.78 million).
    - Evidence, satisfactory to the TSX, of earnings from ongoing operations for the current or next fiscal year of at least C$200,000 (approximately US$154,000) before taxes and extraordinary items.

  - Evidence, satisfactory to the TSX, of pre-tax cash flow for the current or next fiscal year of at least C$500,000 (approximately US$385,000).
  - Adequate working capital to carry on the business and an appropriate capital structure.

- Technology companies must have:
  - A minimum of C$10 million (approximately US$7.70 million) in the treasury, the majority of which has been raised by the issuance of securities qualified for distribution by a prospectus.
  - Adequate funds to cover all planned development and capital expenditures, and general and administrative expenses for a period of at least one year. A projection of sources and uses of funds, including related assumptions, covering the period (by quarter) and signed by the CFO, must be submitted. The projection must also include actual financial results for the most recently completed quarter.
  - Evidence, satisfactory to the TSX, that the company's products or services are at an advanced stage of development or commercialization and that the company has the required management expertise and resources to develop the business.
  - Minimum market value of the issued securities that are to be listed of at least C$50 million (approximately US$38.51 million).
  - Minimum public distribution requirements, except that the minimum aggregate market value of the freely tradable, publicly held securities to be listed should be C$10 million (approximately US$7.70 million), rather than C$4 million (approximately US$3.08 million) for other industrial companies.

- Research and development companies must have:
    - A minimum of C$12 million (approximately US$9.24 million) in the treasury, the majority of which has been raised by the issuance of securities qualified for distribution by a prospectus.
    - Adequate funds to cover all planned research and development expenditures, general and administrative expenses and capital expenditures, for a period of at least two years. A projection of sources and uses of funds, covering the period (by quarter) and signed by the CFO, must be submitted. The projection must also include actual financial results for the most recently completed quarter.
    - A minimum two-year operating history that includes research and development activities.
    - Evidence, satisfactory to the TSX, that the company has the technical expertise and resources to advance the company's research and development program(s).

Mining companies. There are two non-exempt sub-categories under the mining category: (i) producing mining companies and (ii) mineral exploration and development-stage companies.

- Producing mining companies must:
    - Have proven and probable reserves to provide a mine life of at least three years, as calculated by an independent qualified person, together with evidence satisfactory to the TSX indicating a reasonable likelihood of future profitability supported by a feasibility study or documented historical production and financial performance.
    - Either be in production or have made a production decision on the qualifying project or mine.

- Have sufficient funds to bring the mine into commercial production, adequate working capital to fund all budgeted capital expenditures and carry on the business and an appropriate capital structure as well as an up-to-date comprehensive technical report prepared by an independent qualified person. A management-prepared 18-month projection (by quarter) of sources and uses of funds, detailing all planned and required expenditures and signed by the CFO, must be submitted. The projection must also include actual financial results for the most recently completed quarter.

- Have net tangible assets of C$4 million (approximately US$3.08 million).

Industrial mineral companies (those with properties containing minerals which are not readily marketable) not currently generating revenues from production will normally be required to submit commercial contracts to the TSX in addition to meeting the above requirements.

- Mineral exploration and development-stage companies must have:

  - An advanced exploration property, detailed in a report prepared by an independent qualified person. The TSX will generally consider a property to be sufficiently advanced if continuity of mineralization is demonstrated in three dimensions at economically interesting grades.

  - A planned work program of exploration and/or development, of at least C$750,000 (approximately US$578,000), that is satisfactory to the TSX, will sufficiently advance the property and is recommended by an independent qualified person.

  - Sufficient funds to complete the planned program of exploration and/or development on the company's properties, to meet estimated general and administrative costs, anticipated property payments and capital expenditures for at least 18

months, as well as an up-to-date comprehensive technical report prepared by an independent qualified person. A management-prepared 18 month projection (by quarter) of sources and uses of funds, detailing all planned and required expenditures and signed by the CFO, must be submitted.

- Working capital of at least C$2 million (approximately US$1.54 million) and an appropriate capital structure.
- Net tangible assets of C$3 million (approximately US$2.31 million).

A company must hold or have a right to earn and maintain at least a 50% interest in the property or properties that will be used to fulfil the above requirements (the qualifying property). Companies holding less than a 50% interest, but not less than a 30% interest, in the qualifying property may be considered on an exceptional basis, based on program size, stage of advancement of the property and strategic alliances. Where a company has less than a 100% interest in the qualifying property, the program expenditure amounts attributable to the company will be determined based on its percentage ownership.

Oil and gas companies. There are two non-exempt sub-categories under the oil and gas companies category:

- Oil and gas development-stage companies must have:
  - Contingent resources of C$500 million (approximately US$385.05 million).
  - A clearly defined development plan, satisfactory to the TSX, which can reasonably be expected to advance the property.
  - An up-to-date technical report prepared by an independent technical consultant.
  - Adequate funds to either (a) execute the development plan and cover all other capital expenditures as well as general,

administrative and debt service expenses, for a period of 18 months with an allowance for contingencies or (b) bring the property into commercial production and adequate working capital to fund all budgeted capital expenditures and carry on the business for 18 months. The projection must also include actual financial results for the most recently completed quarter.

- A management-prepared 18 month projection (by quarter) of sources and uses of funds, detailing all planned and required expenditures and signed by the CFO.
- An appropriate capital structure.
- A minimum market value of the securities that are to be listed of at least C$200 million (approximately US$154.02 million).

- Oil and gas producing companies must have:
  - Proved developed reserves of C$3 million (approximately US$2.31 million).
  - A clearly defined program, satisfactory to the TSX, which can reasonably be expected to increase reserves.
  - An up-to-date technical report prepared by an independent technical consultant.
  - Adequate funds to execute the program and cover all other capital expenditures as well as general, administrative and debt service expenses, for a period of 18 months with an allowance for contingencies.
  - A management-prepared 18 month projection (by quarter) of sources and uses of funds, detailing all planned and required expenditures and signed by the CFO. The projection must also include actual financial results for the most recently completed quarter.

- an appropriate capital structure.

Sponsorship

Companies seeking listing on the TSX under the criteria for non-exempt companies must be sponsored by a Participating Organization. Such organizations are required to complete what is basically a due diligence report on the applicant. The sponsor is responsible for reviewing and providing comments in writing on the following, as applicable:

- The company's qualifications for meeting all relevant listing criteria.
- The listing application together with all supporting documentation filed with the application for adequacy and completeness.
- All matters related to the applicant company and the adequacy of disclosure made to the Exchange.
- The company, its financial position and history, its business plan, its managerial expertise, any material transactions and all business affiliations or partnerships, and the likelihood of future profitability or viability of any exploration program.
- Any forecasts, projections, capital expenditure budgets, and independent technical reports, including the assumptions used in their development, submitted in support of the company's listing application.
- The company's press releases and financial disclosures during at least the past 12 months to assess whether the company has complied with appropriate disclosure standards.
- The past conduct of officers, directors, promoters and major shareholders with a view, among other things, to ensuring that the business will be conducted with integrity, in the best interests of its security holders and the investing public, and in compliance

with the rules and regulations of the TSX and all other regulatory bodies.

- Other sector-specific matters.

Requirements for continued listing

While there are several non-financial requirements that a TSX company must fulfil to maintain a listing, the following general financial conditions may, if met, give rise to delisting:

- The company's financial condition is such that, in the opinion of the TSX, it is questionable as to whether the company will be able to continue as a going concern. TSX will consider, among other things, the company's ability to meet its obligations as they come due, its working capital position, quick asset position, total assets, capitalization, cash flow and earnings, as well as accountants' or auditors' disclosures in financial statements regarding the company's ability to continue as a going concern.

- The company has ceased, or has expressed an intention to cease, to be actively engaged in any ongoing business.

- The company has discontinued or divested a substantial portion of its operations, reducing its business.

In addition, the TSX will normally consider delisting the securities of a company if, in the TSX's opinion, the public distribution, price, or trading activity of the securities has been so reduced as to make further dealings in the securities on TSX unwarranted. Specifically, participating securities may be delisted if:

- The market value of the company's issued securities that are listed on the TSX is less than C$3 million (approximately US$2.31 million) over any period of 30 consecutive trading days.

- The market value of the company's freely-tradable, publicly held securities is less than C$2 million (approximately US$1.54 million) over any period of 30 consecutive trading days.
- The number of freely-tradable, publicly held securities is less than 500,000.
- The number of public security holders, each holding a board lot or more, is less than 150.

In addition to the general financial delisting thresholds identified above, the following industry-specific requirements may also give rise to delisting:

- *Industrial companies*. The company fails to have total assets of at least C$3 million (approximately US$2.31 million) and annual revenue from ongoing operations of at least C$3 million in the most recent year. These criteria do not apply to a research and development company, however, such a company may be delisted if it has failed to spend at least C$1 million (approximately US$770,000) on research and development, acceptable to the TSX, in the most recent year.
- *Resource companies*. In the most recent year, the listed company (a) has failed to carry out at least C$350,000 (approximately US$270,000) of exploration and/or development work that is acceptable to the TSX and has failed to generate revenue of at least C$3 million (approximately US$2.31 million) from the sale of resource-based commodities or (b) does not have adequate working capital and an appropriate capital structure to carry on its business.

Corporate history

There are no specific requirements with respect to trading or operational history that a foreign company must demonstrate to list its securities on the TSX. However, in the initial listing requirements for some listing categories for the TSX, a company must provide details

regarding its operational history. For example, a company seeking to list on the TSX under the industrial sub-category "profitable companies" would be required to demonstrate earnings from ongoing operations of at least C$200,000 (approximately US$154,000) before taxes. This would require at least some review of trading/operational history. Nonetheless, there are other sub-categories, such as "companies forecasting profitability," that do not have such history requirements.

Even if a company meets the minimum requirements of the TSX, all TSX non-exempt applicants must be sponsored by a Participating Organization. As discussed above, such organizations are required to complete what is basically a due diligence report on the applicant—a process that will likely involve an investigation of the company's trading/operational history.

Ownership

The TSX does not mandate any ownership requirements in the listing of a foreign company's securities. However, there are a number of restrictions set by both federal and provincial law with respect to foreign investments in Canada.

For example, under the Investment Canada Act (ICA), acquisitions of control of Canadian businesses are either notifiable post-closing or reviewable pre-closing, and foreign investments to establish new businesses are notifiable. Generally, the direct acquisition of a Canadian business with assets greater than C$5 million (approximately US$3.85 million) and the indirect acquisition of a Canadian business with assets greater than C$50 million (approximately US$38.51 million) by a foreign investor, that is not from a World Trade Organization (WTO) member country, are subject to pre-closing foreign investment review and approval. However, acquisitions involving WTO member countries or acquisitions by investors from European Union member states as well as the United States of America, Mexico, Chile, Peru, Colombia, Honduras and South Korea benefit from higher thresholds. Such threshold for direct

acquisitions by investors from the European Union member states as well as the United States of America, Mexico, Chile, Peru, Colombia, Honduras and South Korea that are not State Owned Enterprises is currently C$1.568 billion (approximately US$1.207.52 billion) in enterprise value. For direct acquisitions involving other WTO investors that are not State Owned Enterprises the threshold is currently C$1.045 billion (approximately US$804.75 million) in enterprise value. Generally, indirect acquisitions by WTO investors are subject to post-closing notification. Reviewable investments by non-Canadians are subject to a "net benefit" to Canada test, and undertakings or other conditions of approval may apply. Particular rules also apply to investments involving state-owned enterprises and cultural businesses.

In addition, there are certain industry-specific restrictions on foreign ownership with respect to broadcasting, and for radio communications and telecommunications carriers that exceed a revenue threshold. There are also federal or provincial regulations with respect to foreign investments in aviation, book publishing and selling, collection agencies, engineering, farming, fisheries, liquor sales, mining, oil and gas, optometry, pharmacies, banking, insurance and financial services.

Finally, the Minister of Industry has broad powers to examine any investment in Canada made by a non-Canadian on the basis of national security.

Management

Before the TSX will accept the initial listing of an applicant, certain individuals associated with the applicant are required to complete a personal information form. For TSX applicants, this form must be completed by every officer, director, insider, or any person who beneficially owns or controls, directly or indirectly securities carrying greater than 10% of the voting rights attached to all outstanding voting securities of the applicant, as well as any individual requested by the TSX or a securities regulatory authority.

Overall, in the initial application stage, an applicant must demonstrate that its management team has the capacity to fulfil the corporate governance requirements expected of listed companies. This means, for example, that the management team is shown to be experienced and balanced, with sufficient directors and senior executives with a proven record in managing public companies. Furthermore, it is expected that management demonstrate a "public company mindset," particularly with regard to financial reporting, by eliminating such things as questionable accounting policies.

Sponsors and interviews

All non-exempt TSX applicants are required to obtain a sponsor. Sponsors may only be selected from among a list of Participating Organizations recognized by the TSX. All sponsors are required to draft sponsorship reports that vary depending on an applicant's listing category. Once a company is listed, there is no requirement to obtain a compliance adviser.

A foreign company seeking to list on the TSX is not specifically obligated to carry out one or more interviews with the exchange. However, the TSX's application review process may require it. In any case, the sponsorship process likely involves one or more interviews between the sponsor and the applicant.

Escrow

A non-exempt TSX listing applicant with a market capitalization under C$100 million (approximately US$77.01 million) immediately after completion of its IPO is generally subject to National Policy 46-201, *Escrow for Initial Public Offerings*. An exempt issuer or non-exempt issuer with over C$100 million in market capitalization immediately after completion of its IPO is generally not required to comply with the national policy referred to above.

In addition, the TSX generally applies the escrow policy to issuers that conducted their IPOs outside of Canada within the 12 months preceding the date of the TSX listing application and issuers that

apply to list on the TSX by way of, among other things, reverse takeover transactions. The TSX also has the discretion to exempt an issuer from the provisions of its escrow policy or impose restrictions on an issuer beyond those contained in its escrow policy.

Public float

At the time of listing. All TSX applicants must have at least 1,000,000 freely tradable shares having an aggregate market value of C$4 million (approximately US$3.08 million) (C$10 million (approximately US$7.70 million) for technology companies in the industrial category). The securities must be held by at least 300 public holders, each holding one board lot or more. In circumstances where public distribution is achieved other than by way of a public offering, for example by way of a reverse take-over, share exchange offer or other distribution, the exchange may require evidence that a satisfactory market in the company's securities will develop. Prior trading on another market or sponsorship by a Participating Organization, which will assist in maintaining an orderly market, may satisfy this condition.

After listing. As mentioned above, participating securities of a TSX-listed company may be delisted if the number of freely-tradable, publicly held securities is less than 500,000 or the number of public security holders, each holding a board lot or more, is less than 150.

Currency, settlement and presence

Securities may be listed on the TSX in either Canadian or US dollars.

There is no requirement for a TSX-listed issuer to have its securities settled with a particular clearing system. However, every listed company must maintain transfer registration facilities in accordance with the TSX requirements.

International issuers (that is, companies already listed on another exchange recognized by the TSX) are "generally required" to have some presence in Canada and must be able to demonstrate that they

are able to satisfy all of their reporting and public company obligations in Canada. This may be satisfied by having a member of the board of directors or management, an employee or a consultant of the issuer situated in Canada.

3. Listing documentation and process

In making its application to list on the TSX, an applicant must file a number of documents in addition to the listing application, including a principal listing document, as well as other documents to be filed both together with the principal listing document and after the applicant is conditionally approved for its TSX listing.

The principal listing document

One of four documents must be filed with the TSX as the company's "principal listing document":

- Annual information form.
- Prospectus.
- Annual report for US issuers.
- Annual report for foreign private issuers (United States).

A company that chooses to submit a prospectus as its principal listing document must include a considerable amount of information. The main subject headings include:

Summary of prospectus	Risk factors
Corporate structure	Promoters
Description of the business	Legal proceedings and regulatory actions
Use of proceeds	Interests of management and others in material transactions
Dividends or distributions	

Management's discussion and analysis

Earnings coverage ratios

Description of the securities distributed

Consolidated capitalization

Options to purchase securities

Prior sales

Escrowed securities

Principal security holders and selling security holders

Directors and executive officers

Executive compensation

Indebtedness of directors and executive officers

Audit committees and corporate governance

Plan of distribution

Relationship between the company and the underwriter

Auditors, transfer agents and registrars

Material contracts

Experts

Other material facts

Rights of withdrawal and rescission

List of exemptions from instruments

Financial statement disclosure for issuers

Credit supporter disclosure, including financial statements

Exemptions for certain issues of guaranteed securities

Significant acquisitions

Probable reverse takeovers

Certificates

Additional documents filed with the principal listing document

The following documents must be filed together with the principal listing document:

- A personal information form or declaration and a consent for disclosure of criminal record information form completed by each officer, director or person who beneficially owns or controls, directly or indirectly, securities carrying greater than 10% of the voting rights attached to all of the company's outstanding voting securities.
- Cheque for the listing application fee.
- The following financial statements, as applicable, unless included in the principal listing document or available on the System for Electronic Document Analysis and Retrieval (SEDAR):
    - Audited financial statements for the most recently completed financial year, signed by two directors on behalf of the full Board.
    - Unaudited financial statements for the most recently completed financial quarter, signed by two directors on behalf of the full Board.
    - If the company has recently completed or proposes to complete a transaction such as a business acquisition or a significant disposition, and if that transaction would materially affect the company's financial position or operating results, the company must submit pro forma financial statements that give effect to the transaction.

Companies listing on the TSX are generally required to prepare their financial statements according to International Financial Reporting Standards, as applicable in Canada.

- For any applicant that is a mining or oil and gas company, the following initial documents must be submitted:
    - Full and up-to-date reports on the significant properties of the applicant.
    - A certificate from the author of the reports confirming that he/she has reviewed the disclosures in the principal listing document regarding the properties covered by the reports and considers the disclosure to be accurate to the best of his/her knowledge.
    - A statement of projected sources and uses of funds for a period of 18 months, including related assumptions, presented on a quarterly basis, prepared by management and signed by the CFO, unless the applicant is applying to be classified as an exempt issuer.
- For any applicant that is a technology company, a statement of projected sources and uses of funds, including related assumptions, for a period of 12 months, presented on a quarterly basis, prepared by management and signed by the CFO.
- For any applicant that is a research and development company, a statement of projected sources and uses of funds, including related assumptions, for a period of 24 months, presented on a quarterly basis, prepared by management and signed by the CFO.
- Certified copies of all charter documents, including Articles of Incorporation, Letters Patent, Articles of Amendment, Articles of Continuance, Articles of Amalgamation, partnership agreements, trust indentures, declarations of trust or equivalent documents. Applicants incorporated outside of Canada may be required to provide a reconciliation of the corporate laws in their home jurisdiction to those of the *Canada Business Corporation Act*.
- For any applicant with restricted voting securities, a copy of the take-over protection agreement (or coattail trust agreement) which

meets, or will be amended to meet, the requirements of section 624(l) of the TSX Company Manual.

- One copy of every security-based compensation arrangement and any other similar agreement (a Plan) under which securities may be issued, together with a sample option agreement used for option grants if there is a Plan in place or all individual option agreements if the applicant has no Plan. If security holder approval was required for the Plan or agreement, include a copy of the approval.
- Copies of any agreements under which securities are held in escrow, pooled, or under a similar arrangement.
- Reports evidencing the number of freely tradable securities and the number of security holders for each class of securities to be listed, including warrants and convertible debentures.
- Sponsorship letter in draft form from a TSX Participating Organization, if applicable.
- Information required to update the principal listing document, including continuous disclosure filings such as material change reports, business acquisition reports, press releases and any other information required to make the listing application current. In addition, this information should include an updated chart of the trading history of the securities of the applicant up to the end of the month preceding the application to list on the TSX, if applicable.

Documents filed after conditional approval

The following documents are to be filed by foreign companies listing on the TSX, once conditional approval of an application has been made:

- TSX listing application duly completed in final form. The certificate and declaration accompanying the listing application must be signed (before a Notary Public) by:
    - The CEO.
    - The Corporate Secretary or the CFO, or, if not available, by another duly authorized senior officer of the applicant.
- A letter from the trust company which acts as transfer agent and registrar, stating that it has been duly appointed as transfer agent and registrar for the applicant and is in a position to make transfers and make prompt delivery of security certificates. The letter must state what fee, if any, is charged for transfers.
- One of the following, for each class of securities to be listed:
    - For applicants using engraved security certificates, a definitive specimen certificate printed by a bank note company approved by the TSX.
    - For applicants using the book entry only system administered by CDS Clearing and Depository Services Inc., a copy of the global certificate.
    - For applicants using a generic certificate, a definitive specimen of the generic certificate and a letter from the issuing transfer agent confirming that the generic certificate is in compliance with all Security Transfer Association of Canada requirements.
- For each class of securities to be listed, an unqualified letter from the entity which has the jurisdiction to assign CUSIPs confirming the CUSIP number assigned to each class of securities to be listed, and, if the company is incorporated outside of Canada, a confirmation from CDS that the securities to be listed on the TSX are eligible for clearing and settlement through CDS.

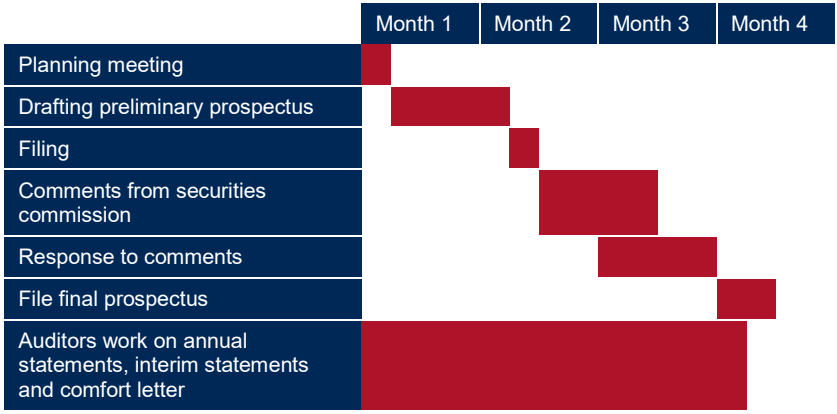
- A letter from legal counsel stating its opinion as to the validity of the company's existence and the proper creation and issuance of the securities.
- A copy of every material contract referred to in the listing application, if not already provided pursuant to a different requirement in this list and if not available in current form on SEDAR.
- If applicable, an executed copy of the sponsor report, or sponsorship letter.
- A completed registration form for TSX SecureFile.

