

# AIM Italia/Mercato Alternativo del Capitale

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## Rules for Nominated Adviser

1 July 2015

The Italian text of these Rules shall prevail over the English version



**London**  
Stock Exchange Group

# Rules for Nominated Advisers

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# Introduction

Pursuant to the **AIM Italia Rules for Companies**, a **Nominated Adviser** assesses the appropriateness of an **applicant** for **AIM Italia**, as defined in Schedule Three.

Following the admission, a **Nominated Adviser** assists and supports the **AIM Italia company** on its tasks and its responsibilities as expressly specified under the **Rules for Companies**.

The **Rules for Companies** state that a **Nominated Adviser** must be approved by **Borsa Italiana** and included on the current **AIM Italia register** maintained by **Borsa Italiana** so acquiring the status of **Nominated Adviser**.

A copy of this **register** is available for public inspection on **Borsa Italiana's** website: although the definitive list is kept by **Borsa Italiana**.

These **Rules for Nominated Advisers** (“these rules”) set out the eligibility, ongoing role and activity and certain disciplinary matters in relation to **Nominated Advisers**.

These rules should be read in conjunction with the **Rules for Companies** and the **Disciplinary Procedures and Appeals Handbook**.

Terms in bold in these rules have the meanings set out in the **Rules for Companies**, or as otherwise set out in the Glossary at the end of these rules.

# Part One

## Nominated Adviser eligibility criteria and approval process

### Criteria for becoming a Nominated Adviser

#### 1. General

The **Criteria** are the requirements that an applicant must satisfy before **Borsa Italiana** will consider approving it as a **Nominated Adviser**. These **Criteria** are in addition to any legal or regulatory authorisation required by an applicant in any jurisdiction in which it operates. **Borsa Italiana** is able to exercise discretion as to the application and interpretation of the **Criteria**, as it thinks fit.

An applicant will not necessarily be approved even if it satisfies the **Criteria**. When deciding whether or not an applicant should be approved as a **Nominated Adviser**, **Borsa Italiana's** overriding consideration will be the preservation of the reputation and integrity of **AIM Italia**. Accordingly, **Borsa Italiana** reserves the right to decline an application or impose conditions on approval as **Borsa Italiana** thinks fit notwithstanding that an applicant otherwise satisfies the **Criteria**.

#### 2. The Criteria

An entity seeking approval as a **Nominated Adviser** must demonstrate to **Borsa Italiana's** satisfaction that:

- it is a bank or an UE investment company or a company belonging to the network of a statutory auditing firm pursuant to article 1, letter l) of Italian Legislative Decree No. 39 of 27 January 2010. The latter must be a company that has elected a board of directors and appointed a supervisory body (individuals are not eligible) of good standing;
- it has had its annual accounts audited by a statutory auditor or a statutory auditing firm;
- It has practiced Corporate Finance for an appropriate period of time (being usually at least two years) and as an entity it has appropriate experience of providing competent and quality advice in relation to corporate finance transactions (by way of *relevant transactions*);
- it has adequate staff for its activities;
- it has adequate **key executives** of good standing with appropriate experience (by way of *relevant transactions*) and expertise in corporate finance, market practice and the legal and regulatory framework for corporate finance including these Rules and the **AIM Italia Rules for Companies**;
- it has adequate controls and procedures in place in order to comply with these rules (as set out in the firm's *corporate finance* compliance manual). For banks and investment firms this criterion shall be taken to be already satisfied.

The indication to have a two-year track record in *corporate finance* can be disregarded by **Borsa Italiana**, where it determines that the applicant has highly experienced **key executives** (for example where substantially the entire team of **key executives** transfers from an existing **Nominated Adviser**).

The requirement to practise *corporate finance* means that the entity (or in some cases a separate division of it) should have practised as its principal business the provision of corporate finance advice, such as advising on public market fundraisings. This should be distinguished from the provision of legal advice or accounting services in relation to corporate finance transactions, which would not qualify for the purposes of the **Criteria**.

The **Nominated Advisers**, which to the date of the 1 August 2014 does not satisfy the **Criteria** pursuant to rule 2 and which has already entered into appointments for the admission, must quickly notify such appointments to **Borsa Italiana** and complete them within 9 months starting from the coming into force changes to the Rule that is 15 June 2015.

For the purpose of identifying a relevant transaction, **Borsa Italiana** may take into account transactions on shares of issuers listed on a Regulated Market requiring a **Prospectus** or equivalent in any EU country or

transactions involving acting for the offeror on the take-over of a public company within an EU country which requires the publication of an offer document. **Borsa Italiana** will at its discretion consider similar initial public offerings or other major corporate transactions for publicly quoted companies (including mergers and acquisitions requiring the publication of a public information document in accordance with the regulation issued by Consob or the relevant competent Authority) whether within an EU country or elsewhere in the world.

### 3. Overriding principle of the preservation of the reputation and integrity of AIM Italia

In addition to the **Criteria**, **Borsa Italiana** will consider whether the approval of an applicant might endanger the reputation or integrity of **AIM Italia** and reserves the right to reject an applicant on these grounds even if an applicant otherwise meets the **Criteria**, with a reasoned decision.