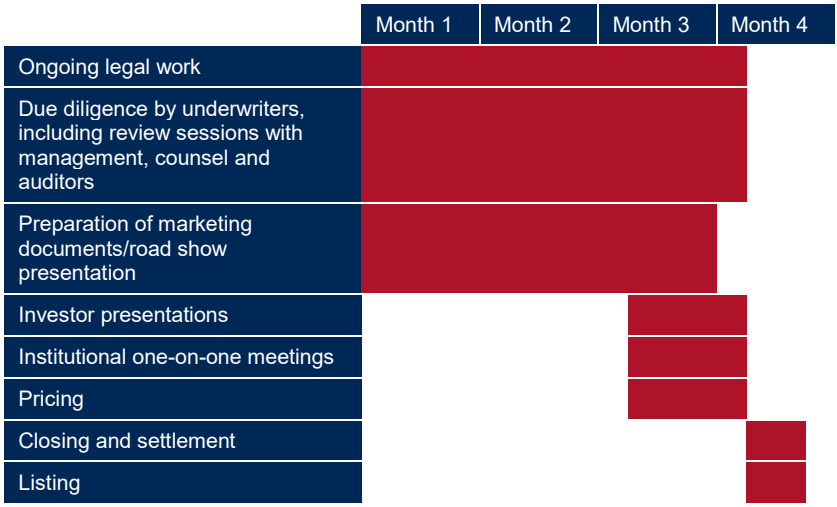
Regulatory review

The TSX will review the submissions and may require the company to respond to questions or comments and may request additional documents. If the company is using a prospectus, it will be subject to review by applicable Canadian securities regulatory authorities.

Timetable

The following is a typical process and timetable for a listing of a foreign company IPO through a prospectus offering on the TSX.





The TSX conducts background checks on key corporate personnel of listing applicants. If these individuals live abroad (as is often the case with foreign companies), this process can take more time than for domestic companies.

4. Continuing obligations/periodic reporting

If a foreign company is already a public company in certain jurisdictions and meets certain specified conditions, including a *de minimis* number of Canadian security holders, it may be exempted from certain continuous disclosure obligations expected of Canadian domestic issuers and foreign issuers in unrecognized jurisdictions.

Reporting issuers in the following jurisdictions may be exempt from certain Canadian continuous disclosure obligations:

Australia	Mexico	Spain
France	the Netherlands	Sweden
Germany	New Zealand	Switzerland

Hong Kong	Singapore	United Kingdom
Italy	South Africa	United States
Japan		

As required by Canadian securities laws, TSX-listed companies are required to satisfy rules with respect to material corporate developments, including:

- *Acquisitions.* A company must disclose major corporate acquisitions or dispositions with the exchange in accordance with its general obligation to disclose actual or proposed developments that are likely to give rise to material information. A company effecting a significant acquisition must file a business acquisition report within 75 days after the date of the acquisition.

- *Annual meetings.* Every company must hold its annual meeting of shareholders within six months from the end of its fiscal year, or at such earlier time as is required by applicable legislation. All companies must give notice to the TSX and the market within a specified time period of each shareholders' meeting. Notices filed publicly through SEDAR will satisfy this requirement. A notice of meeting, proxy circular and form of proxy must be sent to shareholders and filed.

- *Declaration of dividends.* A company must promptly notify the TSX as soon as a dividend is declared.

- *Material information.* A company must disclose material information concerning its business and affairs immediately after management become aware of the existence of material information, or in the case of information previously known, upon it becoming apparent that the information is material.

- *Shareholder approval.* Minority shareholder approval and/or valuation are required for certain transactions, depending on their nature and materiality. The rules that apply to related and

connected party transactions are complex and require specific consideration based on the circumstances involved.

In addition to the disclosure requirements listed above, a non-exempt listed company must also seek the permission of the TSX in order to carry out certain transactions. Specifically, these include transactions involving insiders or other related parties of the non-exempt issuer and which do not involve an issuance or potential issuance of listed securities, or that are initiated or undertaken by the company and materially affect control. If the value of the consideration to be received by the insider or other related party exceeds 2% of the company's market capitalization, TSX will require that:

- The proposed transaction be approved by the board on the recommendation of the directors who are unrelated to the transaction.
- The value of the consideration be established in an independent report, other than for executive or director compensation for services rendered unless the consideration appears to be commercially unreasonable, as determined by the TSX.

In addition, if the value of the consideration to be received by the insider or other related party exceeds 10% of the market capitalization of the issuer, the transaction must be approved by the issuer's security holders, other than the insider or other related party.

A TSX issuer is required to file annual and quarterly financial statements as well as annual and quarterly management's discussion and analysis and certification of filings (signed by the CEO and CFO), with the applicable securities commissions.

Financial statements of an issuer with securities listed only on the TSX must be filed as follows:

- Audited annual financial statements must be filed on or before the earlier of:
    - The 90th day after the end of its most recently completed financial year.
    - The date of filing, in a foreign jurisdiction, annual financial statements for its most recently completed financial year.
- Quarterly or interim financial statements, on or before the earlier of:
    - The 45th day after the end of its interim period.
    - The date of filing, in a foreign jurisdiction, an interim financial report for a period ending on the last day of the interim period.

Additionally, a TSX issuer is required to file an annual information form that contains material information about the company and its business, including its operations and prospectus and risks.

Insider trading, tipping or recommending trades with material information that has not been generally disclosed may be a quasi-criminal offence resulting in fines and/or imprisonment. The application of these rules (insider trading laws) is not dependent upon securities being listed upon a particular exchange. Insider trading is largely regulated by securities law, rather than by the policies or actions of the TSX. A company that is a reporting issuer or has securities that are publicly traded and persons in a "special relationship" with them are subject to insider trading laws.

5. Corporate governance

Apart from the general requirement to disclose corporate governance practices, there are few proscriptive rules in Canada with respect to corporate governance. For the most part, the primary source for information on corporate governance norms within Canada is found in

National Policy 58-201 - Corporate Governance Guidelines. This policy provides a non-binding set of best-practice guidelines for corporate governance.

In terms of board composition, the guidelines recommend that a company maintain a majority of independent directors and that the chair of the board be independent. Where this is not appropriate, it is suggested that there be a "lead director" to ensure that the board's agenda will enable it to successfully carry out its duties.

The requirement to have independent directors is also critical to fulfilling the audit committee requirement to have a majority of independent members. *National Instrument 52-110, Audit Committees* requires that all issuers have an audit committee and sets out the composition (generally all independent for TSX issuers) and other responsibilities of the audit committee.

In addition, it is recommended that the board adopt a written mandate in which it explicitly acknowledges responsibility for the stewardship of the company. The board is also encouraged to adopt a written code of business conduct and ethics that is applicable to directors, officers and employees of the issuer.

Certain requirements that relate to the disclosure of corporate governance practices, such as the requirement to disclose which directors are independent and the board's written mandate, are found in *National Policy 58-101, Disclosure of Corporate Governance Practices*. Recent amendments require that TSX issuers disclose director term limits and other mechanisms of renewal of the board as well as the representation of women on boards and in executive officer positions.

As for the nomination of directors, the guidelines recommend that the board appoint a nominating committee composed entirely of independent directors. This committee should be responsible for identifying individuals qualified to become new board members and

recommending to the board new director nominees for the next annual meeting of shareholders.

Finally, it is also recommended that the board appoint a compensation committee composed entirely of independent directors to:

- Review and approve corporate goals and objectives relevant to CEO compensation.
- Evaluate the CEO's performance in light of those corporate goals and objectives.
- Determine (or make recommendations to the board with respect to) the CEO's compensation level based on this evaluation.

Overarching all corporate governance requirements is "exchange discretion" in considering all factors related to management of a company to determine the acceptability of a company for TSX listing. For a TSX issuer, this section allows the exchange, "in pursuit of its goal of public protection and to promote integrity and honesty in the capital markets" to:

- Require that any document submitted to the TSX constitute full, true and plain disclosure.
- Review the conduct of an officer, director, promoter, major shareholder or any other person or company (or a combination of any of the above) who, in the TSX's opinion, holds enough of the company's securities to materially affect control, in order to satisfy itself that:
    - The business of the company is and will be conducted with integrity and the best interests of its security holders and the investing public.
    - The rules and regulation of the TSX and all other regulatory bodies having jurisdiction are and will be complied with.

6. Specific situations

The TSX distinguishes smaller companies from larger companies, as set out in the initial listing requirements.

TSX listing requirements vary depending on the industry of the applicant, as described above.

There is no formal "fast track" route for exchange listings. Each application is assessed on its own merits. While the exchange can "speed up" an application if there is a particularly important deadline to meet, generally, the exchange processes applications on a standard timescale.

7. Presence in the jurisdiction

TSX issuers are "generally required" to have some presence in Canada and must be able to demonstrate that they are able to satisfy all of their reporting and public company obligations in Canada. This may be satisfied by having a member of the board of directors or management, an employee or a consultant of the issuer situated in Canada.

Every listed company on the TSX must maintain transfer and registration facilities with a principal office in one or more of Vancouver, British Colombia; Calgary, Alberta; Toronto, Ontario; Montreal, Quebec; or Halifax, Nova Scotia, where all the issued securities of the listed classes must be directly transferable. Where transfer facilities are maintained in more than one city and generic or customized security certificates are used, all such certificates must be interchangeably transferable and identical in color and form, except as to the names of the transfer agent and registrar, as the case may be. Listed companies incorporated in the United States may appoint a transfer agent and registrar based in the United States, provided that they appoint a co-transfer agent in Canada (with transfer facilities in at least one of the cities mentioned above). Where a listed company uses

a registrar in the United States, such registrar must be duly registered with the US Securities and Exchange Commission.

8. Fees

For certain international interlisted issuers seeking to list on the TSX, the original listing fee ranges from C$7,500 to C$150,000 (approximately US$5,800 to US$115,500). Actual costs vary depending on the nature and complexity of the transaction and the relative sophistication of the company, its management, internal controls, and reporting processes. In addition, a non-refundable amount of C$7,500 (approximately US$5,800) must be submitted at the time of the application.

Furthermore, all TSX-listed companies are required to pay an annual sustaining fee to maintain their listing. The fee is generated at the end of January of each year and is based on the market capitalization as at the last trading day of the preceding calendar year. This fee ranges from C$12,000 per year to C$125,000 (approximately US$9,200 to US$96,300) per year. The TSX also requires additional fees each time additional securities are listed (for instance, in a follow-on offering) ranging from C$6,000 to C$190,000 (approximately US$4,600 to US$146,300), based upon the value of the securities issued. In addition, the TSX requires an annual fee of C$1,000 (approximately US$770) for each supplemental security listed as at the last trading day of the preceding calendar year. Discounts on the annual sustaining fees are available for certain international inter-listed issuers.

Additional costs include legal fees, broker fees, sponsorship fees (if applicable) and accounting and auditing fees as well as fees payable to the various securities regulatory authorities in which the company becomes a reporting issuer.

9. Additional information

All information submitted to the exchange should be in the English language.

Key differences in requirements for domestic companies

The TSX draws little distinction between the initial listing requirements of domestic and international issuers. The TSX Company Manual defines "international issuers" as entities already listed on another recognized exchange, which is acceptable to the TSX, and are incorporated outside of Canada.

While international issuers are not subject to unique financial or management requirements, they are generally required to have some presence in Canada and must be able to demonstrate, as with all issuers, that they are able to satisfy all of their reporting and public company obligations in Canada. This may be satisfied by having a member of the board of directors or management, an employee or a consultant of the issuer situated in Canada.

The TSX does not impose any unique requirements on foreign companies that do not fit the description of "international issuers". Nevertheless, it has issued guidance to prospective issuers that have a higher risk profile as a result of significant connections to emerging market jurisdictions.

Generally, the TSX will consider the following factors in determining whether an applicant may be an emerging market issuer: (i) residency of "mind and management"; (ii) jurisdiction of the principal business operations and assets; (iii) jurisdiction of incorporation; (iv) nature of the business; and (v) corporate structure. The presence of any one or more of these factors may lead to an issuer being considered as an emerging market issuer. Like the Ontario Securities Commission, the TSX is focusing these considerations on jurisdictions outside of Canada, the United States, the United Kingdom, Western Europe, Australia and New Zealand. The TSX recognizes that there are other jurisdictions that are not emerging markets. The TSX will assess other jurisdictions on a country-by-country basis, taking into account factors such as: (i) the prevalence of the rule of law; (ii) the rating in corruption perception and transparency indices; (iii) a civil or common law system similar to Canada; (iv) usage of International

Financial Reporting Standards and International Standards on Auditing; and (v) membership in key commercial and economic international organizations. The TSX strongly recommends such issuers arrange pre-filing meetings with the TSX to identify and address any potential concerns.

10. Contacts within Baker McKenzie

David Palumbo and Greg McNab in the Toronto office are the most appropriate contacts within Baker McKenzie for inquiries about prospective listings on the TSX.

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+1 416 865 6879

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TSX Venture Exchange

Initial financial listing requirements

To qualify for listing as a Tier 1 Company (the Tier 2 requirements are generally less strict), a company typically must meet at least one of the following tests:

Working capital & financial resources	• Adequate working capital and financial resources to carry out its stated work program or execute its business plan for 18 months following listing. • C$200,000 (approx. US$154,000) in unallocated funds (C$100,000 (approx. US$77,000) for Tier 2).
Mining companies	• C$2 million (approx. US$1.54 million) in net tangible assets. • A material interest in a Tier 1 property. • A work program with an initial phase of no less than C$500,000 (approx. US$385,000), as recommended in a geological report. • Satisfaction of other Tier 1 property requirements, as applicable. • A geological report recommending completion of the work program.
Oil & gas	• For an exploration company, C$3 million (approx. US$2.31 million) in reserves, of which a minimum of C$1 million (approx. US$770,000) must be proved developed reserves and the balance probable reserves; or for a producing company, C$2 million (approx. US$1.54 million) in proved developed reserves. • For an exploration company, satisfactory work program of no less than C$500,000 (approx. US$385,000), which can reasonably be expected to increase reserves as recommended in a geological report. • A geological report recommending completion of the work program.
Industrial, technology or life sciences	• C$5 million (approx. US$3.85 million) in net tangible assets or C$5 million (approx. US$3.85 million) in revenue. • A significant interest in the business or the primary assets used to carry on the business. • A history of operations or validation of the business. • If no revenue, a two year management plan demonstrating reasonable likelihood of revenue within 24 months.

Other initial listing requirements

Share price. An issuer listed on the TSX Venture Exchange (TSX-V) is obliged to sell any securities in its initial public offering for a minimum of C$0.10 (approx. US$0.08) per security (certain exceptions apply).

Distribution. To list its securities, a Tier 1 Company must have:

- Public float of 1 million shares.
- 250 public shareholders, each holding a board lot and having no resale restrictions on their shares.
- 20% of issued and outstanding shares in the hands of public shareholders.

Operating history. In most cases, TSX Venture does not require a specific length of operating history.

Management. All management and insiders will be subject to completing personal information forms and consenting to background checks.

Sponsorship. Subject to certain exceptions, TSX Venture applicants must be sponsored by a dealer member.

Accounting standards. Financial statements are required to be prepared according to IFRS accounting standards, as applicable in Canada.

Listing process

The following is a typical process and timetable for a listing of a foreign company IPO through a prospectus offering on the TSX-V.

Corporate governance and reporting

Corporate governance. Apart from the general requirement to disclose corporate governance practices, there are few proscriptive rules in Canada with respect to corporate governance.

Financial statements. Audited annual financial statements and unaudited interim financial statements must be filed within prescribed periods.

Acquisitions. A company effecting a significant acquisition must file a business acquisition report within 75 days after the date of the acquisition.

Annual meetings. A company must hold an annual meeting of its shareholders within prescribed periods.

Declaration of dividends. A company is obliged to promptly notify the TSX-V as soon as a dividend is declared.

Material changes. A company must disclose any material information concerning its business and affairs immediately after management of the issuer become aware of the existence of material information, or in the case of information previously known, upon it becoming apparent that the information is material.

Shareholder approval. Minority shareholder approval and/or valuation is required for certain transactions, depending on their nature and materiality. The rules that apply to related and connected party transactions are complex and require specific consideration based on the circumstances involved.

Fees

A company seeking to list must pay both initial listing fees and annual fees. The initial listing fee ranges from C$10,000 to C$40,000 (approx. US$7,700 to US$30,800), depending on the deemed value of shares involved. Additional shares listed subsequently will require additional payments. The annual fee ranges from C$5,200 to C$90,000 (approx. US$4,000 to US$69,300), depending on the market capitalization.

1. Overview of exchange

The TSX Venture Exchange is commonly known as the Venture Exchange or TSXV. The TSXV is operated by the TMX Group Limited, which also operates a number of other exchanges, including the Toronto Stock Exchange (TSX). The TSXV is recognized as the primary Canadian market for junior issuers, while the TSX is regarded as the primary Canadian market for senior issuers, together representing significant international markets in terms of capital raised and number of listed companies. While companies can transition from the TSXV to the TSX, the TSXV may be the most appropriate exchange for a particular company to remain on in the long term.

For the most part, the TSXV does not recognize the difference between primary and secondary listings, and little distinction is drawn between foreign and domestic companies in terms of initial listing requirements. However, it is expected that prospective issuers with properties or business in certain emerging markets will face additional scrutiny as the TSXV has issued a policy providing guidance for additional requirements and procedures for listing emerging market issuers.

The TSXV has two listing categories, Tier 1 and Tier 2. The former is intended for more financially developed and advanced junior issuers, while the latter is for smaller issuers. Within both tiers, there are four industry specific sub-categories, each with its own listing requirements:

- Mining.
- Oil and gas (exploration or reserves).
- Industrial, technology or life sciences.
- Real estate or investment.

The total market capitalization of the TSXV was C$41.6 billion (approximately US$32.04 billion) as of 30 November 2019.

The TSX and TSXV are global leaders in listing issuers in the resource sectors, including mining and oil and gas companies. As of 31 December 2018, approximately 50% of the world's public mining companies were listed on the TSX and TSXV, and 49% of the world's mining equity financings were completed by companies listed on the TSX and TSXV. Approximately 22% of all global public oil and gas companies are listed on the TSX and TSXV. The TSX and TSXV also list a growing number of technology and innovation companies (including those in the technology and life sciences sectors). TSXV-listed companies have the potential to graduate to the TSX as they grow and mature.

As of 30 November 2019, there were 1,668 companies listed on the TSXV. Of these, 127 companies were foreign-based, representing approximately 7.6% of all TSXV issuers.

In Canada, securities regulation is achieved through a combination of regulation by securities regulators, self-regulatory organizations and exchange level supervision. In the case of most public securities matters, there are issues to be addressed at each level. However, in terms of listing requirements, the TSXV sets its own standards. In any case, while neither the applicable provincial or territorial securities commission nor the Investment Industry Regulatory Organization of Canada (IIROC) is directly involved in the application process, these organizations impose restrictions on many other aspects of the securities regulation process.

2. Principal listing and maintenance requirements and procedures

Jurisdiction of issuer

There are technically no unacceptable jurisdictions of incorporation for companies seeking to list on the TSXV. However, if an applicant's jurisdiction does not require incorporated companies to provide certain shareholder protections, the TSXV may require certain amendments be made to a company's articles of incorporation (or

equivalent document) as a condition of listing. Additional scrutiny may be faced by entities organized in or with principal properties or businesses located in emerging market jurisdictions.

Apart from TSXV regulations, the Canadian federal government also maintains restrictions on economic activities between Canada and certain foreign countries. While the specific extent of the sanctions varies by country, Canada currently maintains sanctions or restrictions against the following countries: Central African Republic, Democratic Republic of the Congo, Eritrea, Iran, Iraq, Lebanon, Libya, Mali, Mayanmar, Nicaragua, North Korea, Russia, Somalia, South Sudan, Sudan, Syria, Tunisia, Ukraine, Venezuela, Yemen and Zimbabwe. While this legislation may not directly prohibit listing on the exchange, it may, depending on the country involved, restrict a foreign company's ability to trade its shares or raise capital through its TSXV listing.

TSXV listing requirements

The TSXV generally does not accept applications for listing of securities of an issuer other than common shares, except where the common shares of that issuer are already listed, or where the common shares and the other class of securities will be contemporaneously listed, on the TSXV.

The TSXV divides applicants, based on standards, including their stage of development, historical financial performance and financial resources, into either Tier 1 or Tier 2. Tier 1 is the TSXV's premier tier and is reserved for the most advanced issuers with the most significant financial resources. Tier 2 is the tier where the majority of the TSXV's listed issuers trade. There are four subcategories under both tiers: mining, oil and gas (exploration or reserves), industrial/technology/life sciences, and real estate or investment.

Tier 2 initial listing requirements

Each Tier 2 applicant must meet requirements concerning its working capital and financial resources, as well as the public distribution of its shares.

Working capital and financial resources. The applicant must have:

- Adequate working capital and financial resources to carry out its stated work program or execute its business plan for 12 months following listing.
- C$100,000 (approximately US$77,000) in unallocated funds.

Public distribution. The applicant must have:

- Public float of 500,000 shares.
- 200 public shareholders each holding a board lot and having no resale restrictions on their shares.
- 20% of issued and outstanding shares in the hands of public shareholders.

Also:

Mining. A mining company must have:

- A significant interest in a qualifying property or, at the discretion of the exchange, a right to earn a significant interest in a qualifying property.
- Sufficient evidence of at least C$100,000 (approximately US$77,000) of approved expenditures by the issuer on the qualifying property within the 36 months before the application for listing.

- A work program with an initial phase of no less than C$200,000 (approximately US$154,000), as recommended in a geological report.

- A geological report recommending completion of the work program.

Oil and gas (exploration or reserves).

An oil and gas company focusing on *exploration* must have:

- Either (a) an unproven property with prospects or (b) a joint venture interest and C$5 million (approximately US$3.85 million) raised by a prospectus offering.

- A minimum of C$1.5 million (approximately US$1.16 million) allocated by the issuer to a work program, as recommended in a geological report, except where the issuer has a joint venture interest and has raised C$5 million (approximately US$3.85 million) in a prospectus offering.

- A geological report recommending completion of the work program.

An oil and gas company focusing on *reserves* must have:

- Either C$500,000 (approximately US$385,000) in proved developed producing reserves or C$750,000 (approximately US$578,000) in proved plus probable reserves.

- A satisfactory work program, in an amount of no less than C$300,000 (approximately US$231,000) if proved developed producing reserves have a value of less than C$500,000 (approximately US$385,000) as recommended in a geological report.

- A geological report recommending completion of the work program.

Industrial, technology or life sciences.

An industrial, technology or life sciences company must have:

- C$750,000 (approximately US$578,000) in net tangible assets, C$500,000 (approximately US$385,000) in revenue or C$2 million (approximately US$1.54 million) in arm's length financing.
- A significant interest in the business or the primary assets used to carry on the business.
- A history of operations or validation of the business.
- If no revenue, a two year management plan demonstrating reasonable likelihood of revenue within 24 months.

Real estate or investment.

A real estate company must have:

- A significant interest in real property.
- Either C$2 million (approximately US$1.54 million) in net tangible assets or C$3 million (approximately US$2.31 million) in arm's length financing.

An investment company must have:

- A disclosed investment policy.
- 50% of available funds allocated to at least two specific investments.
- Either C$2 million (approximately US$1.54 million) in net tangible assets or C$3 million (approximately US$2.31 million) in arm's length financing.

Tier 1 initial listing requirements

Each Tier 1 applicant must meet requirements concerning its working capital and financial resources, as well as the public distribution of its shares.

Working capital and financial resources. The applicant must have:

- Adequate working capital and financial resources to carry out its stated work program or execute its business plan for 18 months following listing.
- C$200,000 (approximately US$154,000) in unallocated funds.

Public distribution. The applicant must have:

- Public float of 1,000,000 shares.
- 250 public shareholders, each holding a board lot and having no resale restrictions on their shares.
- 20% of issued and outstanding shares in the hands of public shareholders.

Also:

Mining. A mining company must have:

- C$2 million (approximately US$1.54 million) in net tangible assets.
- A material interest in a Tier 1 property.
- A work program with an initial phase of no less than C$500,000 (approximately US$385,000), as recommended in a geological report.
- Satisfaction of other Tier 1 property requirements.

- A geological report recommending completion of the work program.

Oil and gas (exploration or producing).

An oil and gas company focusing on *exploration* must have:

- C$3 million (approximately US$2.31 million) in reserves, of which a minimum of C$1 million (approximately US$770,000) must be proved developed reserves and the balance probable reserves.
- Satisfactory work program of no less than C$500,000 (approximately US$385,000), which can reasonably be expected to increase reserves as recommended in a geological report.
- A geological report recommending completion of the work program.

An oil and gas company focusing on *production* must have:

- C$2 million (approximately US$1.54 million) in proved developed reserves.
- A geological report recommending completion of the work program.

Industrial, technology or life sciences.

An industrial, technology or life sciences company must have:

- C$5 million (approximately US$3.85 million) in net tangible assets or C$5 million (approximately US$3.85 million) in revenue.
- A significant interest in the business or the primary assets used to carry on the business.
- A history of operations or validation of the business.

- If no revenue, a two year management plan demonstrating reasonable likelihood of revenue within 24 months.

Real estate or investment.

A real estate company must have:

- C$5 million (approximately US$3.85 million) in net tangible assets.
- A significant interest in real property.

An investment company must have:

- C$10 million (approximately US$7.70 million) in net tangible assets.
- A disclosed investment policy.

Sponsorship

Subject certain exemptions, TSXV applicants must be sponsored by a Participating Organization. Such organizations are required to complete what is basically a due diligence report on the applicant. Foreign issuers are generally required to be subject to a higher degree of due diligence than domestic issuers. Although the scope and extent of the due diligence will vary in each circumstance, the review typically includes, among other things, an assessment of the issuer's:

- Directors and managers.
- Business operations and plans.
- Working capital to determine its adequacy to carry on out least 12 months of operations and any other stated purposes.
- Material contracts.

Sponsorship is not required under certain circumstances, including where:

- The issuer's application is made pursuant to an IPO and the prospectus is executed by at least one member of the TSXV.
- The issuer is not a foreign issuer, is in a specified mining or oil and gas issuer category, and its management collectively possess an appropriate level of experience, qualifications and history according to specific criteria.
- The issuer makes appropriate disclosures according to specific criteria and either a major financial institution is involved or the issuer conducts a concurrent brokered financing of at least C$500,000 (approximately US$385,000) in connection with the transaction and the agent for that transaction has provided the TSXV with confirmation that it has completed appropriate due diligence.

Requirements for continued listing

Tier 2.

A Tier 2 issuer, regardless of its industry segment, will be able to satisfy the public distribution and market capitalization tests if:

- At least 500,000 listed shares are in the public float.
- 10% of listed shares are in the public float.
- The listed shares within the public float have a minimum market capitalization of C$100,000 (approximately US$77,000).
- At least 150 public shareholders hold at least one board lot each, free of any resale restrictions.

With respect to working capital or financial resources, a Tier 2 issuer is expected to have the greater of C$50,000 (approximately

US$38,500) and the amount required to maintain operations and cover general and administrative expenses for a period of six months.

The TSXV will retain discretion to determine eligibility for continued listing in situations where the Tier 2 issuer or its principal operating subsidiary substantially reduces or impairs its principal operating assets, ceases or discontinues a substantial portion of its operations or business for any reason, or seeks protection from or is placed under the protection of any bankruptcy or insolvency law or is placed into receivership.

A Tier 2 resource issuer (mining or oil and gas issuers) will need to satisfy either of the following activity tests:

- For its most recently completed financial year, either positive cash flow, significant operating revenue, or C$50,000 (approximately US$38,500) of exploration or development expenditures.

- For its two most recently completed financial years, C$100,000 (approximately US$77,000) of exploration or development expenditures.

A Tier 2 non-resource issuer (industrial, technology, life sciences, real estate or investment industry)will need to satisfy either of the following activity tests:

- For its most recently completed financial year, either positive cash flow, C$150,000 (approximately US$115,500) of operating revenues or C$150,000 of expenditures relating to the development of its assets or business.

- For its two most recently completed financial years, either C$300,000 (approximately US$231,000) of operating revenues or C$300,000 of expenditures directly relating to the development of its assets or business.

If a Tier 2 issuer fails to meet the minimum requirements for continued listing, there is the possibility that it may continue to list on

the NEX, a separate trading board of the TSXV that provides a trading forum for issuers that have fallen below the TSXV's ongoing listing standards.

Tier 1.

A Tier 1 issuer from any industry segment will be able to meet its continued listing requirements if it continues to meet the Tier 1 initial listing requirements applicable to its industry segment.

Corporate history

There are no specific requirements with respect to trading or operational history that a foreign company must demonstrate to list its securities on the TSXV. However, in the initial listing requirements for some listing categories for the TSXV, a company must provide details regarding its operational history.

Even if a company meets the minimum requirements of the TSXV, subject to specified exemptions, TSXV applicants must be sponsored by a Participating Organization. As discussed above, such organizations are required to complete what is basically a due diligence report on the applicant—a process that will likely involve an investigation of the company's trading/operational history.

Ownership

The TSXV does not mandate any ownership requirements in the listing of a foreign company's securities. However, there are a number of restrictions set by both federal and provincial law with respect to foreign investments in Canada.

For example, under the Investment Canada Act (ICA), acquisitions of control of Canadian businesses are either notifiable post-closing or reviewable pre-closing and foreign investments to establish new businesses are notifiable. Generally, the direct acquisition of a Canadian business with assets greater than C$5 million (approximately US$3.85 million) and the indirect acquisition of a

Canadian business with assets greater than C$50 million (approximately US$38.51 million) by a foreign investor, that is not a World Trade Organization (WTO) member country, are subject to pre-closing foreign investment review and approval. However, acquisitions involving WTO member countries or acquisitions by investors from European Union member states as well as the United States of America, Mexico, Chile, Peru, Colombia, Honduras and South Korea benefit from higher thresholds. Such threshold for direct acquisitions by investors from the European Union member states as well as the United States of America, Mexico, Chile, Peru, Colombia, Honduras and South Korea that are not State Owned Enterprises is currently C$1.568 billion (approximately US$1.208 billion) in enterprise value. For direct acquisitions involving other WTO investors that are not State Owned Enterprises the threshold is currently C$1.045 billion (approximately US$805.75 million) in enterprise value. Generally, indirect acquisitions by WTO investors are subject to post-closing notification. Reviewable investments by non-Canadians are subject to a "net benefit" to Canada test, and undertakings or other conditions of approval may apply. Particular rules also apply to investments involving state-owned enterprises and cultural businesses.

In addition, there are certain industry-specific restrictions on foreign ownership with respect to broadcasting, and for radio communications and telecommunications carriers that exceed a revenue threshold. There are also federal or provincial regulations with respect to foreign investments in aviation, book publishing and selling, collection agencies, engineering, farming, fisheries, liquor sales, mining, oil and gas, optometry, pharmacies, banking, insurance and financial services.

Finally, the Minister of Industry has broad powers to examine any investment in Canada made by a non-Canadian on the basis of national security.

Management

Before the TSXV will accept the initial listing of an applicant, certain individuals associated with the applicant are required to complete a personal information form. For TSXV applicants, this form must be completed by each director, officer, other insider or any person who beneficially owns or controls, directly or indirectly securities carrying greater than 10% of the voting rights attached to all outstanding voting securities of the applicant, and each person providing or managing investor relations activities, promotional or marking maintenance services on behalf of the issuer, as well as any individual requested by the TSXV or a securities regulatory authority. The TSXV will not accept an application unless these individuals meet a number of basic competency requirements.

Overall, in the initial application stage, an applicant must demonstrate that its management team has the capacity to fulfill the corporate governance requirements expected of listed companies. This means, for example, that the management team is shown to be experienced and balanced, with sufficient directors and senior executives with a proven record in managing public companies. Furthermore, it is expected that management demonstrate a "public company mindset," particularly with regard to financial reporting, by eliminating any questionable accounting policies.

Share price

A TSXV listed issuer is obliged to sell any securities in its initial public offering for a minimum of C$0.10 (approximately US$0.08) per security (certain exceptions apply). Furthermore, if the TSXV determines that an issuer has issued shares to any person at an effective price of less than C$0.05 (approximately US$0.04) per share prior to the proposed new listing, the exchange may request additional information from or action on the part of the issuer including amendments to the issuer's capital structure, before approving an application for listing.

Escrow

TSXV listing applicants are generally required to have securities issued to principals escrowed or subject to hold periods. The exchange can also require that any securities held by other parties be escrowed on the same terms as the principals or otherwise.

Public float

At the time of listing.

A Tier 2 company must have:

- A public float of 500,000 shares.
- 200 public shareholders, each holding a board lot and having no resale restrictions on their shares.
- 20% of issued and outstanding shares in the hands of public shareholders.

A Tier 1 company must have:

- At least 1 million listed shares in the public float.
- 250 public shareholders, each holding a board lot and having no resale restrictions on their shares.
- 20% of issued and outstanding shares in the hands of public shareholders.

After listing.

As mentioned above, a Tier 2 company may be delisted unless:

- At least 500,000 listed shares are in the public float.
- 10% of listed shares are in the public float.

- Listed shares within the public float have a minimum market capitalization of C$100,000 (approximately US$77,000).
- At least 150 public shareholders hold at least one board lot each, free of any resale restrictions.

The public float requirements after listing for a TSXV Tier 1 issuer are the same as the initial listing requirements.

Interviews

A foreign company seeking to list on the TSXV is not specifically obligated to carry out one or more interviews with the exchange. However, the TSXV's investigations and application review process may require it. In any case, the sponsorship process likely involves one or more interviews between the sponsor and the applicant.

Corporate history

There are no specific requirements with respect to trading or operational history that a foreign company must demonstrate to list its securities on the TSXV. However, in the initial listing requirements for some listing categories for the TSXV, a company must provide details regarding its operational history.

Even if a company meets the minimum requirements of the TSXV, subject to specified exemptions, TSXV applicants must be sponsored by a Participating Organization. As discussed earlier, such organizations are required to complete what is basically a due diligence report on the applicant—a process that will likely involve an investigation of the company's trading/operational history.

Currency, agents and advisers

The TSXV lists securities in either Canadian or US dollars.

The TSXV maintains a list of "acceptable" transfer agents, registrars and escrow agents. While an issuer may select a transfer agent not on this list, such an agent must be reviewed by the TSXV.

Initially, as discussed above, TSXV applicants may be required to have their application sponsored by an acceptable Participating Organization. However, once a company is listed, there is no requirement to obtain a compliance adviser.

3. Listing documentation and process

In making its application to list on the TSXV, an applicant must file a number of documents, which can be grouped into initial submission documents and final filings.

Initial submission documents

A company must file with the TSXV in connection with its initial submission for an application for listing:

- A letter requesting conditional acceptance of the listing of securities that:
    - Specifies the applicable industry and category for which the company is applying for listing.
    - Where applicable, identifies any required waiver or exemptive relief application made (or to be made) pursuant to applicable exchange requirements and securities laws.
    - Identifies three choices for a stock symbol root, listed in order of preference.
- A Form 2J (security holder information).

In addition, a company may potentially be required to file a number of additional initial submission documents, including:

- *Prospectus.* If the application for listing is made concurrently with a prospectus offering, a copy of the preliminary prospectus. The

prospectus must include a considerable amount of information. The main subject headings include:

- Summary of prospectus
- Corporate structure
- Description of the business
- Use of proceeds
- Dividends or distributions
- Management's discussion and analysis
- Earnings coverage ratios
- Description of the securities distributed
- Consolidated capitalization
- Options to purchase securities
- Prior sales
- Escrowed securities
- Principal security holders and selling security holders
- Directors and executive officers
- Executive compensation
- Indebtedness of directors and executive officers
- Risk factors
- Promoters
- Legal proceedings and regulatory actions
- Interests of management and others in material transactions
- Relationship between the company and the underwriter
- Auditors, transfer agents and registrars
- Material contracts
- Experts
- Other material facts
- Rights of withdrawal and rescission
- List of exemptions from instruments
- Financial statement disclosure for issuers
- Credit supporter disclosure, including financial statements
- Exemptions for certain issues of guaranteed securities

Audit committees and corporate governance	Significant acquisitions
	Probable reverse takeovers
Plan of distribution	
	Certificates

- *Listing application.* If the application for listing is not being made concurrently with a prospectus offering, a "qualifying transaction," a "reverse takeover" or a "change of business," a draft listing application (Form 2B) which:

  - Provides prospectus level disclosure, unless the issuer has been a reporting issuer in Canada or been subject to equivalent continuous disclosure requirements in a foreign jurisdiction for at least one year, and its continuous disclosure record is available or will be made available on the System for Electronic Document Analysis and Retrieval (SEDAR).

  - Includes certain required financial statements, and, if the company's securities have been listed or quoted elsewhere, includes those financial statements filed in the last year with the applicable exchange, quotation system or regulator pursuant to that listing or quotation.

  - Provides a certified list of all security holders from the company's transfer agent and registrar, together with a report from each depository on securities held by intermediaries and a list of major beneficial holders of securities.

  Along with the listing application, the company must also provide:

  - A preliminary sponsor report, if applicable.

  - A personal information form or declaration and a consent for disclosure of criminal record information form from each director, officer, promoter and other insider of the company (or, if not an individual, each director, officer and control

person of that entity). If an individual has already submitted a personal information form to the TSX or TSXV in the prior 60 months, he or she only needs to complete a declaration that there have been no substantial changes to the form, together with a release form relating to consent to disclosure of criminal record information.

- *Mining and oil and gas companies.* If the company is in the mining or oil and gas industry segment, a geological report for each of its principal properties, which must include recommendations for exploration and/or development work.

- *Industrial, technology or life sciences companies.* If the company is in the industrial, technology or life sciences industry segment:

  - If the company has not yet generated net income from its business in the amount referred to in the initial listing requirements, a comprehensive business plan with forecasts and assumptions for the next 24 months.

  - If any technology or life sciences issuer has a research and development program, a description of the research and development conducted to date and recommended research and development work program.

- *Financial statements.* Except as otherwise required, copies of any audited and unaudited financial statements of the company (signed by two directors on behalf of the full board), together with any applicable consents and consent letters, except where the financial statements have already been filed on SEDAR.

  Currently, financial statements are required to be prepared according to International Financial Reporting Standards, as applicable in Canada.

- *Plans.* A copy of all stock option or security purchase plan and any other agreement under which securities may be issued and, if the issuer is instituting a dividend re-investment plan (DRIP), a

final copy of the executed DRIP and a copy of the board resolution approving the DRIP.

- *Material contracts.* A list of all material contracts, together with a copy of any material contract that the company has entered into (and any draft material contract which the issuer expects to enter into) relating to:
    - The issuance of securities.
    - Non-arm's length transactions.
    - The assets upon which the listing will be based.
- *Valuation report.* If applicable, a valuation or appraisal report prepared by a qualified individual in accordance with industry standards.
- *Properties.* If the company's principal properties or assets are located outside Canada or the United States, the TSXV will generally require a title opinion or other appropriate confirmation of title.
- *Reconciliation of corporate matters.* A non-Canadian applicant may be required to provide a jurisdictional reconciliation requested by the TSXV. Specifically:
    - The TSXV may request that the applicant complete a reconciliation of its constituent documents and the corporate or equivalent law regimes of its home jurisdiction with that of the *Canada Business Corporations Act*.
    - The TSXV will review any requested reconciliation to determine whether any significant deficiencies exist with respect to overall market and investor protections, when compared with similar Canadian provisions.

  - The TSXV may, as a result of its review, also require the applicant to amend its articles, by-laws, any declaration of trust or equivalent document in order to address any of the significant deficiencies.

- *Listed warrants and restricted voting securities.*

  - If the company is listing restricted voting securities, a copy of the take-over bid protection agreement ("coattails" trust agreement).

  - If the company is listing warrants and the warrant holders are entitled to purchase listed securities, a copy of the warrant trust indenture.

Final filings

Further documents are also required under the final filing requirements for the TSXV. Please feel free to contact us in our Toronto office for details.

Application fee

The company must pay the applicable minimum non-refundable listing fee (see section 8 below).

Listing representations

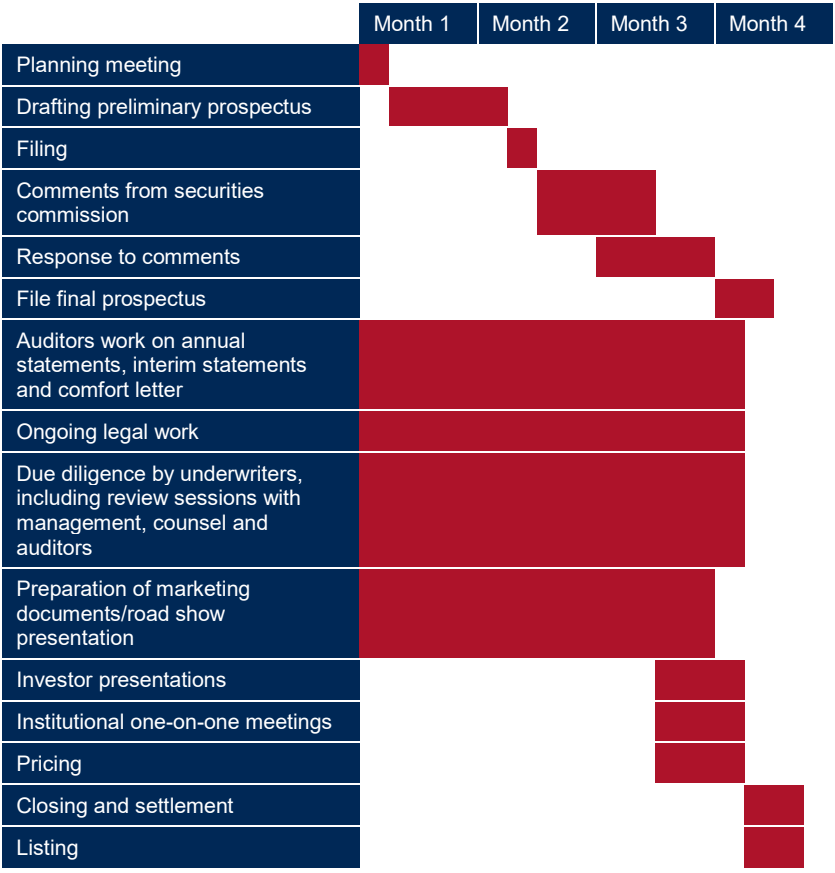
Note that any representation, written or oral, that a security will be listed on the TSXV (or that application has been or will be made to list a security on the TSXV) must comply with securities laws.

Regulatory review

The TSXV will review the submissions and may require the company to respond to questions or comments and may request additional documents. If the company is using a prospectus, it will be subject to review by applicable Canadian securities regulatory authorities.

Timetable

The following is a typical process and timetable for a listing of a foreign company IPO through a prospectus offering on the TSXV.



As mentioned above, the TSXV conducts background checks on key corporate personnel of listing applicants. If these individuals live abroad (as is often the case with foreign companies), this process can take more time than for domestic companies.

4. Continuing obligations/periodic reporting

If a foreign company is already a public company in certain jurisdictions and meets certain specified conditions, including a *de minimis* number of Canadian security holders, it may be exempted from certain continuous disclosure obligations expected of Canadian domestic issuers and foreign issuers in unrecognized jurisdictions.