## Process for becoming a Nominated Adviser

### 4. Application forms and documentation

An applicant seeking approval as a **Nominated Adviser** must complete and submit to **Borsa Italiana** the following (all of which are available at [www.borsaitaliana.it](http://www.borsaitaliana.it)):

- Form NAI1;
- Forms NAI2 for each of the proposed **key executives**
- all supporting documentation requested within the above Form (and in particular at the beginning of Form NAI1); and
- a bank transfer made payable **Borsa Italiana** in respect of the application fee payable (the current fee is set out in the publication entitled 'AIM Italia Fees for Companies and Nominated Advisers' as published by **Borsa Italiana** from time to time).

**Borsa Italiana** reserves the right to request any other information, documentation or confirmations from the applicant or other **persons** as it might require in order to consider or progress an application.

### 5. Application fees

At the same time that any application form is submitted, the applicant must submit the requisite fee to **Borsa Italiana** in order for its application to be processed.

This fee is non-refundable whether or not the applicant is subsequently approved as a **Nominated Adviser**.

The application fee is in addition to the annual fee which is payable upon approval as a **Nominated Adviser**, and subsequently, at the rates set out in and in accordance with the 'AIM Italia Fees for Companies and Nominated Advisers' as published by **Borsa Italiana** from time to time.

### 6. Interview

**Borsa Italiana** may conduct interviews of some or all of the proposed **key executive(s)**, and relevant persons at the applicant, in order to assess how the applicant complies with the **Criteria**. Such interviews will be conducted either at **Borsa Italiana** or at the applicant's premises. Costs incurred by **Borsa Italiana** (for example accommodation and travel) in visiting the applicant's premises will be reimbursed by the applicant.

### 7. Appeals

An applicant will be informed privately, in writing (including by email), of the decision of **Borsa Italiana** concerning whether to approve the applicant or not as a **Nominated Adviser**.

If an applicant is approved, **Borsa Italiana** will include with its written decision a list of the **Nominated Adviser's** employees that are considered as **key executives**.

Any such decision of **Borsa Italiana** may be appealed by an applicant in accordance with the **Disciplinary Procedures and Appeals Handbook**.

## **Continuing eligibility for Nominated Advisers**

### **8. Continuing eligibility**

A **Nominated Adviser**, once approved, must satisfy (to **Borsa Italiana's** satisfaction) the requirements of rule 2 as well as the overriding principle of the preservation of the reputation and integrity of AIM Italia, on a continuing basis at all times as if it were a new applicant.

A **Nominated Adviser** must regularly consider whether it and its **key executives** continue to meet the requirements of these rules. If at any time a **Nominated Adviser** believes it or a **key executive(s)** might not satisfy these requirements, it must inform **Borsa Italiana** forthwith.

**Borsa Italiana** may at any time request any information from a **Nominated Adviser** and/or a **key executive** it requires, including submission of all or any of the forms and documentation set out at rule 4, in order for it to consider and determine whether a **Nominated Adviser** is still eligible.

**Borsa Italiana** may at any time conduct interviews and/or tests of the **Nominated Adviser** and its **key executive(s)** in order to ensure that it has maintained an understanding of corporate finance and these rules and the **AIM Italia Rules for Companies**. The provisions of rule 6 in relation to interviews will apply as appropriate.

If **Borsa Italiana** finds that a **Nominated Adviser** has fallen below the requirements of this rule, **Borsa Italiana** may remove **Nominated Adviser** status or impose conditions on the **Nominated Adviser's** ability to act as a **Nominated Adviser** (including the imposition of a moratorium pursuant to rule 25. Any such decision of **Borsa Italiana** may be appealed by such **Nominated Adviser** as a non-disciplinary appeal in accordance with the **Disciplinary Procedures and Appeals Handbook**.

### **9. Departing or new key executives**

A **Nominated Adviser** must inform **Borsa Italiana** forthwith of any changes **with** reference to **key executives**. Where changes occur, the provisions of rule 8 above will be considered by **Borsa Italiana**.

A **Nominated Adviser** should submit a Form NAI2 in respect of any employee who it proposes be approved as **key executive**

### **10. Payment of annual fees and notification requirements**

In order to remain eligible, a **Nominated Adviser** must pay the annual fees as set by **Borsa Italiana** from time to time in respect of each year it wishes its name to remain on the **AIM Italia register**. It must make such payments within the time limits imposed by **Borsa Italiana** in the 'AIM Italia Fees for Companies and **Nominated Advisers**' as published by **Borsa Italiana** from time to time .

A **Nominated Adviser** should inform **Borsa Italiana** (by email) as soon as possible of any matters that may affect it being a **Nominated Adviser** including:

- changes to its name, controlling shareholders or partners, its address or places of business;
- receipt of any written warning or disciplinary communication from any other regulatory body; or
- any material adverse change in its financial or operating position, including where it is considering appointing administrators or similar practitioners.