Reporting issuers in the following jurisdictions may be exempt from certain Canadian continuous disclosure obligations:

Australia	Mexico	Spain
France	the Netherlands	Sweden
Germany	New Zealand	Switzerland
Hong Kong	Singapore	United Kingdom
Italy	South Africa	United States
Japan		

As required by Canadian securities laws, TSXV listed companies are required to satisfy rules with respect to material corporate developments, including:

- *Generally.* A company effecting a significant acquisition must file a business acquisition report within 75 days after the date of the acquisition.

- *Annual meetings.* A company must hold an annual meeting of its shareholders by the earlier of (a) the time required by applicable corporate or securities legislation and (b) 18 months after its incorporation or amalgamation, and in each subsequent year not more than 15 months after its last preceding annual meeting of shareholders or as required by applicable corporate or securities laws. A notice of meeting, proxy circular and form of proxy must be sent to shareholders and filed. In certain cases, a TSXV

company will be subject to slightly less rigorous disclosure requirements than a TSX company.

- *Declaration of dividends.* A company is obliged to promptly notify the TSXV as soon as a dividend is declared.

- *Material information.* A company must disclose any material information concerning its business and affairs immediately after management of the issuer become aware of the existence of material information, or in the case of information previously known, upon it becoming apparent that the information is material.

- *Shareholder approval.* Minority shareholder approval and/or valuation are required for certain transactions, depending on their nature and materiality. The rules that apply to related and connected party transactions are complex and require specific consideration based on the circumstances involved.

A TSXV issuer must file annual and quarterly financial statements, as well as annual and quarterly management's discussion and analysis and certification of filings (signed by the CEO and CFO), with the applicable securities commissions. A TSXV issuer must deliver the required financial statements and management's discussion and analysis to all its requesting security holders, regardless of the jurisdictions in which they reside.

Financial statements of an issuer with securities listed only on the TSXV must be filed as follows:

- Audited financial statements, on or before the earlier of:

    - The 120th day after the end of its most recently completed financial year.

    - The date of filing, in a foreign jurisdiction, annual financial statements for its most recently completed financial year.

- Quarterly or interim financial statements, on or before the earlier of:
    - The 60th day after the end of its interim period.
    - The date of filing, in a foreign jurisdiction, an interim financial report for a period ending on the last day of the interim period.
- For a reporting issuer other than a venture issuer (that is, an issuer with securities that are listed outside of Canada, subject to certain exemptions), please see "Toronto Stock Exchange - 4. Continuing obligations/periodic reporting".

Insider trading, tipping or recommending trades with material information that has not been generally disclosed may be a quasi-criminal offence resulting in fines and/or imprisonment. The application of these rules (insider trading laws) is not dependent upon securities being listed upon a particular exchange. Insider trading is largely regulated by securities law, rather than by the policies or actions of the TSXV. A company that is a reporting issuer or has securities that are publicly traded, and persons in a "special relationship" with them are subject to insider trading laws. In any case, the TSXV encourages companies to implement a number of procedures to guard against insider trading, such as:

- Educate directors, management, employees and consultants with respect to the legal and regulatory restrictions on trading on undisclosed material information and the legal and regulatory implications of "tipping" and insider trading.
- Restrict, control and monitor access to all material information relating to the business and affairs of the company, its associates and affiliates, until any previously undisclosed material information is properly disseminated to the public.
- Require all insiders and all other persons in a "special relationship" to the company who have access to or might

reasonably be believed to have access to undisclosed material information relating to the company, to refrain from trading in the company's securities until the material information has been properly disseminated to the public.

5. Corporate governance

Apart from the general requirement to disclose corporate governance practices, there are few proscriptive rules in Canada with respect to corporate governance. For the most part, the primary source for information on corporate governance norms within Canada is found in *National Policy 58-201 - Corporate Governance Guidelines*. This policy provides a non-binding set of best-practice guidelines for corporate governance. There is slightly less rigorous mandated disclosure of corporate governance requirements for TSXV issuers compared to TSX issuers.

In terms of board composition, the guidelines recommend that a company maintain a majority of independent directors and that the chair of the board be independent. Where this is not appropriate, it is suggested that there be a "lead director" to ensure that the board's agenda will enable it to successfully carry out its duties.

National Instrument 52-110, Audit Committees requires that all issuers have an audit committee and sets out the responsibilities of the audit committee. The TSXV rules require that the majority of the audit committee be comprised of independent directors.

In addition, it is recommended that the board adopt a written mandate in which it explicitly acknowledges responsibility for the stewardship of the company. The board is also encouraged to adopt a written code of business conduct and ethics that is applicable to directors, officers and employees of the issuer.

Certain requirements that relate to the disclosure of corporate governance practices, such as the requirement to disclose which directors are independent and the board's written mandate, are found

in *National Policy 58-101, Disclosure of Corporate Governance Practices*.

As for the nomination of directors, the guidelines recommend that the board appoint a nominating committee composed entirely of independent directors. This committee should be responsible for identifying individuals qualified to become new board members and recommending to the board new director nominees for the next annual meeting of shareholders.

Finally, it is also recommended that the board appoint a compensation committee composed entirely of independent directors to:

- Review and approve corporate goals and objectives relevant to CEO compensation.
- Evaluate the CEO's performance in light of those corporate goals and objectives.
- Determine (or make recommendations to the board with respect to) the CEO's compensation level based on this evaluation.

Overarching all corporate governance requirements is the "exchange discretion." In listing on the TSXV, all issuers give the TSXV the power to exercise its discretion to review the conduct of directors, officers, other insiders, promoters, significant security holders, control persons, employees, agents and consultants in order to satisfy itself that:

- The business of the issuer is and will be conducted with integrity and in the best interests of its security holders and the investing public.
- TSXV requirements and the requirements of all other regulatory bodies having jurisdiction are and will be complied with.

6. Specific situations

The TSXV distinguishes smaller companies from larger companies, as well as industries, as set out in the initial listing requirements above.

There is no formal “fast track” route for exchange listings. Each application is assessed on its own merits. While the exchange can “speed up” an application if there is a particularly important deadline to meet, generally, the exchange processes applications on a standard timescale.

7. Presence in the jurisdiction

Every listed company whose head office is outside Canada must, as long as it is listed on the TSXV, appoint and maintain an address for service within Canada and attorn to the laws of the Province of Alberta and the federal laws of Canada applicable therein.

All companies that are not otherwise reporting issuers in Ontario are required to assess whether they have a significant connection to Ontario. They are required to make this assessment on an annual basis, in connection with the preparation for mailing of their annual financial statements. All companies must obtain and maintain, for three years after each annual review, evidence of the residency of their registered holders and beneficial holders.

While its securities are listed on the TSXV, a company must appoint and maintain a transfer agent and registrar with a principal office in one or more of Vancouver, British Columbia, Calgary, Alberta, Toronto, Ontario, Montreal, Quebec, or Halifax, Nova Scotia.

8. Fees

For the TSXV, there is no difference in original listing fees between foreign and domestic companies. The listing fee ranges from C$10,000 to C$40,000 (approximately US$7,700 to US$30,800), and varies depending on the deemed value of the shares issued.

In addition, listed companies are also required to pay an annual sustaining fee based on their market capitalization. The fee ranges from C$5,200 to C$90,000 (approximately US$4,000 to US$69,300).

Additional costs include legal fees, broker fees, sponsorship fees (if applicable) and accounting and auditing fees as well as fees payable to the various securities regulatory authorities in which the company becomes a reporting issuer.

9. Additional information

All information submitted to the exchange should be in the English language.

Key differences in requirements for domestic companies

The TSXV draws little distinction between domestic issuers and foreign issuers, which are defined to include issuers that are controlled outside of Canada or the United States, or which have the majority of their principal operating assets located outside of Canada or the United States. Nevertheless, there are some important differences between the listing requirements for domestic and foreign issuers.

Domestic issuers are generally subject to a different level of review by their sponsors than foreign issuers. Subject to certain exemptions, domestic and foreign TSXV applicants must be sponsored by a Participating Organization, which is required to complete what is essentially a due diligence report on the applicant. Sponsors of domestic issuers must review and assess the applicant's structure and operations, including its management, business plan, working capital, material contracts and ability to comply with TSXV requirements.

Sponsors of foreign issuers must review and assess the above components as well, but are also required to conduct a site visit and prepare title opinions in respect of a foreign issuer's principal operating assets outside of Canada or the United States. This requirement may be satisfied with respect to resource properties by the site visit of the independent engineer or geologist providing the

geological report. In the case of an oil and gas property, the geological report must be prepared by an independent engineering firm with international experience preferably in the country where the foreign property is located.

In addition, the TSXV may exempt a domestic issuer in the mining or oil and gas categories from all or part of the sponsor requirements where (i) the directors and senior officers of the company collectively possess appropriate experience, qualifications and history according to certain criteria, (ii) the company satisfies at least the Tier 2 initial listing requirements (iii) and the company has a current geological report for each of its qualifying and principal properties, including recommendations for exploration and/or development work. This exemption is not available to foreign issuers.

The TSXV also strongly recommends that foreign issuers arrange a pre-filing conference with TSXV staff prior to submitting their application for listing, whereas this recommendation does not generally apply to domestic issuers. The pre-filing conference gives the applicant and its sponsor an opportunity to discuss and address issues relating to the application with the TSXV. The conference does not guarantee that the TSXV will accept the issuer for listing, although the TSXV does caution that a foreign issuer choosing not to request a pre-filing conference may encounter longer than normal wait times.

Finally, domestic issuers may generally rely on Canadian auditors. If a foreign issuer engages auditors not from Canada or the United States, the foreign issuer's auditors must engage a sufficiently competent Canadian auditor to advise them on matters of Canadian generally accepted accounting principles and generally accepted auditing standards that are applicable to all financial statements audited or reviewed by the foreign issuer's auditors and all reports and letters filed by them with the TSXV. The TSXV may in its discretion require that auditors in the United States comply with this requirement as well.

The TSXV has also issued policy guidance for emerging market issuers in recognition of their having a different risk profile. Generally, emerging market issuers are issuers other than excluded resource issuers whose principal business operations or operating assets are primarily located in or conducted from an emerging market jurisdiction, being any jurisdiction outside of Canada the United States, Western Europe, Australia and New Zealand. On a case by case basis, the TSXV will consider excluding other jurisdictions if it is satisfied that the jurisdiction has substantially comparable business practices, business culture, corporate law requirements, securities law requirements and rule of law as Canada. The TSXV will assess whether business operations or operating assets are primarily located in or conducted from an emerging market jurisdiction by taking into account applicable qualitative and quantitative factors including: (a) nature of the issuer's business; (b) the physical location of the operating assets; (c) the physical location of the mind and management; and (d) the connection to, relationship with and reliance upon an emerging market jurisdiction that the issuer's business has. The TSXV strongly recommends such issuers arrange pre-filing conferences with the TSXV to identify and address any potential concerns.

10. Contacts within Baker McKenzie

David Palumbo and Greg McNab in the Toronto office are the most appropriate contacts within Baker McKenzie for inquiries about prospective listings on the TSXV.

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Ukrainian Exchange

Initial financial listing requirements

There are no particular financial requirements in terms of profits, revenue, cash flow or market capitalization for securities to be admitted to trading on the main operations market of the Ukrainian Exchange (the UX).

Securities may be added to the UX's Stock Registry if the following requirements set forth in the statutory exchange rules established by the National Securities and Stock Market Commission (the NSSMC) are satisfied:

- The securities must be admitted by the NSSMC to circulation in Ukraine.
- The securities must be listed on the main market of a foreign stock exchange approved by the NSSMC (an Approved Foreign Exchange), which currently includes the Network of Nasdaq, Inc Exchanges, the New York Stock Exchange, EU exchanges and the Hong Kong Exchanges and Clearing.
- The UX and the foreign company must enter into a stock exchange services agreement.

Other initial listing requirements

Assets. Foreign issuers are not required to possess any assets in Ukraine.

Listing on a primary exchange. Shares of foreign issuers must be listed on at least one Approved Stock Exchange.

Free float / Minimum number of shareholders. Foreign issuers seeking admission to trading on the UX are not required to have any stocks in free float or any minimum number of shareholders.

Accounting Standards. Issuers must comply with IFRS.

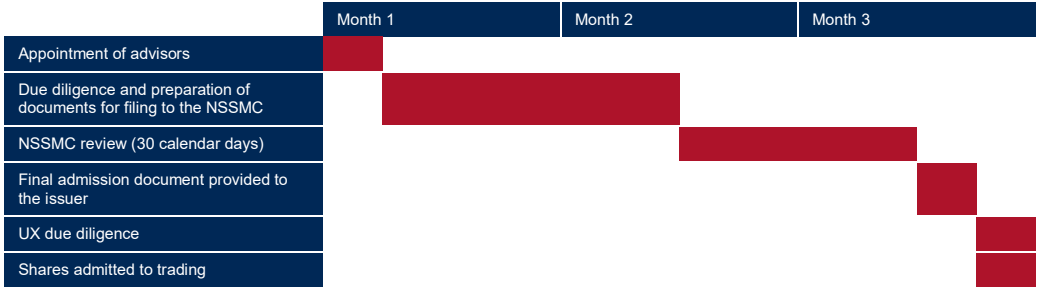
Financial statements. The issuer's audited annual financial statements for the last completed year and the auditor's certificate must be available.

Agreement with the UX. A foreign issuer must enter into a stock exchange services agreement with the UX compliant with the requirements of the NSSMC.

Prospectus. A prospectus registered by the listing authority in the issuer's jurisdiction or in the jurisdiction where its shares are admitted to trading must be made available.

Listing process

Shares of a foreign company are admitted to trading on UX by way of adding them to the Stock List. Securities may also be added to the UX's Stock Registry if certain higher standards have been met. The following is the approximate process and timetable for admission to trading.



Corporate governance and reporting

There are no corporate governance requirements for a foreign company to qualify to admit its shares to trading on the UX. Given the fact that for a foreign issuer only a secondary listing is possible on the UX, it is assumed that a foreign company meets the corporate governance requirements of its country of incorporation or a country where its securities have a primary listing.

A company admitted to trading on the Stock Market segment must observe transparency obligations. In particular, it must comply with the disclosure obligations set forth in Ukrainian law.

Fees

A company seeking to list must pay initial fees of UAH500 (approx. US$21) to have its shares admitted to trading and UAH500 (approx. US$21) to have its shares added to the Stock Registry. A company listed on the Stock List must pay annual fees of UAH500 (approx. US$21).

1. Overview of exchange

The Ukrainian Exchange (commonly referred to as the UX), which was established in October 2008, is one of the largest exchanges in Ukraine and is considered to be one of the fastest developing exchanges in the world. The UX is the leading local market operator and offers trading in a wide array of financial instruments, ranging from shares to various types of derivatives.

In 2009, the Ukrainian Exchange launched the UX Index, the first real time shares index in Ukraine. The UX Index tracks sic highly capitalized local companies that have the most liquid shares. The UX Index is widely recognized as the main benchmark for the Ukrainian equities market. UX markets operate on robust electronic platforms that support direct market access and algorithmic trading.

The UX offers two trading platforms—the Stock Market and the Derivatives Market. The Stock Market is the main operations market of the UX. This summary focuses on the Stock Market platform only.

Within the Stock Market, the UX offers, among other things, the order-driven market segment, which is the main market of the UX designed for securities with high liquidity. Companies who wish to list their securities on this market have to comply with the disclosure and financial requirements of the UX. Foreign companies can list shares and depositary receipts on this market, as a secondary listing. The UX recognizes the difference between primary and secondary listings. However, under current rules, foreign companies may not list their securities as a primary listing.

Securities of a foreign company are admitted to trading on the UX by way of adding them to the Stock List. Securities may be added to the UX's Stock Registry if certain higher standards have been met. Therefore, for the purpose of this summary the term "admission to trading" is used where in other jurisdictions the term "listing" is used in similar circumstances.

As of 1 January 2020, the aggregate market capitalization of securities admitted to trading on the UX was UAH106.25 billion (approximately US$4.47 billion).

Historically, the UX has been widely used by local companies operating in the energy, metallurgy, machinery construction and finance industries. However, the UX does not specialize in any particular industry.

As of 1 January 2020, 54 domestic companies were admitted to trading on the UX's Stock Market.

Any proposed admission to trading is subject to requirements of the UX, and general regulatory oversight by the National Securities and Stock Market Commission (the NSSMC). There are also currency control requirements established by the National Bank of Ukraine (the NBU) which may need to be met to enable securities to be traded at the UX. The UX sets out specific requirements which must be met by a foreign issuer to enable its securities to be admitted to trading there, whereas the NSSMC performs general oversight and regulation of securities in Ukraine. A foreign company seeking admission to the trading on the UX, or any stock exchange in Ukraine, must first obtain a permit from the NSSMC for circulation of its securities in Ukraine.

2. Principal listing and maintenance requirements and procedures

As discussed above, foreign securities can be admitted to trading on the UX only upon obtaining a permit from the NSSMC for circulation of such securities in Ukraine. The requirements for admission of a foreign company's securities to circulation in Ukraine are set forth in the NSSMC's regulation "On Admission of Foreign Securities to Circulation in Ukraine" (the Admission Regulation).

According to the Admission Regulation, the following requirements must be satisfied in order to admit a foreign company's securities to circulation in Ukraine:

- The foreign company must be validly incorporated in accordance with the laws of its statutory seat.
- The issue of the securities and/or a prospectus of the foreign company must be registered in the country of its incorporation and/or in a foreign country where the foreign company issued the securities.
- The securities of a foreign company must be issued outside of Ukraine and must be assigned with ISIN and CFI codes.
- The National Depository of Ukraine (the NDU) must confirm in writing that the securities will be accounted for at the NDU's correspondent account opened with a foreign depository or international clearing and depository institution.
- The securities of the foreign company must be listed on a foreign stock exchange approved by the NSSMC (an Approved Foreign Exchange), which currently include the Network of Nasdaq, Inc Exchanges, the New York Stock Exchange, EU exchanges and the Hong Kong Exchanges and Clearing.

Once admitted to circulation in Ukraine, the securities of the foreign company can be admitted to trading on the UX.

The UX admission to trading requirements are provided by the UX rules, which are subject to the statutory exchange rules established by the NSSMC (the Exchange Rules).

There are no particular financial requirements in terms of profit, revenue, cash flow or market capitalization for admission to trading on the UX. However, in order to include the securities of a foreign company in the Stock Registry, certain requirements set forth in the Exchange Rules must be satisfied:

- The securities must be admitted by the NSSMC to circulation in Ukraine.

- The securities must be listed on the main market of an Approved Foreign Exchange.
- The UX and the foreign company must enter into a stock exchange services agreement.

There are no ownership requirements specifically applicable to an admission to trading of a foreign company's securities, in terms of nationality or size of individual shareholdings. There are also no corporate governance requirements for a foreign company in order to qualify for admission of its securities to trading at the UX.

The UX does not appoint a broker for a company seeking admission to trading at the exchange. However, a foreign company must involve a broker for its admission to trading application. A foreign company is not typically required to conduct interviews with the UX.

There is no specific minimum number of security holders required for an initial admission to trading on the Stock Market segment. No minimum trading price is required.

The UX does not require shares to be placed into escrow (or otherwise be restrained from being traded, such as through "lock-in" or "lock-up" arrangements) in connection with the admission to trading.

There are no restrictions on the currency denomination of securities. However, securities can only be quoted in Ukrainian Hryvnia (UAH).

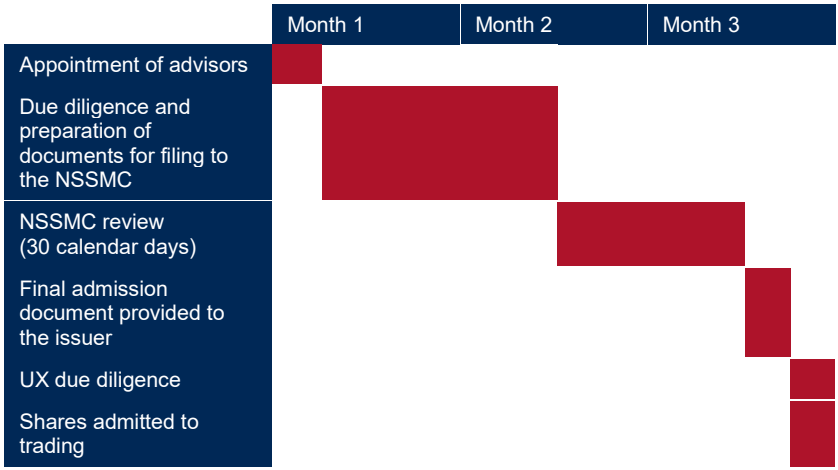
3. Listing documentation and process

Given the obligation of a foreign company to obtain a permit for circulation of its securities in Ukraine, all required documents must, in the first instance, be provided to the NSSMC as the regulatory authority responsible for granting permits. According to the Admission Regulation, a foreign company should submit the following:

- An application statement for admission of securities to circulation in Ukraine.
- A confirmation issued by the NDU that the securities will be accounted for at the NDU's correspondent account opened with a foreign depository or international clearing and depository institution.
- Documents confirming the authority of the representative of the applicant who signed the submitted documents.

All documents issued in foreign countries must be translated into Ukrainian and duly legalized or apostilled. The permit is granted within 30 days after receipt of all required documents.

The following is the approximate process and timetable for admission to trading:



4. Continuing obligations/periodic reporting

The continuing obligations of a foreign company as regards information disclosure are primarily set forth by in the Law of

Ukraine "On Securities and Stock Market" and the NSSMC's regulation "On the Disclosure of Information by the Securities Issuers". A foreign company must disclose, amongst other things, the following regulated information on an ongoing basis:

- Decisions on listings of securities where the value of such listings amount to more than 25% of the share capital.
- The facts of listing/delisting of securities at a stock exchange.
- A change in the company`s officers.
- Decisions on formation or suspension of the company's branch or representative office.
- Decision on reduction of share capital.
- Initiation of proceedings on indemnification of damage caused by the company's officers.
- Initiation of bankruptcy proceedings or decisions on reorganization of a potential bankrupt enterprise.
- Decisions of a court or of the company on the company's dissolution or bankruptcy.

In addition, a foreign company must disclose the information in such volumes, as is required by the foreign laws and the rules of the stock exchange where a foreign issuer has the primary listing. In comparison to domestic companies, which are obliged to disclose the information quarterly, foreign companies may disclose information on an annual basis. However, if the foreign laws or the rules of the stock exchange, where a foreign company has its primary listing, envisage quarterly and/or semi-annual disclosure, a foreign company must also disclose information quarterly and/or semi-annually in Ukraine.

The information must be made public in Ukrainian or English on the official website of a foreign company, in the opened information

database of the NSSMC and on the official website of the UX. The information disclosed in English must be translated into Ukrainian and made public in due course through the above-mentioned sources.

After being admitted to trading on the exchange, the company's securities become subject to prohibitions on insider dealing and market manipulation. These prohibitions apply in all segments and markets without the geographical scope of application. The Law of Ukraine "On State Regulation of the Securities Market" defines which actions can constitute market misconduct. These include insider dealing, market manipulation, disclosure of false or misleading information inducing transactions, false trading, fraud, price rigging, and others.

A company involved in market manipulation or insider dealing can be subject to administrative and criminal penalties. The NSSMC performs the leading role in the imposition of administrative sanctions. It is empowered to fine a company involved in insider dealing and market manipulation. The maximum sanction for market manipulation is a fine of UAH850,000 (approximately US$35,785) or a fine of 150% of any profit received as a result of such misconduct. The maximum sanction for insider dealing is a fine of UAH1.7 million (approximately US$71,570) or a fine of 300% of any profit received as a result of such misconduct.

5. Corporate governance

There are no corporate governance requirements for a foreign company in order to qualify for admission to trading on the UX. Given the fact that for foreign companies, only a secondary listing is possible on the UX, it is assumed that a foreign company meets the corporate governance requirements of a country of incorporation or a country where its securities are listed on the stock exchange as a primary listing.

6. Specific situations

There are no additional requirements, or any changes in the normal requirements, that apply to very large multinational companies. In practice, these companies are all admitted to trading on the Stock Market.

Similarly, there are no special requirements for smaller companies.

There are no additional or less stringent requirements regarding admission to trading or maintenance rules for any particular industry.

No explicit procedure currently exists for fast track or expedited admission to trading. The process may be expedited with the UX if scheduling and timing allow. In practice, however, the regulatory procedures set forth by the NSSMC are much more time consuming than the UX processes.

7. Presence in the jurisdiction

The UX does not impose any requirements for a foreign company to maintain a presence in Ukraine or keep any original records there.

8. Fees

A company seeking to be admitted to trading on the UX must pay both initial and annual fees. The following table shows the fees that a company must pay in connection with an admission to trading:

	Initial admission to trading on the Stock List	Inclusion to the Stock Registry
Admission fee	UAH500 (approx. US$21)	UAH500 (approx. US$21)
Annual fee	UAH500 (approx. US$21)	

9. Additional information

All documents submitted to the UX, the NSSMC or other regulatory authorities in Ukraine must be submitted in the Ukrainian language, or

with a certified Ukrainian translation if the documents are not in Ukrainian. All documents issued in foreign countries must be duly legalized or apostilled.

Ongoing disclosure of information can be made in Ukrainian or English. However, the information disclosed in English should be translated into Ukrainian in due course.

10. Contacts within Baker McKenzie

Serhiy Chorny and Bogdan Dyakovych in the Kyiv office are the most appropriate contacts within Baker McKenzie for inquiries about prospective admissions to trading on the UX.

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Vienna Stock Exchange

Initial financial listing requirements

Shares may either be listed on the Official Market (*Amtlicher Handel*) or the Vienna MTF of the Vienna Stock Exchange (VSE). The Official Regulated Market is an EU regulated market, whereas the MTF is operated and regulated by the VSE.

The VSE distinguishes among the following equity market segments:

- prime market: Comprises shares listed on the Official Market that fulfill more stringent reporting, quality and disclosure requirements. EU regulated market with highest transparency requirements.
- standard market: Contains all stocks admitted to listing on the Official Market that fail to meet the criteria for the prime market as well as other equities (such as participation certificates, profit-sharing rights, UCITS shares and so on) admitted to listing on the Official Market. The standard market is divided into the standard market continuous and the standard market auction.
- direct market plus: Represents the market segment of Wiener Börse AG that as of 21 January 2019 offers companies with low capital requirements the option of raising capital through the capital market. The direct market plus contains stocks that are admitted to trading on the Vienna MTF and of those companies that have agreed to fulfill more stringent reporting, quality and disclosure requirements. An essential feature is the function of the Capital Market Coach, who supports the company.
- direct market: Contains all stocks and other equities (such as participation certificates, profit-sharing rights, UCITS shares and so on) admitted to trading on the Vienna MTF that cannot be allocated to any other segment.
- global market: Contains stocks admitted to trading on the Vienna MTF provided the stocks are already listed on at least one other stock exchange and the applicant itself or an exchange member appointed by the applicant assumes a market making commitment. It is desirable to have further commitments of market makers to increase liquidity.

With respect to all market segments, there are no particular financial requirements in terms of profits, revenues or cash flows to be met in order to obtain a listing.

Total nominal value of shares to be listed of at least €1 million (approx. US$1.12 million) is required for the Official Market. Additional requirements apply to listings on the prime market segment, which is the VSE's premium segment.

Other initial listing requirements

Prospectus. Any public offer of shares in Austria and/or any listing on the Official Market requires the publication of a prospectus approved by the Austrian Financial Market Authority (FMA).

Prime market segment. The prime market rules of the VSE provide for certain additional criteria, including (i) generally, a minimum term of the issuer's corporate existence of three years and (ii) at least 25% of the common shares of the issuer listed on the VSE to be held by the free float with capitalization of the free float of at least €15 million (approx. US$16.82 million) and at least €30 million (approx. US$33.64 million) if the free float falls below 25%. These two thresholds are continuously adjusted corresponding to the development of the segment index (ATX Prime) but shall in any case not exceed €20 million (approx. US$22.42 million) and €40 million (approx. US$44.85 million).

Application; third party involvement. The admission application for the Official Market must be co-signed by an exchange member of the VSE and must be accompanied by several documents. The application for an inclusion to trading on the Vienna MTF must be made by an exchange member, a credit institution, an investment firm, a law firm or by the issuer itself. For the direct market plus segment, a Capital Market Coach (CMC) must be appointed for at least one year after listing.

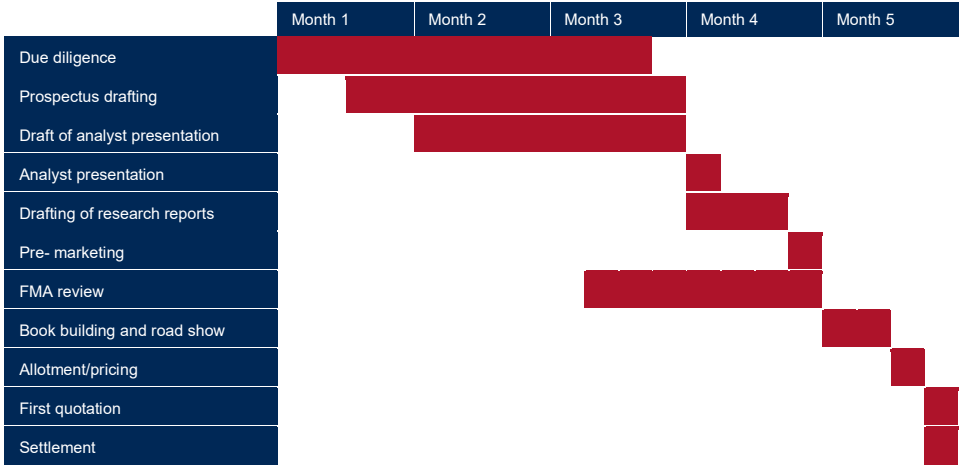
Accounting standards. For prime market and standard market segment listings, IFRS or, for non-EEA issuers, a national GAAP that was deemed equivalent by the European Commission must be complied with. For the Vienna MTF listings, IFRS or a national accounting standard must be complied with.

Financial statements. For the Official Market, the applicant must submit audited annual financial statements, including the company report for the last three business years and the auditor certificates and the interim financial statements if the balance sheet date of the last annual financial statements is older than nine months. If the applicant publishes semi-annual or quarterly financial statements, the latest interim reports must be included in the prospectus as well. For the Vienna MTF, those documents must only be provided for the last completed business year and only for listings in the direct market plus segment.

Corporate history. For the Official Market, a company must have a corporate history of at least three years. For the direct market plus segment, a one year corporate existence requirement applies. There is no corporate history requirement for the direct market.

Listing process

The following is a typical process and timetable for a listing of a foreign or domestic company on the VSE in the prime market segment. The management board of the VSE has ten weeks to decide on the application for a listing on the Official Market.



Corporate governance

Categories of rules defined in the Austrian Corporate Governance Code (ACCG) include (i) L-rules referring to mandatory legal requirements, (ii) C-rules, which are not mandatory, but any deviation must be explained and reasoned in order to be in compliance with the ACCG, and (iii) R-rules, which are non-binding recommendations.

Non-compliance with R-rules requires neither a disclosure nor an explanation by the company.

The ACCG primarily addresses Austrian listed companies including listed European Companies (*Societas Europaea*) registered in Austria. All Austrian companies listed on the Official Market must publish a declaration of their commitment to the ACCG and are required to provide a corporate governance report including an explanation of any deviations from the ACCG according to the prime market rules.

Companies listed on the VSE that are subject to the company law of another EU or EEA Member State are called upon to commit themselves to adhere to a corporate governance code recognized in this economic area and to publish this commitment including a reference to the code complied with on their websites (internet link). Companies that are subject to the company law of a non-EU or non-EEA country and are listed on the VSE are called on to commit themselves to comply with the ACCG. In this case, non-mandatory L-rules of the ACCG are interpreted as C-rules.

Fees

An issuer seeking to list on the VSE must pay both initial listing fees and annual fees. The VSE's initial listing fee for shares to be listed on the Official Market amounts to 0.01% of the market capitalization of the newly listed shares, with a minimum fee of €10,000 (approx. US$11,200) and a maximum fee of €50,000 (approx. US$56,060). For inclusions to trading on the Vienna MTF, the initial inclusion fee is €5,000 (approx. US$5,600) plus 0.05% of market capitalization up to a maximum fee of €10,000 (approximately US$11,200). The annual listing fee for shares listed on the Official Market amounts to 0.015% of the market capitalization at the end of the previous year, with a minimum fee of €5,000 (approximately US$5,600) and a maximum fee of €10,000 (approximately US$11,200). The annual fee for shares traded on the Vienna MTF is €2,500 (approximately US$2,800). Additional costs include fees charged by underwriters, lawyers and accountants involved in the transaction, as well as printing costs.

1. Overview of exchange

The Vienna Stock Exchange (VSE) is the only securities exchange in Austria. It is operated by Wiener Börse AG and is subject to supervision by the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde* – FMA). Wiener Börse AG, an Austrian joint stock corporation, is a member and subsidiary of CEE Stock Exchange Group (CEESEG), which also operates the Prague Stock Exchanges.

Under the Austrian Stock Exchange Act (*Börsegesetz* – BörseG), shares may either be listed on the Official Market (*Amtlicher Handel*) or on the Vienna MTF of the VSE. The Official Market is a regulated market within the meaning of Directive 2104/65/EU on Markets in Financial Instruments (MiFID II), whereas the Vienna MTF is a multilateral trading facility (MTF) operated and regulated by the VSE.

Issuers admitted to the Official Market must comply with the transparency requirements provided by the relevant Austrian rules and regulations implementing the EU Transparency Directive (Directive 2004/109/EC, as amended). In comparison, the Vienna MTF is a simple, quick and cost-efficient way for issuers to include shares in exchange trading without full compliance with the framework provided by the EU Transparency Directive (but still with some elements of comparable transparency). The inclusion in trading on the Vienna MTF is recommended for small and medium-sized enterprises (SME) as well as expanding young companies. Following the entry into force of the new EU Market Abuse Regulation (Regulation No. 596/2014) and the implementation of the Market Abuse Directive on criminal sanctions (Directive 2014/57/EU), rules prohibiting market abuse (insider dealing, unlawful disclosure of inside information, and market manipulation) also apply in relation to the Vienna MTF.

In addition to the above statutory market framework, the VSE maintains different market segments. For a listing of shares the following segments are available:

Market segment	Premium segment with enhanced requirements?	Legal status
prime market	Yes	EU regulated market
standard market	No	EU regulated market
direct market plus (Vienna MTF)	Yes	Exchange-regulated market
direct Market (Vienna MTF)	No	Exchange-regulated market
global market (Vienna MTF)	No	Exchange-regulated market

Shares may be listed on a regulated market in the:

- *prime market segment* – which comprises shares (as well as Austrian Depositary Certificates (ADCs)) of companies that agree to fulfill more stringent reporting, quality and disclosure requirements.

- *standard market* – which contains all shares admitted to listing on the Official Market that fail to meet the criteria for the prime market as well as other equities (for example participation certificates, profit-sharing rights, UCITS shares and so on) admitted to listing on the Official Market. The standard market is divided into the standard market continuous and the standard market auction.

As regards the Vienna MTF, shares may be traded on the following market segments:

- *direct market plus* – which represents the market segment of Wiener Börse AG that, as of 21 January 2019, offers companies with low capital requirements the option of raising capital through the capital market. The direct market plus contains shares that are admitted to trading on the Vienna MTF and of those companies that have agreed to fulfill more stringent reporting, quality and

disclosure requirements. An essential feature is the function of the Capital Market Coach, who supports the company.

- *direct market* – which contains all shares and other equities (for example participation certificates, profit-sharing rights, UCITS shares and so on) admitted to trading on the Vienna MTF that cannot be allocated to any other segment.

- *global market* – which contains shares admitted to trading on the Vienna MTF provided the shares are already listed on at least one other stock exchange and the applicant itself or an exchange member appointed by the applicant assumes a market making commitment. It is desirable to have further commitments of market makers to increase liquidity.

A listing in the prime market segment is required in order to be eligible for inclusion in one of the two main Austrian stock market indices, the Austrian Traded Index (ATX) or the broader ATX Prime Index. Since 1991, the ATX has been the underlying index for options and futures contracts traded on the VSE in the past and on the EUREX Exchange today. The ATX tracks the share price development of 20 blue chips on the VSE in real time. The ATX Prime, which has been calculated since 2002, is designed as an all-share index and consists of all securities traded in the prime market segment of the VSE (shares admitted to listing on the Official Market meeting the additional requirements of this segment).

- As of December 2019, 65 companies were listed on the Official Market (December 2018: 57 companies). Of these, 38 issuers maintained a listing on the prime market segment, four issuers on the standard market continuous segment and 23 issuers on the standard market auction segment. At the end of December 2019, the market capitalization of domestic companies listed on the prime market segment was €105.59 billion (approximately US$118.39 billion) (December 2018: €90.94 billion (approximately US$101.96 billion)). The aggregate market capitalization of all companies listed on the regulated market as of

30 December 2019 was approximately €136 billion (approximately US$152.48 billion).

- The VSE no longer provides for traditional floor trading handled by official brokers who report the official floor trading prices. On the VSE, shares (as well as other cash market securities) are exclusively traded via the electronic trading system XETRA® of Deutsche Börse AG, where orders are matched automatically. While shares listed in the prime market segment are traded continuously, the standard market provides for both continuous trading and auction trading with one intraday auction per day.

- In connection with listings on the VSE, the relevant regulatory authorities are the VSE and the FMA (assuming Austria is the home Member State).

2. Principal listing and maintenance requirements and procedures

Listing on a regulated market

The listing requirements are primarily set forth in the Austrian Stock Exchange Act (*Börsegesetz* - BörseG). Further, in case of a public offering of securities in Austria and an admission of shares (as well as other securities) to the regulated market of the VSE, the EU Prospectus Regulation applies apply. The VSE provides for additional rules, including the "prime market Rules" (*Regelwerk prime market*), the "Rules for the Operation of the Vienna MTF" and the "direct market plus Rules" for companies having their shares listed on these market segments.

Both domestic and foreign issuers may list their shares on the VSE. The issuer must have been validly incorporated in accordance with the laws of its statutory seat, and its constitutive documents must comply with the laws of this jurisdiction. In principle, there are no jurisdictions of incorporation or industries that would not be acceptable for a listed company.

Neither Austrian law nor the rules of the VSE provide for particular financial requirements in terms of profits, revenues or cash flows to be met in order to obtain a listing. However, the admission to listing on the Official Market is decided on the basis of the documents presented and the existing volume of tradable shares. The VSE decides on the admission to the Official Market by issuing an official notice on application. The admission application must be submitted in writing by the issuer, must be co-signed by an exchange member of the VSE and must be accompanied, among other things, by a current excerpt from the Companies Register, the current articles of association or company by-laws, the company's compliance guidelines and an approved prospectus, drawn up in accordance with the EU Prospectus Regulation.

Admission requirements for the prime market segment and standard market segment (both Official Market) pursuant to the Austrian Stock Exchange Act include the following:

Admission requirements	
Market	Official Market
Corporate existence*	Generally three years
Financial statements	Audited annual financial statements including the management report at the latest 4 months after the end of the reporting period and half-year financial statements at the latest two months after the end of the reporting period
Total nominal value	At least €1 million (approximately US$1.12 million)
Market capitalization/Free float of shares*	None
Free float	25% of the total nominal value (par value shares) or 25% of the number of shares (par value shares) or 10% held by at least 50 different shareholders
Accounting standards	3 years (IFRS or equivalent)

Language of publication*	German if registered in Austria, or English if registered in another EU jurisdiction
Application	Listing application by issuer signed by an exchange member of VSE
Admission document	Listing prospectus

* See additional requirements for listings on the prime market segment below.

In the case of a listing in the prime market segment of the VSE, the following additional criteria must also be met:

- The issuer has to maintain an inclusion in the VSE's continuous trading system for the entire duration of the listing. Auction trading of prime market shares is not possible.
- At least 25% of the common shares of the issuer listed on the VSE must be held by the free float and the capitalization of the free float has to amount to at least €15 million (approximately US$16.82 million). If the free float falls below 25% of the common shares, the free float requirement will be deemed to be fulfilled if the capitalization of the free float amounts to at least €30 million (approximately US$33.64 million). These thresholds are continuously adjusted corresponding to the development of the segment index (ATX Prime) but shall in any case not exceed €20 million (approximately US$22.42 million) and €40 million (approximately US$44.85 million).
- All information must be made available in German and in English.

The admission criteria are the same for foreign companies. The main issues for foreign companies result from the practical application of the normal criteria for Austrian issuers. A key issue is typically the way the shares are kept into central custody for clearing and settlement. An alternative would be to use Austrian depositary certificates (ADCs) representing shares. The simplest way to list foreign issuers would be the creation of an Austrian listing vehicle and depositing the shares with Clearstream. An Austrian listing vehicle

also allows foreign companies to have a corporate governance framework that is familiar to Austrian investors. Of course, tax issues and additional compliance costs should be taken into account.

There are no ownership requirements specifically applicable to a listing of a foreign company's shares in terms of nationality or size of individual shareholdings. However, an amendment of the Foreign Trade Act (*Außenwirtschaftsgesetz* 2011 – AWG 2011), which entered into force at the end of 2011, added certain approval requirements for foreign non-EU/EEA investors (companies and natural persons) when acquiring significant shareholdings in certain Austrian listed and non-listed companies. Austrian companies operating in areas of internal and external security (defense equipment industry, security services) or general public services, including social security (particularly hospitals, rescue services, fire brigades, energy or water supply, telecommunication services, traffic or education) shall be protected against selling abroad by an approval to be issued by the Federal Minister for Economy, Family and Youth (*Bundesminister für Wirtschaft, Familie und Jugend*). Such approval is required (i) for the acquisition of the target company as a whole, (ii) for the acquisition of a participation which confers 25% or more of the voting rights in the target company or (iii) in case of receipt of a dominating influence (which apparently has to be interpreted within the meaning of applicable antitrust law) on the target company. The approval requirement only applies to companies and natural persons that are not residents or citizens of the EU, the EEA or Switzerland. To prevent circumvention of the investment restriction, a ministerial decree may impose an approval requirement on EU, EEA or Swiss companies provided that companies or persons from third countries hold at least 25% of the voting rights in, or a dominating influence on such companies and there is a threat to the interests of public security and order. The restrictions of the Foreign Trade Act cannot be avoided by entering into shareholder agreements.

There are no ongoing financial requirements that must be met to maintain listing on the Official Market.

There are no corporate governance requirements for a foreign company in order to qualify to list its securities on the VSE. However, if the foreign company is listed via a listing vehicle in the form of an Austrian AG or an Austrian domiciled European Company (*Societas Europeae* – SE), the Austrian Corporate Governance Code applies. Further, any listing of shares in the prime market segment requires a declaration of commitment to comply with the Austrian Corporate Governance Code. If an issuer is subject to the company law of another EU or EEA Member State, the prime market rules provide for an obligation to comply with the applicable rules of corporate governance recognized in the respective jurisdiction. Issuers subject to company laws of non-EU and Non-EEA Member states have to submit a declaration of commitment to comply with the Austrian Corporate Governance Code and disclose it on their websites, along with explanations of any deviations therefrom.

There is no automatic requirement to have a sponsor in order to obtain a listing. However, in terms of trading the VSE introduced a specialist system in 1999, which was designed in part as a supplement to the market maker system by introducing an additional broker function (specialist) with the aim of increasing liquidity in the market. The task of the specialists is to place firm, competitive buy and sell quotes into the system along with the market makers and, with the help of additional measures, to enhance market liquidity, thereby supporting the market making and marketing of securities and products. Specialists and market makers are under the obligation to place binding buy and sell quotes during a certain period in continuous trading, which must comply with market makers' minimum size and maximum spread. In the prime market segment, at least one specialist is required and additional market makers are desirable. For continuous trading in the standard market segment at least one market maker has to be appointed, whereas for mid market auction trading liquidity providers are desirable.

There is no requirement for any shares to be placed into escrow (or otherwise be restrained from trading, such as through "lock-in" or

"lock-up" arrangements) in connection with a listing on the VSE. However, in order to avoid strong market reactions after public offerings the underwriters may ask for undertakings from existing shareholders not to sell their shares for a certain period of time and may also ask the issuer to agree not to issue further shares for a certain period of time.

There are no restrictions on the currency denomination of securities. However, share prices can only be quoted in Euro.

The securities to be listed or traded must be freely transferable. OeKB CSD GmbH acts as the Central Securities Depository (CSD) in Austria acts as depository for the securities of Austrian issuers on the VSE. In order to be able to deliver global certificates or physical securities for safekeeping in the CSD safe, a paying agent has to be appointed that also maintains a securities account with CSD. Ideally, the investment bank that accompanies the listing or the public offering also assumes the function of the paying agent.

An assignment of an ISIN (International Securities Identification Number) is required for the admission to listing on the VSE. The ISINs are assigned by Oesterreichische Kontrollbank AG - OeKB in its function as central ISIN body in Austria.

An issuer listed on the Official Market does not need any compliance adviser, whereas for the listing on the direct market plus segment, the issuer must appoint a Capital Market Coach (CMC). The CMC supports companies during the admission to listing or inclusion on the direct market plus in trading and is available for assistance afterwards as well. Investment and corporate finance service providers, accounting firms and attorneys-at-law may assume the function of a CMC. In the event certain tasks are delegated, the CMC is under the obligation to inform VSE to whom. After one year on the market, the support of the Capital Market Coach is no longer mandatory.

Secondary listings in principle follow the same rules as primary listings.

Inclusion in trading on the Vienna MTF

In addition to the possibility of admission to listing on the Official Market, shares may also be included in trading on the Vienna MTF. The inclusion of shares in trading on the Vienna MTF is governed by separate general terms of the VSE.

Trading in shares on the Vienna MTF does not require any formal admission procedures to exchange trading. The requirements of the Austrian Stock Exchange Act regarding financial instruments admitted to trading on a regulated market, in particular, the obligations imposed on issuers, do not apply to the financial instruments traded on the Vienna MTF.

For an inclusion in trading on the Vienna MTF, the legal status of the issuer and the issuance of the securities must comply with the laws of the country of the company's registered office or of whichever country the shares have been issued in.

The management board of the VSE decides on the inclusion in trading on the Vienna MTF. A written application of an exchange member, a credit institution, an investment firm, a law firm or of the issuer itself is a requirement. The application must be accompanied, among other things, by a current excerpt from the companies register or a certificate of incorporation (if any), the current articles of association, in the case of a public offering an approved prospectus pursuant to the EU Prospectus Regulation, the financial statements or an annual report.

direct market plus segment

The direct market plus is a market segment of the VSE on which issuers that have signed agreements committing themselves to observe more stringent transparency, quality and disclosure obligations than those applicable under the "Rules for the Operation of the Vienna MTF" are traded. The direct market plus has been operated by Wiener Börse AG since 21 January 2019. The Rules for direct market plus apply in addition to the Stock Exchange Act and the "Rules for the

Operation of the Vienna MTF". The statutory rules shall remain unaffected thereby.

Admission requirements for the direct market plus segment (Vienna MTF), pursuant to the general terms of the VSE, include the following:

Admission requirements	
Market	Vienna MTF
Corporate existence	One year
Financial statements	Audited annual financial statements including the management report at the latest 5 months after the end of the reporting period and interim report at the latest three months after the end of the reporting period
Total nominal value	At least €70,000 (approximately US$78,500) (pursuant to the Stock Corporation Act)
Market capitalization	At least €10 million
Free float	Sufficient share diversification, at least 20 shareholders
Accounting standards	Choice between IFRS or national accounting standards
Language of publication*	German or English
Application	Written application of an exchange member, a credit institution, an investment firm, a law firm or the issuer itself
Admission document	Listing prospectus only in the case of a public offering

3. Listing documentation and process

Public offer

Any public offer of shares in Austria requires the issuer to publish a prospectus that has been approved by the FMA or the respective competent authority of an EU Member State (unless a prospectus exemption applies). When shares are listed on the Official Market for

the first time, the prospectus must be published at least six banking days before completion of the public offer. When shares are already listed on a regulated market, the prospectus has to be published at least one banking day before the offer is completed.

Prospectuses drawn up by issuers from EU Member States may be used in Austria if they have been drawn up in accordance with the EU Prospectus Regulation.

Only one disclosure document is published for both the public offering and the admission of shares to a regulated market of the VSE.

The Austrian Capital Markets Act provides for Austrian law requirements in connection with public offers and the publication of prospectuses. Further, detailed requirements regarding the format and content of prospectuses are harmonized on a European level by Commission Regulation No. 809/2004/EC (the EU Prospectus Content Regulation). In particular, the prospectus must include disclosure relating to, among other things, the following information about the issuer and/or the issuer's group of companies:

- A summary of the prospectus.
- Details about the persons responsible for the prospectus.
- Risk factors relating to the company, the industry and markets in which the issuer operates, the shares, the shareholder structure, the offering and the admission to trading, and regulatory and legal risks.
- Details about the offering and the reasons for the offering.
- Details about the dividend policy.
- Details about the issuer's capitalization and indebtedness.
- Selected financial information.

- A description in narrative form of the issuer's financial condition, changes in financial condition and results of the operations for the periods covered by the financial statements and any significant factors affecting its operating results.
- A description of the company's operations, principal activities, significant new products and services and principal markets.
- Organizational structure of the issuer and, if applicable, the group.
- Corporate governance.
- Number of employees and their share options.
- Major shareholders.
- Transactions and legal relationships with related parties.
- Legal and arbitration proceedings.
- Details of the company's share capital, objects, articles of association or charter, rights attaching to shares, procedure for conducting general meetings of shareholders and other related information.
- Details about the issuer's auditors.
- Information about the underwriting of the offering.
- Information about recent developments and the outlook.

The prospectus must include historical financial information in the form of consolidated financial statements for at least the last three preceding business years (if listing on the Official Market) or the last completed business year (if listing on the Vienna MTF). Audited financial statements have to be provided together with the auditor's attestation.

If the balance sheet date of the last annual financial statements is older than nine months, interim financial statements must be provided. The last balance sheet date of the annual financial statements must not be older than 18 months. If the issuer publishes semi-annual or quarterly financial statements, the latest interim reports must be included in the prospectus as well. Pro forma and/or additional historical financial information may also be required if there has been a significant change in the issuer's position or if the issuer has a complex financial history.

For an issuer incorporated in an EEA Member State, the financial statements must generally be prepared under IFRS. For an issuer incorporated outside the EEA, the financial statements must be prepared either under IFRS or a national standard deemed equivalent to IFRS by the European Commission (currently, US, Japanese, Chinese, Canadian or South Korean GAAP).

The FMA is the competent authority for prospectus approvals in Austria. In reviewing the prospectus, the FMA investigates whether the prospectus is complete, comprehensible and free of ambiguity. The review period of the FMA is 10 banking days from submission of the prospectus. If the issuer has not yet issued any securities admitted to trading on a regulated market, the review period of the FMA is 20 banking days. Usually, several subsequent amendment rounds and new filings are required to incorporate the regulator's comments and amendment requests for the next filing of the prospectus document. In case of comments or amendment requests, the review period will start anew with each filing. For practical reasons, it is advisable to agree on a filing timetable with the FMA. Usually, the period from the initial filing until the date of prospectus approval takes about six to eight weeks for equity offerings if the issuer has already issued securities admitted to trading on a regulated market or, if the issuer has not yet issued any securities admitted to trading on a regulated market, about eight to twelve weeks.

The FMA-approved prospectus, which must be signed by the management of the issuer, must be filed with Oesterreichische Kontrollbank AG (OeKB) no later than on the day of its publication. In addition, a mandatory notification to the New Issue Calendar (*Emissionskalender*) maintained by OeKB has to be made for statistical purposes.

Any placement memorandum/offering circular for an offering exclusively targeted to qualified investors will not require an FMA approved prospectus, although it is recommended that the contents of the placement memorandum largely follow the disclosure requirements under the EU Prospectus Regulation framework.

Primary listings

For a listing on the VSE the issuer must file a written application for admission of the shares to the Official Market. In case of an intended inclusion in trading on the Vienna MTF, a respective application must be made by an exchange member, a credit institution or an investment firm, a law firm or by the issuer itself.

The admission application for the Official Market must be co-signed by an exchange member of the VSE and must be accompanied by:

- A current excerpt from the Companies Register (not older than four weeks).
- The current articles of association or company by-laws.
- Any official authorization certificates if such are required for the establishment of the issuer's company, the pursuit of its business activities or the issuance of securities.
- Proof of any other legal requirements for the issuance of securities.
- Any proof of registration of the issuance in a register, if this is required for the issuance to be legally binding.

- If shares are admitted for the first time to listing on the Official Market, the audited annual financial statements including the auditor's attestation and the financial statements for the preceding three business years.
- The company's compliance guidelines.
- The FMA approved prospectus. If the issuer is from another EEA Member State, the regulator of the home member state will have to review and approve the prospectus according to its law, which will be substantially identical as it will also be based on the EU Prospectus Regulation.
- If securities or certificates are to be secured by a global certificate, a declaration of the issuer stating at which central depository for securities the global certificate shall be in custody.

Further, the issuer seeking a listing on the Official Market must provide the VSE with any further items that might be necessary to determine if the conditions for the admission to trading on the VSE are met.

The VSE is under the legal obligation to decide on the application within ten weeks after submission. In practice, a decision about the admission to listing is usually obtained within a few days. However, in any case a listing cannot take place until the shares to be listed have been validly issued and the prospectus has been approved.

In practice, issuers usually file a preliminary prospectus with the VSE. The preliminary prospectus does not yet provide for the final offer price and the final volume offered as these details will usually be determined in the book-building process. During the book-building process, investors have the opportunity to submit bids for buying the shares at prices that must be within a defined range. At the same time, marketing activities are usually undertaken to draw the attention of potential investors to the possibility of subscribing to the shares (these may include roadshows and press conferences). After the book-

building phase, the price is fixed and the shares are allocated. The next step is the publication of a supplement to the listing prospectus, indicating the price of the shares, proceeds raised through the issuance and issuing costs.

The inclusion in trading on the Vienna MTF is resolved by the management board of the VSE. A written application of an exchange member, a credit institution, an investment firm, a law firm or of the issuer itself is required. The application must be accompanied, among other things, by a current excerpt from the Companies Register, the current articles of association or by-laws of the issuer and, in the case of a public offering, an FMA approved prospectus or, in the case of a private placement, a description of the issuer, the financial statements or an annual report.

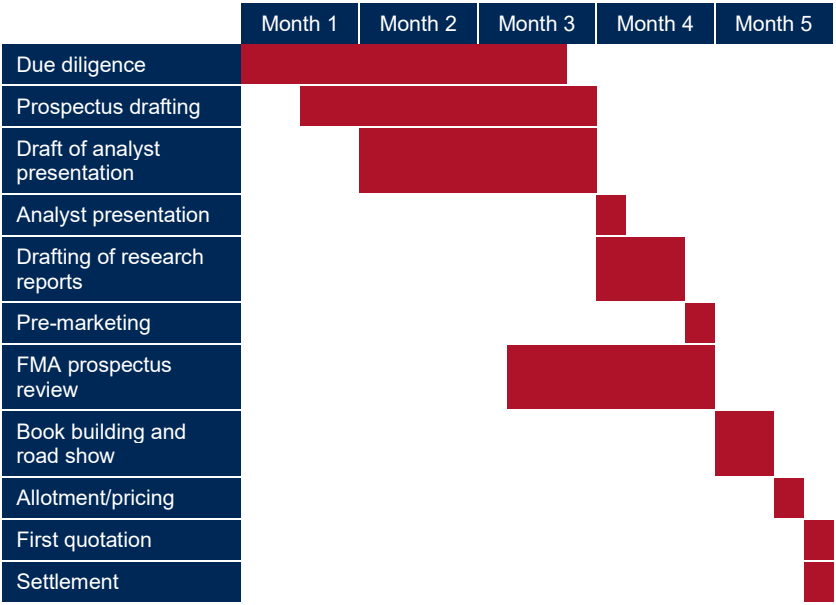
Secondary offerings and listings

There is no difference between an application for a primary listing and a secondary listing. Further, in principle, any secondary listing is also subject to the prospectus requirements in case of a public offer (unless a prospectus exemption applies). However, the issuance of shares is privileged if a prospectus has been filed within the preceding 12 months by the same issuer. Any material changes have to be published in a supplement to the original prospectus. Further, the EU Prospectus Regulation provides for the possibility to list up to 20% of a listed issuer's share capital on the VSE within one year without publishing a prospectus (as long as no public offer is being made).

Typical process and timetable for a listing on VSE

The timetable for an equity offering and listing depends on its size as well as on whether a dual or a single listing is sought. Usually, the time period is four to six months. However, in the case of an IPO, the timetable is much longer (usually six to twelve months) because certain pre-IPO measures must be completed and an IPO/equity story must be prepared.

A typical process and timetable for an equity offering and a listing on the VSE (non-IPO scenario) is illustrated below:



There are no major variations in the documentation required for an offering of shares between a domestic and foreign company.

4. Continuing obligations/periodic reporting

The ongoing reporting obligations of an issuer depend very much on whether its shares are listed on the Official Market or included for trading on the Vienna MTF.

Official Market

Any issuer whose securities are listed on the Official Market must treat all shareholders that are in the same situation equally. All facilities and information needed for the exercise of the rights of a shareholder must be available in German if the registered seat of the

issuer is in Austria - otherwise English is accepted. If shares are listed on a regulated market in Austria (home member state) and in another EEA Member State, any information must be made available in German and in a second language commonly used in financial circles. Security holder data must be protected. Shareholders must receive information about the place, time and agenda of general meetings as well as on the total number of shares and voting rights and the rights of shareholders to participate in general meetings. With each invitation to a general meeting, shareholders must receive a power of attorney form.

In addition, companies listed on the Official Market are subject to a number of ongoing disclosure obligations, some of which are periodic, while others are event-driven. These obligations include the publication of financial statements, ad hoc disclosures of inside information, notices of general meetings and certain related information, dividend distributions, the issuance of new shares and the agreement or exercise of exchange or conversion rights, warrants, redemption and subscription rights. These obligations apply if Austria is the home member state of the company, as well as to non-EEA companies whose shares are only listed in Austria. In the case of companies whose home member state is another EEA Member State, substantially similar obligations should apply under the law of that EEA Member State, since all obligations are based on EU directives/regulations.

A listed company whose home member state is Austria must report of any changes to shares held by members of corporate bodies (management board, supervisory board) and senior management (directors' dealings). The members of the management board (or comparable senior executives) and members of the supervisory board (or a comparable body) must report their own trades, as well as trades by certain relatives and entities controlled by them (for further details on transactions of managers please see below).

Issuers listed on the Official Market must publish all changes to major holdings, that is threshold notices received from their shareholders. Shareholders must notify the issuer within two trading days. Relevant shareholding reporting thresholds for voting shares are 4%, 5%, 10%, 15%, 20%, 25%, 30%, 50%, 75% or 90%. Issuers are, in addition, entitled to include a further reporting threshold of 3% of the voting shares in their articles of association. Further, holders of certain financial instruments (such as call options or instruments that entitle or enable them to achieve a respective shareholding) must report their holdings within two trading days if the above thresholds are met. This information must then be published by the respective issuer.

An issuer must also report holdings of treasury shares if the 5% or 10% threshold is reached or crossed, and it must report the total number of voting shares at the end of every month in which the number of voting shares has changed.

A prime market company must publish a calendar of corporate events with the most important events within two months before the start of the respective financial year.

Vienna MTF

For an issuer listed on the Vienna MTF, the disclosure obligations are somewhat less strict. However, since the scope of the Market Abuse Regulation now also includes companies whose securities are traded on MTFs, issuers on the Vienna MTF must still immediately publish inside information that affects the company without undue delay, unless an exemption applies. Moreover, issuers must immediately provide the VSE with all information regarding the issuer and its securities as well as any material changes. Material changes include, among others, changes to the legal framework, changes to the company name, capital measures and insolvency. In light of this obligation, it is customary for the applicant that is the investment firm, credit institution or VSE exchange member signing the application, to enter into an agreement with the issuer that assures a prompt supply of information to the applicant.

Overview of transparency and disclosure obligations by market segment

The following tables summarizes the ongoing transparency and disclosure obligations for issuers listed in the prime market segment, the standard market segment and the Vienna MTF of the VSE.

Companies listed on the prime market are under the contractually agreed-on obligation to comply with the provisions of the Austrian Stock Exchange Act as well as with higher transparency, quality and disclosure criteria. This ensures greater recognition among investors:

Prime market	
Publication of annual financial statements (audited)	At the latest four months after the end of the reporting period, accounting according to IFRS.
Publication of half-year financial statements	At the latest two months after the end of the reporting period, accounting according to IFRS.
"Ad hoc" disclosure of inside information	Yes - Link to an electronic system (ad hoc disclosure)*.
Calendar of corporate events	Obligation to submit in two months before start of the respective financial year*.
Language of publication	German and English*.
Code of Corporate Governance	Yearly corporate governance statement (§ 243c of the Austrian Commercial Code) including declaration of commitment*.
Listing Prospectus	Disclosure on website for one year after the end of the offer period*.
Directors' dealings	Yes - Declaration within three days after the threshold of €5,600 (approx. US$5,300) is reached.
Changes to major shareholdings	Yes - Reporting thresholds 4/5/10/15/20/25/30/35/40/45/50/75/90%, publication within two days.
Trading procedure/ Liquidity provider	Continuous trading Specialist is mandatory; further market makers desired.

The standard market segment includes all shares admitted to the Official Market that do not meet the criteria of the VSE's prime market. A listing does not require any additional transparency or disclosure obligations beyond those set out in the Austrian Stock Exchange Act:

Standard market	
Publication of annual financial statements (audited)	At the latest four months after the end of the reporting period, accounting according to IFRS.
Publication of half-year financial statements	At the latest three months after the end of the reporting period, accounting according to IFRS.
"Ad hoc" disclosure of inside information	Yes. Link to an electronic system to immediately disseminate price sensitive company information.
Language of publication	German for issuers with their registered office only in Austria.
Directors' dealings	Yes - Declaration within three days after the threshold of €5,000 (approx. US$5,600) is reached.
Changes to major shareholdings	Yes - Reporting thresholds 4/5/10/15/20/25/30/35/40/45/50/75/90%, publication within two days.
Trading procedure/ Liquidity provider	Continuous trading: with mandatory market maker. Single intra-day auction: liquidity provider desirable for the auction.

The Vienna MTF offers companies with low capital requirements the option of raising capital through the capital market. An issuer has a choice of admission to listing on the direct market plus segment or the direct market segment. Accordingly, their ongoing disclosure obligations differ:

Vienna MTF		
Market	**direct market plus**	**direct market**
Period of existence	One year	None
Publication of annual	At the latest five months after the end of the reporting period,	None

Vienna MTF		
financial statements (audited) or annual reports including the management report	accounting according to IFRS or the national accounting standards.	
Publication of half-year financial statements or interim reports for the half year	At the latest three months after the end of the reporting period, accounting according to IFRS or the national accounting standards.	None
"Ad hoc" disclosure of inside information	Yes. Link to an electronic system to immediately disseminate any insider information that must be disclosed*.	Yes. Link to an electronic system to immediately disseminate any insider information that must be disclosed*.
Publication of a financial calendar	Two months before the start of the respective financial year.	No
Language of publication	German or English.	According to national regulations.
Directors' dealings	Yes - Declaration within three days after the threshold of €5,000 (approx. US$5,600) is reached.	Yes - Declaration within three days after the threshold of €5,000 (approx. US$5,600) is reached.
Capital Market Coach (CMC) support	Mandatory for one year.	No
Trading procedure/ Liquidity provider	Continuous trading: with mandatory market maker. Single intra-day auction: liquidity provider desirable for the auction.	Continuous trading: with mandatory market maker. Single intra-day auction: liquidity provider desirable for the auction.

**Pursuant to the Vienna MTF rules of the VSE.*

Most ongoing disclosure requirements under Austrian law apply to foreign companies only in certain instances. Where Austrian law does not apply, the European harmonized regime under the Transparency

Directive should make sure that similar obligations would apply under the law of some other EEA country where the company is domiciled or where its shares are listed.

Ad hoc disclosure of inside information

All companies traded on the VSE are under the obligation to publish all inside information that affects the company without undue delay (ad hoc disclosure).

In relation to shares, the Market Abuse Regulation defines inside information includes information that:

- Is of a precise nature.
- Has not been made public.
- Relates to one or more issuers or one or more financial instruments.
- Would be likely to have a significant effect on the prices of those financial instruments (or related derivatives) if it were made public.

According to the Market Abuse Regulation, information would likely have a significant effect on the prices of financial instruments if a reasonable investor would be likely to use it as part of the basis of an investment decision. This definition includes all material non-public information that is price sensitive, including major agreements, acquisitions or divestitures, major losses, unexpected business interruptions or positive effects, insolvencies and loss of key personnel. Under certain circumstances, an issuer may postpone the ad hoc disclosure temporarily, such as in the case of pending negotiations.

Financial information

Companies admitted to trading on the Official Market must publish their accounted annual financial statements within four months after

the end of the financial year. The annual financial statements must consist of the balance sheet including the income statement, the notes to the consolidated financial statements and the management report. For the presentation of the annual financial statements, the commercial law or the national requirements apply. If the company is a parent undertaking, the annual financial statements must also be compiled at the consolidated company level.

Furthermore, companies admitted to trading on the Official Market are required to publish half-yearly financial reports, which consist of short-form financial statements, an interim company report and a certification by the management.

Abuse of inside information and market manipulation

Shares of companies traded on the VSE (as well as other financial instruments, for example corporate bonds or derivatives) are subject to prohibitions on the abuse of inside information and market manipulation (market abuse). These prohibitions apply in relation to all issuers on the Official Market as well as to issuers whose shares are included in trading on the Vienna MTF.

The abuse of inside information is also a criminal offence punishable by a prison sentence of up to five years. Prohibited behaviors include using inside information in relation to:

- Buying or selling financial instruments.
- Amending buying or selling orders.
- Offering or recommending financial instruments to a third party.

Market manipulation is prohibited in Austria under the rules of the Market Abuse Regulation. In addition, market manipulation also constitutes a criminal offence pursuant to the Austrian Stock Exchange Act. The relevant prohibited market manipulation actions include transactions or buy and sell orders that:

- Give false or misleading signals as to the supply of, demand for, or price of financial instruments.
- Secure the price of one or several financial instruments at an abnormal or artificial level.

Further, market manipulation also includes trade or buy/sell orders placed under false pretenses or by any other deceitful actions or forms of deception with a volume of more than €1 million if such behavior may affect the price of the relevant financial instrument, as well as giving false or misleading information or making available false or misleading source data or the dissemination of information that gives false or misleading signals to the market related to financial instruments.

Market manipulation (including attempts) is punishable by a prison sentence of up to five years.

Directors' dealings

Persons discharging managerial responsibilities at an issuer must comply with certain reporting requirements according to the Market Abuse Regulation. These persons must generally report all trades that they have concluded for their own account with regard to shares (or securities equivalent to shares of the issuer) that are admitted to the Official Market or the Vienna MTF, as well as any related trades in derivatives or affiliated companies of the issuer. Reporting may be postponed until the total volume of the trades executed reaches the amount of €5,000 (approximately US$5,600). Should the threshold amount not be reached by the end of the calendar year, the reporting on these trades may be omitted. Relevant transaction must be reported to the FMA no later than three business days after the transaction.

Short selling prohibition and reporting requirement

The EU short selling regime came into force on 1 November 2012. The regime, which is established by the EU Short Selling Regulation (Regulation No 236/2012), contains disclosure requirements and

restrictions on short selling. The Regulation provides that significant net short positions on shares, sovereign debts and uncovered positions in sovereign Credit Default Swaps (CDS) are reportable to the relevant competent authority.

The reporting must be made to the FMA by using an electronic reporting tool. A notification will be publicly disclosed if the short position reaches 0.5% of the share capital of an issuer concerned and every further 0.1% above this threshold.

5. Corporate governance

Austrian provisions relating to corporate governance are set forth in the Austrian Code of Corporate Governance (ACCG) published by the Austrian Working Group for Corporate Governance. The ACCG covers the standards of good corporate management common in international business practice as well as the most important provisions of Austrian law relevant in this context. It is based on the provisions of Austrian corporation, securities and capital markets law, the EU recommendations on the tasks of supervisory board members and on the remuneration of directors, and on the principles set out in the OECD Principles of Corporate Governance.

Categories of rules defined in the ACCG include L-rules, which are rules that constitute mandatory legal requirements, C-rules, which are comply or explain rules, and R-rules, which are recommendations. C-rules must be complied with or any deviation must be explained and the reasons stated in order to be in compliance with the ACCG. Non-compliance with R-rules requires neither a disclosure nor an explanation by the company.

The ACCG primarily addresses Austrian listed companies including listed European Companies (*Societas Europaea*) registered in Austria. All Austrian companies listed on the Official Market must publish a declaration of their commitment to the ACCG and are required to provide a corporate governance report including an explanation of any deviations from the ACCG according to the prime market rules.

Companies listed on the VSE that are subject to the company law of another EU or EEA Member State are called on to commit themselves to adhere to a corporate governance code recognized in this economic area and to publish this commitment including a reference to the code complied with on their websites. Companies that are subject to the company law of a country that is not a member of the EU or EEA, and are listed on the VSE, are called on to commit themselves to comply with the ACCG. In this case non-mandatory L-rules of the ACCG are interpreted as C-rules.

In addition to the provisions of the ACCG, any foreign company listing through an Austrian joint stock corporation should familiarize itself with the numerous provisions in the Austrian Stock Corporation Act (*Aktiengesetz*) and the Austrian Business Code (*Unternehmensgesetzbuch*) that apply specifically only to listed companies. Most recent additions to this list of provisions include a prohibition for former members of the management board to be elected to the supervisory board during a cooling-off period of two years, unless at least shareholders holding 25% of the voting rights in the company consent.

6. Specific situations

There are no additional requirements, or any changes in the normal requirements, that would specifically apply to very large Austrian companies. In practice, these companies are all listed on the prime market segment, in order to provide the highest quality reporting and to be included in the ATX or the ATX Prime indices. The five companies with the highest-weighted shares in the ATX form the ATX five.

Similarly, there are no special requirements for smaller companies. Smaller companies that want to operate under a less stringent regime may apply for a listing on the standard market or the Vienna MTF.

7. Presence in the jurisdiction

Pursuant to the Austrian Stock Exchange Act, foreign (and domestic) companies listed on the Official Market are required to appoint a payment agent. Otherwise, foreign companies are not required to maintain offices in Austria or to have directors resident in Austria. Further, there is no requirement to keep corporate records within Austria.

8. Fees

An issuer seeking to list on the VSE must pay both initial listing fees and annual fees. The VSE's initial listing fee for shares to be listed on the Official Market amount to 0.01% of the market capitalization of the newly listed shares, with a minimum fee of €10,000 (approximately US$11,200) and a maximum fee of €50,000 (approximately US$56,060). For inclusions to trading on the Vienna MTF, the initial inclusion fee is €5,000 (approximately US$5,600) plus 0.05% of market capitalization up to a maximum fee of €10,000 (approximately US$11,200).

The annual listing fee for shares listed on the Official Market amounts to 0.015% of the market capitalization at the end of the previous year, with a minimum fee of €5,000 (approximately US$5,600) and a maximum fee of €10,000 (approximately US$11,200). The annual fee for shares traded on the Vienna MTF is €2,500 (approximately US$2,800).

Additional costs include fees charged by underwriters, lawyers and accountants involved in the transaction, as well as printing costs.

9. Additional information

All information for registration with the VSE and correspondence with the FMA is usually made in German or English. For issuers listed in the prime market segment, all communications to investors must be made in German and English. Except for the Vienna MTF, it is

normally not possible for issuers with their registered office in Austria to limit communication to the English language.

However, the prospectus for the listing and/or public offering may be prepared exclusively in English.

Most parts of the VSE's website (*www.wienerborse.at)* are also available in an English version, including documents required in connection with a listing. The website of the Austrian regulator (*www.fma.gv.at)* also contains many useful materials and guidance in the English language. An English language version of the Austrian Corporate Governance Codex is available at *www.corporate-governance.at*.

Listing debt securities on Vienna MTF

Listed companies in Vienna also benefit from a streamlined process to list their debt where traditionally a large portion of listed debt originates in the domestic market. Recently there has been a prominent increase in international debt listings from both listed and non-listed companies where in 2019 they surpassed domestic listings for the first time.

Nowadays, a large variety of debt securities are commonly listed in Vienna, such as securitizations, asset-backed securities, convertible bonds and high yield bonds. The Vienna Stock Exchange also hosts a dedicated market segment for green and social bonds.

Key features of the Vienna MTF:

- Simplified documentation for listing (such as an information memorandum instead of Prospectus).
- Limited filing requirements.
- Ongoing requirements limited to requirements under the Market Abuse Regulation.

- An experienced and responsive team at the VSE ensures short turnaround times.

The listing of a debt issuance programme on the Vienna MTF is a preferred option for financial institutions. The VSE have automated the process of listing tranches by offering the use of a load-file for wholesale transactions.

Key differences in requirements for domestic companies

Admission criteria for domestic companies are generally the same as those for foreign companies. The main difference, however, results from the practical application of the general admission criteria to Austrian issuers. A key issue is typically the way the shares are kept in central custody for clearing and settlement. For listings by Austrian companies, the clearing and settlement procedures do not have to take into account the particularities of foreign jurisdictions.

Austrian issuers of shares must publish a prospectus that has been approved by the FMA. Pursuant to the EU Prospectus Regulation, the obligation to publish a prospectus also applies to foreign issuers. However, prospectuses drawn up by issuers from EU Member States and approved by another EU Member State authority may be used in Austria if they are passported for Austria in accordance with the requirements set forth in the Prospectus Regulation.

Finally, applicability of the ACCG, which contains provisions related to corporate governance and is further described in section 5, differs between domestic and foreign issuers. The ACCG primarily addresses Austrian listed companies, including listed European Companies (*Societas Europaea*) registered in Austria. All Austrian companies listed on the Official Market or the Vienna MTF must publish a declaration of their commitment to the ACCG. Further, all companies listed in the prime market segment of the VSE are required to provide a corporate governance report and to include a declaration on any deviations from the ACCG according to the prime market rules. Companies that are subject to the company law of another EU

Member State or EEA Member State and are listed on the VSE are called on to commit themselves to adhere to a corporate governance code recognized in this economic area and to publish this commitment, including a reference to the code complied with on their websites. Companies that are subject to the company law of a country that is not a member of the EU or EEA and are listed on the VSE are called on to commit themselves to comply with the ACCG.

10. Contacts within Baker McKenzie

Eva-Maria Ségur-Cabanac in the Vienna office is the most appropriate contact within Baker McKenzie for inquiries about prospective listings on the VSE.

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@bakermckenzie.com
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Warsaw Stock Exchange

Initial listing requirements

To qualify for listing, a company typically must meet the following criteria:

Financial requirements	• The capitalization of the company must be at least the PLN equivalent of €15 million (approx. US$16.82 million), or, for an issuer, any of whose shares were traded on another regulated market or in the alternative trading system organized by the WSE for at least six months, its capitalization must be at least €12 million (approx. US$13.45 million). • Bankruptcy or liquidation proceedings must not be underway with respect to the issuer of the securities to be listed.
Primary Floor listing	All shares of the same type are referred to in the application for admission. Shareholders, each of which may exercise no more than 5% of votes at the meeting of shareholders, hold at least: • 25% of shares referred to in the application for admission to exchange trading. • 500,000 shares with a value equal at least to the PLN equivalent of €17 million (approx. US$19.06 million).
Secondary Floor listing	Shareholders, each of which may exercise no more than 5% of votes at the meeting of shareholders, must hold at least: • 15% of shares referred to in the application for admission to exchange trading. • 100,000 shares referred to in the application for admission to exchange trading with a value equal at least to the PLN equivalent of €1 million (approx. US$1.12 million), calculated based on the last sale or issue price.

Other initial listing requirements

Minimum trading price; escrow. There is no requirement for listed foreign companies to have or maintain a minimum trading price for their securities, or for any shares to be placed into escrow (or otherwise be restrained from being traded, such as through "lock-in" or "lock-up" arrangements). However, on initial listings, sponsors and underwriters typically require directors and major shareholders to agree to dealing restrictions.

Accounting standards. For an issuer incorporated in a member state of the European Economic Area (EEA), the accounts should generally be prepared under IFRS. For an issuer incorporated outside the EEA, the accounts should be prepared under IFRS, under US or Japanese GAAP (which have been deemed equivalent to IFRS by the European Commission), or, for a limited period, under certain other GAAPs that are either converging with or are to be replaced by IFRS.

Financial statements. In principle, to be admitted for listing on the Primary Floor, the prospective listed company must have available financial statements, together with auditor's opinions, for at least the three consecutive financial years immediately preceding the date of the listing application.

Operating history and management continuity. The WSE does not require a specific length of operating history or any particular period of continuity of management.

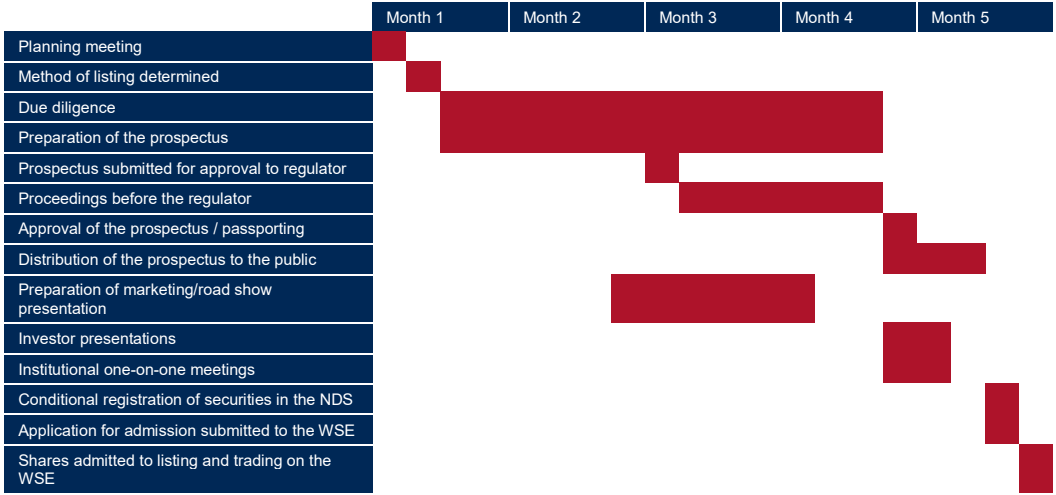
Other markets. The WSE also offers listings on the NewConnect (which is designed for smaller capitalization companies). The access rules for new entrants on the NewConnect market are far more liberal than in the case of the WSE Main Floor. Information about other WSE markets is available upon request.

Minimum number of shareholders. There is no requirement for listed companies to have or maintain any defined minimum number of shareholders. However, there is a requirement to have a free float of at least 15% (25% for companies listed on the primary market).

Currency. There are no restrictions on the currency denomination of securities. However, due to technical obstacles within the brokerage houses, currently all quotes for the securities traded on the WSE are expressed in Polish zloty (PLN).

Listing process

Listing involves the approval of the prospectus by the capital market regulator in one of the EU member states according to the single passport rule. A company must also register its shares at the National Depository for Securities (Poland's clearing house). The following is a fairly typical process and timetable for a public offering in Poland and listing of a foreign issuer on the WSE.



Corporate governance and reporting

Requirements for public companies include:

- Pursuing a transparent and effective disclosure policy, for example, through operation of the corporate website.
- Maintaining efficient internal control, risk management and compliance systems and an audit committee with an independent director.
- At least two independent members of the supervisory board.
- Transparent procedures for preventing conflicts of interest and related party transactions, for example, approval of the supervisory board for execution of transactions with a related entity.
- Remuneration policy applicable to directors and key managers.

Corporate governance rules are based on a "comply or explain" basis.

A listed company has disclosure and reporting obligations to the WSE, the Polish Financial Supervision Authority and the public.

There are no Polish residency requirements for directors or officers.

Fees

The PFSA charges a one-time fee for approval of the prospectus - the PLN equivalent of €6,000 (approx. US$6,727). The WSE charges a one-time fee for admission of shares to listing. On the Primary Floor, this admission fee consists of a fixed fee of PLN6,000 (approx. US$1,581) and a proportional fee, the amount of which ranges from PLN8,000 (approx. US$2,108) to PLN96,000 (approx. US$25,296), depending on the value of shares to be offered for trade (0.03% of their market value). On the Secondary Floor, there is a flat fee of PLN6,000 (approx. US$1,581).

The PFSA and the WSE also charge annual fees for the listing of shares. The PFSA fee is charged only to companies that have their registered offices in Poland and is 0.01% of the capital shown in their last annual financial statement, ranging from a minimum of the PLN equivalent of €1,500 (approx. US$1,681) to a maximum of the PLN equivalent of €30,000 (approx. US$33,636). For the Primary Floor, the WSE fee is 0.015% of the market value of the shares, ranging from a minimum of PLN4,000 (approx. US$1,054) to a maximum of PLN48,000 (approx. US$12,648), for the first year of listing, and 0.02% of the market value of shares, ranging from a minimum of PLN9,000 (approx. US$2,372) to a maximum of PLN70,000 (approx. US$18,445), for subsequent calendar years of listing. For the Secondary Floor, this fee is PLN1,500 (approx. US$395), for the first year of listing, and 0.02% of the market value, ranging from a minimum of PLN3,000 (approx. US$790) to a maximum of PLN8,000 (approx. US$2,108), for subsequent calendar years of listing. In addition, if the average price of one share in the previous quarter was less than PLN0.50 (approx. US$0.13), an additional quarterly surcharge equal to 10% of the respective annual fee is payable.

1. Overview of exchange

The Warsaw Stock Exchange (commonly known as the WSE) operates two principal markets for trading in financial instruments:

- The Main Market, which is the WSE's regulated market.
- NewConnect, which is the WSE's alternative trading platform for smaller and start-up issuers.

The Main Market is divided into two separate listing sectors, the "Primary Floor" and the "Secondary Floor." The Primary Floor is an official listing market. Listing on the Primary Floor imposes higher requirements than the EU-minimum standards for a listed company.

The WSE also operates a market for trading in debt instruments consisting of two trading platforms: the EU regulated market and an alternative trading system. The market operates under the name "Catalyst". It is dedicated to retail investors. In addition, a subsidiary of WSE, Bondspot S.A., operates two similar platforms (also under the name Catalyst) for trading in debt instruments dedicated to wholesale investors.

The information in this summary relates only to listings of equity instruments on the Primary Floor and Secondary Floor of the Main Market.

In January 2020, the aggregate market capitalization of listed securities on the Main Market was approximately PLN1.13 billion (approximately US$297.76 billion), a moderate decrease of around 0.88% compared to February 2017 (PLN1.14 billion (approximately US$300.39 billion)).

The Main Market is open to companies from all industry sectors and jurisdictions. In January 2020, there were 449 companies listed (in February 2017: 486), of which 343 companies were listed on the Primary Floor. The vast majority of issuers are incorporated in Poland (January 2020: 401). Only approximately 11% of the listed companies

were foreign companies (January 2020: 48); however, they constituted approximately 50% of the aggregate market capitalization.

The Polish Financial Supervision Authority (PFSA), Poland's official competent authority, is responsible for the supervision of listing and trading on the WSE.

2. Principal listing and maintenance requirements and procedures

Prospectus. As with any regulated market in the EU, in order to list financial instruments on the WSE regulated market, a prospectus must be drawn up, approved by the relevant competent capital markets authority and made public. Poland has implemented the EU Prospectus Directive and since 2019 the EU Regulation 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (Prospectus Regulation) is binding directly in Poland, so the process of drawing up, approving and publishing the prospectus complies with the Prospectus Regulation and will be familiar to any European securities lawyer. The content of the prospectus is regulated by the EU Regulation 2019/980. Please see section 3 below for more details.

Market capitalization. The minimum market capitalization for shares to be eligible for listing on the WSE is €15 million (approximately US$16.82 million). The minimum market capitalization for an issuer whose shares were traded on another regulated market or in the alternative trading system organized by the WSE for at least six months is €12 million (approximately US$13.45 million). After the initial listing, a company must maintain the required level of minimum market capitalization. If the company's capitalization falls below that level, the WSE may delist the securities.

Financial statements. To be admitted for listing on the Primary Floor, the prospective listed company must have available financial

statements, together with auditor opinions, for at least three consecutive financial years immediately preceding the date of the listing application. The WSE may waive this requirement if a waiver is in the reasonable interest of the company or investors, and the company has published information enabling investors to assess the financial and economic standing of the company as well as the risks connected with the acquisition of the shares covered by the application. There is no similar requirement for listing on the Secondary Floor.

Free float. The company must meet a minimum threshold for the free float of its shares. Thus, a certain number of shares must be held by minority shareholders, which do not control more than 5% of the total vote at the company's general shareholders' meeting. Requirements diverge concerning listings on the Primary and Secondary floors.

For a Primary Floor listing, minority shareholders must hold either:

- At least 25% of the company's share capital.
- At least 500,000 shares, with a total value of at least the PLN equivalent of €17 million (approximately US$19.06 million).

The WSE may waive this requirement if it concludes that trading in the shares may be sufficiently liquid due to number of shares to be listed and the way the shares were distributed on the primary market, or if the shares are already listed on one or more official listing markets in an EU Member State where the free float requirement is met.

For a Secondary Floor listing, minority shareholders must hold either:

- At least 15% of the company's share capital.
- At least 100,000 shares, with a total value of at least the PLN equivalent of €1 million (approximately US$1.12 million).

Minimum number of shareholders. There is no requirement for listed foreign companies to have or maintain any defined minimum number of shareholders. However, such a requirement may be inferred indirectly from the free float requirement described above.

Minimum trading price; escrow. There is no requirement for listed foreign companies to have or maintain a minimum trading price for their securities, or for any shares to be placed into escrow (or otherwise be restrained from being traded, such as through "lock-in" or "lock-up" arrangements) in connection with the listing. However, in practice, on initial listings, sponsors and underwriters are likely to require dealing restrictions from the board members and the company's major shareholders.

Corporate governance. Companies applying for listing on the WSE are required to comply with the Code of Best Practice for WSE Listed Companies, unless they explain why they do not comply with any provisions of the Code. Please see section 5 below for more details.

Interviews and meetings. There is no requirement for an applicant company to conduct interviews with the WSE as part of the listing process. However, it is common practice to organize informational meetings in cooperation with the WSE prior to the application for admission to listing.

Currency. There are no restrictions on the currency denomination of securities. However, due to technical obstacles within the brokerage houses, currently all quotes for the securities traded on WSE are expressed in Polish zloty (PLN).

Book-entry and clearing. All securities traded on the Polish regulated market must be in dematerialized form. Thus, all the securities traded on the WSE exist in book-entry form and are reflected on securities accounts operated by a clearing house. A company that is seeking admission to trading on a regulated market must conclude an agreement to register its financial instruments with a clearing house. In the case of securities issued outside of Poland, only the portion of

securities that is sought to be admitted to trading on the regulated market in Poland will be subject to registration with a clearing house. Currently, there is only one clearing house for the WSE, the National Depository for Securities (NDS). The NDS clears and settles all the transactions concluded on the regulated market.

Compliance adviser. There is no requirement to have a permanent compliance adviser established with the exchange. However, the listing application must be accompanied by an opinion of an investment firm confirming that listing criteria are met.

Additional listing requirements. Further listing requirements are as follows:

- An appropriate information document (if a prospectus is not available) may be required.
- The securities to be listed must be freely transferable.
- Bankruptcy or liquidation proceedings must not be underway with respect to the issuer of the securities to be listed.

Each company must establish a connection with the Electronic Information Transmission System (ESPI) that is used for the purpose of the distribution of information by the company to the market. In addition, each company must establish a connection with a similar electronic system (EBI) run by the WSE for all corporate governance communications with the market participants.

3. Listing documentation and process

The documentation to be provided to the PFSA differs depending on whether Poland is a home or host EU Member State for the issuer pursuant to the EU Prospectus Directive. Poland is the home Member State for:

- A company that has its registered office in Poland.

- A company whose registered office is not in an EU Member State, if the public offering of securities will be carried out in Poland or the securities will be admitted to trading on a Polish regulated market for the first time within the EU.

Prospectus

Absent specific exemptions, the public offering or the admission of securities to trading on a regulated market requires:

- The preparation of a prospectus.
- Its approval by the competent supervisory authority.
- Making it available to the public.

The PFSA will be competent to approve the prospectus for a public offering and/or the admission to trading of the company's shares on the regulated market if Poland is the company's home Member State. The company will submit the application to the PFSA through an investment firm, acting as the company's intermediary. In such case, the prospectus must be prepared in Polish. If the offering or admission to trading is to take place only outside of Poland, then the prospectus may be prepared in Polish or in English, as chosen by the company.

If Poland is the company's host Member State (usually when a foreign company intends to list on the WSE), then the prospectus may be prepared in Polish or in English, as chosen by the company. If the prospectus is in English, the company must also prepare a summary in Polish.

The prospectus must be drawn up in accordance with the EU Prospectus Regulation 2019/980 and other EU guidelines, providing all material and accurate information on, and giving prospective investors a fair and complete view of the company's economic and financial standing and its assets, liabilities, profits, losses and development prospects.

The prospectus must contain information about:

- The persons responsible for the prospectus, information on the approval of the prospectus by the competent authority.
- The auditors.
- Material risks specific to the company (Risk factors).
- General information about the company.
- Business overview with information regarding principal activities of the company, significant new products and services, principal markets, important events in the development of the company's business, description of the company's business strategy and objectives and description of the company's material investments.
- Organizational structure.
- Operating and financial review.
- Capital resources (both short term and long term).
- Regulatory environment.
- Trend information containing the description of the most significant recent trends related to the company's activities and any significant change in the financial performance of the company's group.
- Profit forecasts or estimates.
- The company's management.
- Remuneration and benefits of the company's management.
- Board practices.
- Employees and their share options.

- Major shareholders.
- Related party transactions.
- Financial information concerning the company's assets and liabilities, financial position and profit and losses.
- A summary of material contracts.

If a company has its registered office in a state other than a Member State, the prospectus may be prepared upon the basis of the laws of the state in which the company has its registered office, provided that it is prepared in compliance with appropriate standards of the International Organization of Securities Commissions.

With respect to financial information, the prospectus must include audited historical financial information for the latest three financial years, together with an audit report for each year. If the company has published quarterly or half-yearly financial information since the date of the last audited financial statements, they must also be included, together with any audit or review report with respect thereto. The prospectus must also reproduce the audit reports for each relevant period, including any refusals, qualifications or disclaimers and the reasons for the same. If any financial data included in the prospectus is not extracted from the company's audited financial information, its source must be disclosed.

For an issuer incorporated in a member state of the European Economic Area (EEA), the accounts should generally be prepared under International Financial Reporting Standards (IFRS). For an issuer incorporated outside the EEA, the accounts should be prepared:

- Under IFRS.
- Under the generally accepted accounting principles (GAAP) of the United States or Japan, which have been deemed equivalent to IFRS by the European Commission.

- For a limited period, under certain other GAAPs that are either converging with or are to be replaced by IFRS.

If the financial information is not equivalent to these standards, it must be presented in the form of restated financial statements.

A company must include pro forma financial information if it has a significant gross change, describing how the transaction might have affected the company's assets, liabilities and earnings if the transaction had been undertaken at the commencement of the period being reported on or at the date reported. Pro forma financial information must be accompanied by a report prepared by the independent accountants or auditors.

If the PFSA is the competent authority to approve the prospectus, the company and its advisers will prepare a draft prospectus and submit it to the PFSA. The PFSA will then comment on it. The company and its advisers will address these remarks and submit successive drafts, until the PFSA approves a final version of the prospectus. This process generally takes approximately three months.

Passporting a foreign prospectus

If Poland is acting as a host Member State for a particular company's proposed listing, the PFSA will need to receive certain materials from the competent authority in the company's home Member State. These materials consist of a certificate of the approval of the prospectus and a copy of the approved prospectus, together with a Polish translation of the prospectus summary. The prospectus must be prepared in Polish or English. If the prospectus is in English then it must be accompanied by a Polish language summary. The passporting process generally takes no more than one working day.

Application for listing

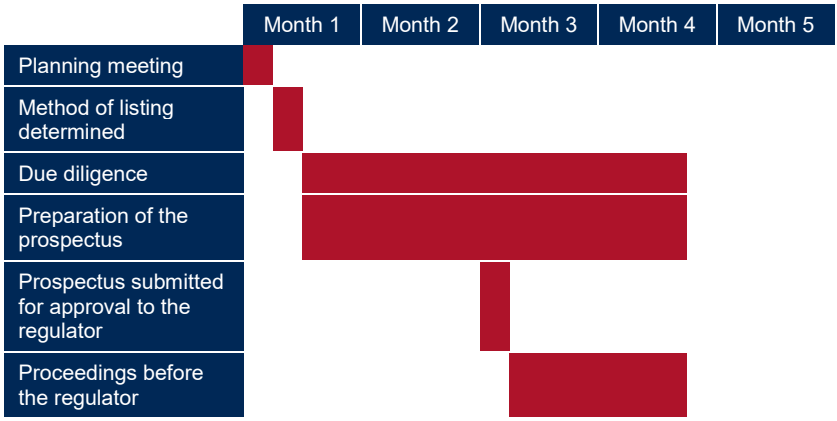
Following the approval of the prospectus, the company must apply for the listing of its securities on the WSE. The application must be accompanied by either:

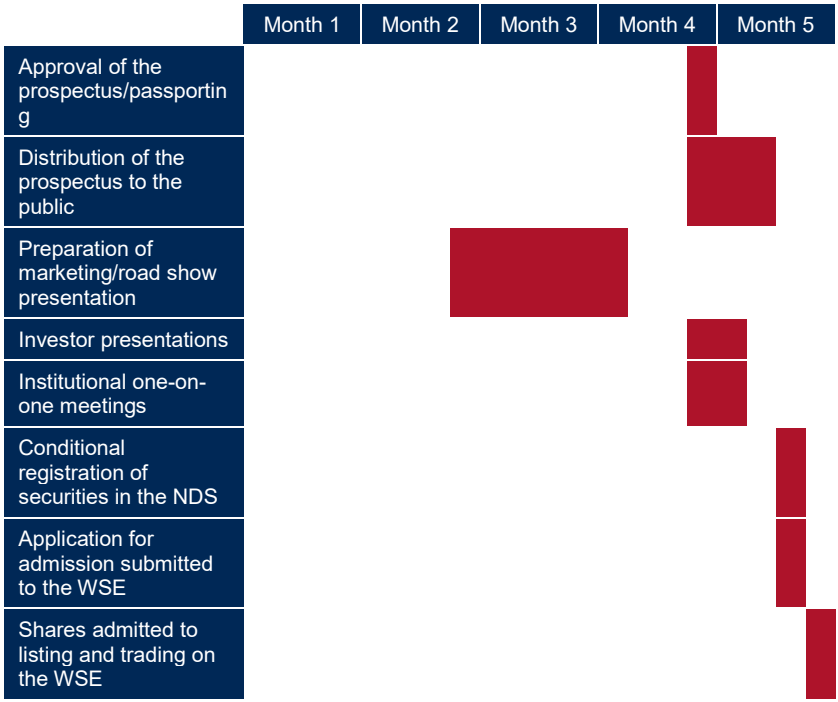
- A copy of the decision of the relevant supervisory authority concerning the approval of the prospectus.
- If a prospectus is not required, an appropriate information document, together with information on any events that occurred after the publication of the information document that could have a material effect on the company's financial standing, and the company's representation to the effect that no bankruptcy or liquidation proceedings are underway with respect to it.

In addition, the company will need to deliver:

- Various corporate documents.
- Documents from a clearing house on the registration of the securities.
- The opinion of an investment firm that, among other matters, the company meets the requirements to have its shares admitted to trading and was informed of its obligations relating to trading.

Typical phases and timetable for a listing of a foreign company on the Main Market of the WSE





The documentation and process requirements described in this section do not vary from what would be expected of a domestic company, except for the accounting standards requirements applicable to financial information and the language of the prospectus.

4. Continuing obligations/periodic reporting

Once listed, the company will be subject to continuous disclosure requirements. The company must provide the PFSA, the WSE and the public (through the Polish Press Agency) with ad hoc and periodic (annual, semi-annual and quarterly) reports.

Ad hoc reports should include inside information as defined in Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (MAR). For a company

whose home Member State, for purposes of the Prospectus Directive, is Poland, the scope of, and deadlines for, periodic reports are governed by Polish law. For other companies listed in Poland, the scope of, and deadlines for, these reports are governed by the law of each company's home Member State. For a company incorporated outside the EU, for which Poland is the home Member State, the company may apply for the PFSA's consent to report in accordance with its domestic regulations, provided that these regulations are found to be equivalent to Polish regulations.

Ad hoc reports

For issuers whose home Member State is Poland, the scope and deadlines for the publication of ad hoc reports are governed by MAR, as summarized below.

The company is required to publish a report on the occurrence of material events that could have a significant impact on the price or value of its securities (inside information). The company must publish the report promptly upon the occurrence of the events or circumstances which require the disclosure, or promptly upon becoming aware of the relevant events or circumstances.

The reports are published electronically through the ESPI, a dedicated web-access computer application made available by the PFSA, and should additionally be posted on the company's website. Any reports published through ESPI are automatically delivered to information agencies and then promptly disseminated to the media and the public.

A company for whom Poland is the home Member State should publish its reports in Polish. If Poland is a host Member State for a company that is seeking the trading of its securities on the Polish regulated market, the company must publish information either in the language required by its home Member State or in Polish or in English.

Inside information. Inside information is defined in MAR as information:

- Of a precise nature.
- Regarding circumstances that exist or may reasonably be expected to come into existence.
- That is not publicly available.
- That, if made publicly available, is likely to have a significant effect on the price of securities.

In determining the likely price significance of information, a company should assess whether the information in question could be used by a reasonable investor as part of the basis of the investor's investment decisions and would have a significant effect on the price of the company's financial instruments.

A company may delay the disclosure of inside information, if the disclosure might violate the company's legitimate interest. The delay in the disclosure of information may occur only if the company guarantees that the confidentiality of the information is maintained until discharge of the obligation, and if the delay does not mislead the public.

Additional disclosure requirements. There are a number of additional disclosure requirements that a listed company must comply with. In particular:

- A shareholder who achieves, exceeds or holds 5% or more of the total voting rights (and at certain thresholds thereafter) must provide notice of this fact to the PFSA and the company. The company must then immediately forward the information simultaneously to the public, the PFSA and the WSE.
- The company must simultaneously provide the public, the PFSA and the WSE, within seven days after the date of the general

shareholders' meeting, with a list of shareholders who held at least 5% of the total vote at the meeting. The list must specify the number of votes conferred by each shareholder's shares and each shareholder's percentage share in the votes represented at the meeting and in the total vote.

- Persons discharging managerial responsibilities (in particular persons who are members of the company's management and supervisory bodies) and persons closely related to them must notify the PFSA and the company of any transactions executed by them for their own account, whereby they acquire or dispose of any shares of the company, derivative rights attached thereto and other financial instruments related to the shares admitted or sought to be admitted to trading on a regulated market. The company must then immediately disclose this information to the public.

Periodic reports

If Poland is a host Member State for a company that is seeking to trade its securities on the Polish regulated market, the scope of information to be provided and the deadlines for its submission are specified by the laws of the home Member State.

For issuers for whom Poland is the home Member State, the scope and deadlines for the publication of periodic reports are governed by Polish regulations. According to these regulations, the company should publish:

- Annual reports.
- Semi-annual reports.
- Quarterly reports.

If the company is a parent company for a group of companies, it should publish consolidated quarterly, semi-annual and annual reports.

Annual report. The company must publish its annual report not later than four months after the end of its financial year. The annual report must include:

- Selected financial data.
- The audited financial statements and the audit report.
- A management report reviewing the company's business.
- Management responsibility statements.

Semi-annual report. The company must publish a half-yearly report covering the first six months of its financial year. The report must be published no later than three months after the end of the period to which it relates. The half-yearly report must contain:

- Selected financial data.
- A condensed set of financial statements reviewed by an auditor and the auditor's opinion.
- An interim management report.
- Management responsibility statements.

Quarterly financial report. Each quarterly financial report must be made available not later than 60 days after the end of the period to which it relates. It must contain:

- Condensed financial statements for the period of time covered by the report.
- Comments on the results forecast.
- Information on shareholders, proceedings, related party transactions, the granting of material sureties or guarantees and other significant factors.

A company incorporated outside the EU is not required to publish quarterly reports if it prepares interim management board reports instead of quarterly reports, according to its domestic law.

Accounting standards. Where a company is incorporated in an EEA state, it must draft its stand-alone financial reports according to local accounting standards and the consolidated accounts in conformity with IFRS.

Where a company is incorporated in a country that is not an EEA State, it must draft its stand-alone financial reports according to either:

- Local accounting standards.
- IFRS.
- Accepted accounting standards under Commission Regulation 1569/2007 or as equivalent to IFRS accounting standards.

The consolidated accounts of such a company must be prepared in conformity with IFRS or accepted accounting standards under Commission Regulation 1569/2007 or as equivalent to IFRS accounting standards.

Market abuse

The EU Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (MAR) is fully applicable in Poland. Poland has also implemented local regulations on penalties for breach of MAR.

Prohibition of use of insider information. Any person who possesses inside information by virtue of his or her:

- Being a member of the administrative, management or supervisory bodies of a listed company.
- Having a holding in the capital of a listed company.

- Having access to the information through the exercise of his or her employment, profession (including brokers and investment advisers) or duties.

- Being involved in criminal activities.

Or any person who possesses inside information under circumstances other than those referred to above where that person knows or ought to know that it possesses inside information, may not use that information by acquiring, disposing of (or by trying to acquire or dispose of), for his or her own account or for the account of a third party, either directly or indirectly, financial instruments to which that information relates. Any such person also may not disclose inside information to any other person, unless the disclosure is made in the normal course of the exercise of the person's employment, profession or duties. Furthermore, any such person may not recommend or induce another person, on the basis of inside information, to acquire or dispose of securities to which that information relates.

Insider transactions. Directors and officers of a listed company must notify the PFSA of any acquisitions or dispositions of shares in the company or derivatives based on the shares. This information must also be disclosed to the public. These obligations apply also to relatives and affiliates of directors and officers.

Directors and officers may not engage in transactions in shares (or derivatives based on shares) on its own account or for the account of a third party, directly or indirectly during a closed period of 30 days before the announcement of a periodic financial report.

The penalty for insider dealing is a fine of up to PLN5 million (approximately US$1.32 million) and/or imprisonment for up to five years.

Market manipulation. The following practices are, among others, defined as market manipulation and are prohibited:

- Entering into a transaction, placing orders or any other behavior that is (or may be) misleading as to the actual supply of, demand for or price of a financial instrument, or which results in the price of one or more financial instruments moving to an abnormal or artificial level, or which employs a fictitious device or any other form of deception or contrivance.

- Disseminating, through the media (including the internet) or by any other means, false or inaccurate information or rumors that are or may be misleading as regards the supply of, demand for, or price of, financial instruments, or which results in the price of one or more financial instruments moving to an abnormal or artificial level, including the dissemination of rumors, where the person who made the dissemination knew, or ought to have known, that the information was false or misleading.

Certain safe harbors are available for legitimate transactions that comply with established market practice on the regulated market, including in particular buy-back programs. There are also other practices that can be treated as market manipulation.

5. Corporate governance

The WSE promotes its voluntary corporate governance code, the Code of Best Practice for WSE Listed Companies. The Code applies to any company whose shares are listed on the WSE, regardless of whether Poland is the company's home Member State.

The Code covers the following areas described in separate sections: Disclosure Policy, Investor Communications, Management Board, Supervisory Board, Internal Systems and Functions, General Meeting, Shareholder Relations, Conflict of Interest, Related Party Transactions and Remuneration. Generally, the Code provides a mechanism based on the "comply or explain" principle.

When a listed company does not apply a specific rule on a continuous basis or the rule is breached incidentally, the company must publish a report containing information about:

- Which rule was not applied at all or on a particular occasion.
- Under what circumstances and for what reasons.
- How the issuer intends to remove any effects of not having applied a given rule on an occasion or what steps it intends to take to mitigate the risk of the corporate governance rules not being applied in the future.

The report must be published on the company's official website and in a way similar to that applicable to the submission of current reports. The obligation to publish the report should be performed as soon as the company becomes reasonably convinced that a given rule will not be applied at all or incidentally and, in any case, promptly after any event representing a breach of a corporate governance rule occurs. Moreover, the company must attach a report on its application of the corporate governance rules to its annual report.

6. Specific situations

There are no additional requirements, and no changes in the normal requirements, that apply to very large multinational companies or smaller companies. There are no specific industries for which the normal listing rules do not apply or apply in a modified form, or for which additional requirements apply.

There are no situations in which a "fast track" or expedited listing can be procured.

7. Presence in the jurisdiction

A listed foreign company is not required to maintain a presence or to keep any corporate records in Poland.

8. Fees

Initial and one-time fees

The PFSA charges a one-time fee for approval of the prospectus - the PLN equivalent of €6,000 (approximately US$6,727). The WSE charges a one-time fee for admission of shares to listing. On the Primary Floor, this admission fee consists of a fixed fee of PLN6,000 (approx. US$1,581) and a proportional fee, the amount of which ranges from PLN8,000 (approx. US$2,108) to PLN96,000 (approx. US$25,296), depending on the value of shares to be offered for trade (0.03% of their market value). On the Secondary Floor, there is a flat fee of PLN6,000 (approximately US$1,581).

Annual fees

The PFSA and the WSE also charge annual fees for the listing of shares. The PFSA fee is charged only to companies that have their registered offices in Poland and is 0.01% of the capital shown in their last annual financial statement, ranging from a minimum of the PLN equivalent of €1,500 (approximately US$1,682) to a maximum of the PLN equivalent of €30,000 (approximately US$33,636). For the Primary Floor, the WSE fee is 0.015% of the market value of the shares, ranging from a minimum of PLN4,000 (approximately US$1,054) to a maximum of PLN48,000 (approximately US$12,648), for the first year of listing, and 0.02% of the market value of shares, ranging from a minimum of PLN9,000 (approximately US$2,372) to a maximum of PLN70,000 (approximately US$18,445), for subsequent calendar years of listing. For the Secondary Floor, this fee is PLN1,500 (approximately US$395), for the first year of listing, and 0.02% of the market value, ranging from a minimum of PLN3,000 (approximately US$790) to a maximum of PLN8,000 (approximately US$2,108), for subsequent calendar years of listing. In addition, if the average price of one share in the previous quarter was less than PLN0.50 (approximately US$0.13), an additional quarterly surcharge equal to 10% of the respective annual fee is payable.

9. Additional information

As noted above, when offering shares publicly in Poland, the approved prospectus should be published in Polish or English. If the prospectus is in English, the issuer must also prepare a summary in Polish.

Key differences in requirements for domestic companies

The following chart outlines the key differences in requirements between domestic and foreign companies listing on the WSE.

	Issuers for which Poland is the host Member State	Issuers for which Poland is the home Member State	
		Foreign incorporated	Polish incorporated
Approval of the prospectus	Prospectus approved by capital market authority of the home member state. The PFSA needs to receive from the host member state authority: • Certificate of approval of the prospectus. • Copy of the approved prospectus in English or Polish. • Summary of the prospectus in Polish.	Prospectus approved by the PFSA	
Language of the prospectus	English or Polish. If the prospectus is in English, it must be accompanied by a Polish language summary.	English or Polish. If the prospectus is in English, it must be accompanied by a Polish language summary.	Polish.

	Issuers for which Poland is the host Member State	Issuers for which Poland is the home Member State	
		Foreign incorporated	Polish incorporated
Accounting standards for financial reporting	As regulated by the home member state.	EEA issuers: IFRS. Non-EEA issuers: • IFRS. • US GAAP or Japan GAAP (generally accepted accounting principles). • Certain other equivalent GAAPs as allowed by the PFSA or EU law.	Stand alone financial statements: Polish GAAP or IFRS. Consolidated financial statements: IFRS.
Ongoing disclosure requirements (periodic and *ad hoc* reports)	Periodic reports are governed by law of the home Member State. Ad hoc reports governed by MAR.	Periodic reports are governed by Polish law. Non-EU company may report under its domestic regulations, if the PFSA finds such regulations equivalent to Polish regulations and grants individual waiver. Ad hoc reports governed by MAR.	Periodic reports are governed by Polish law. Ad hoc reports governed by MAR.
Language of ongoing disclosures	English or Polish.	Polish. If the securities are dual listed on the WSE and in the home member state: Polish or English.	
	All companies listed on the WSE: • Crossing the threshold of 33% of votes.		

	Issuers for which Poland is the host Member State	Issuers for which Poland is the home Member State	
		Foreign incorporated	Polish incorporated
Mandatory takeover bid thresholds	EU companies: • Takeover bid thresholds as regulated by law of the home member state. Non-EU companies: • crossing the threshold of 66% of votes.	• Crossing the threshold of 66% of votes.	
Notifications of transactions by insiders	Governed by MAR.	Governed by MAR.	

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