## **Requirements of permanence for the Nominated Advisers**

The provisions provided into rule 8 and ss. also apply to the **Nomads (Nominated Advisers)** which do not fall under the above categories prescribed in rule 2 but that are listed in the **Register** managed by **Borsa Italiana** at the date of the 1 August 2014. Such **Nominated Advisers** can not evaluate the appropriateness of a new issuer that submits the admission application pursuant to rule 11 of the present Rules or issue the declaration in the case of reverse take-over under rule 14 of the Rule for Companies. Such **Nominated**

**Advisers** can perform the activity of assistance and support of the issuers admitted to trading in order to comply with the on going obligations provided for by Part Two of the present Rules.

## Part Two

### Continuing obligations of a Nominated Adviser

#### General obligations

##### 11. Appropriateness of an AIM Italia company

The **Nominated Adviser** to an **AIM Italia company** assesses the appropriateness of an applicant for **AIM Italia** performing the activities required by Schedule Three.

##### 12. Compliance with the rules

A **Nominated Adviser** shall be bound by and observe, for what regards the **Nominated adviser's** activities:

- these rules and the **AIM Italia Rules for Companies**, including any guidance notes issued by **Borsa Italiana**;
- any rules and procedures set out in any supplementary documentation issued by **Borsa Italiana** under these rules;
- the provisions of any notices issued by **Borsa Italiana**; and
- any requirement, decision or direction of **Borsa Italiana**.

Each **Nominated Adviser** should nominate a person within its firm to act as **Borsa Italiana's** principal contact on compliance matters. That person should be a senior person within the firm's compliance function or its corporate finance team.

##### 13. Due skill and care

A **Nominated Adviser** must act with the due skill and care at all times.

#### Nominated Adviser responsibilities

##### 14. Assisting and supporting an AIM Italia company

The **Nominated Adviser** assists and supports an **AIM Italia company** as expressly foreseen under these Rules and under the **AIM Italia Rules for Companies** both in respect of its **admission** and its continuing obligations on an ongoing basis, following the **admission**.

A **Nominated Adviser** should allocate an adequate number of appropriately qualified staff to be responsible for each **AIM Italia company** for which the **Nominated Adviser** acts in that capacity, including at least one **key executive**, in order to ensure an appropriate corporate finance contact with knowledge of the **AIM Italia company** is available at all times.

##### 15. Nominated Adviser responsibilities

In deciding whether a **Nominated Adviser** has complied with these rules and the undertakings it has provided to **Borsa Italiana** in its **nominated adviser's declaration**, **Borsa Italiana** will have regard to the matters set out in Schedule Three, which should be exercised with the due skill and care and after due and careful enquiry.



## Information obligations

### 16. Liaison with Borsa Italiana

A **Nominated Adviser** must provide **Borsa Italiana** with any information concerning the performance of its activities, in such form and within such time limits as **Borsa Italiana** may reasonably require. A **Nominated Adviser** should reasonably satisfy itself that all such information provided by it is correct, complete and not misleading and, if it comes to the subsequent attention of the **Nominated Adviser** that the information provided does not meet this requirement, the **Nominated Adviser** should advise **Borsa Italiana** as soon as practicable.

A **Nominated Adviser** must liaise (and be available to liaise) with **Borsa Italiana** when requested to do so by **Borsa Italiana** or an **AIM Italia company** for which it acts and should be contactable, in particular during **Borsa Italiana's** market hours.

A **Nominated Adviser** must, at the earliest opportunity, seek the advice of **Borsa Italiana** in any situation where it is unsure as to the application or interpretation of these rules or the **AIM Italia Rules for Companies** or it has a concern about the reputation or integrity of **AIM Italia**. It should be noted that on detailed or specific regulatory matters **Borsa Italiana** will not liaise with **Nominated Advisers** (or **AIM Italia companies** or other advisers) on a 'no-names' basis.

A **Nominated Adviser** should advise **Borsa Italiana** as soon as practicable if it believes that it or an **AIM Italia company** has breached the **AIM Italia Rules for Companies** or these rules.

All communications between **Borsa Italiana** and a **Nominated Adviser** are confidential to **Borsa Italiana** and should not be disclosed, except as required by any other regulatory or statutory body. Such communications can be disclosed to appropriate advisers to the **Nominated Adviser** or to the relevant **AIM Italia company**, unless **Borsa Italiana** states otherwise.

### 17. Becoming or ceasing to be Nominated Adviser to an AIM Italia company

A **Nominated Adviser** must submit to **Borsa Italiana** a completed **Nominated Adviser's declaration** in relation to any **applicant** seeking **admission** (in accordance with the **AIM Italia Rules for Companies**). Where the **Nominated Adviser** becomes **Nominated Adviser** to an existing **AIM Italia company**, the **Nominated Adviser** must submit to **Borsa Italiana** a declaration which it undertakes to comply with the assistance and support obligations specified in the **AIM Italia Rules for Companies** and the **AIM Italia Rules for Nominated Advisers**.

Where a **Nominated Adviser** ceases to act for an **AIM Italia company**, it must inform **Borsa Italiana** as soon as possible (by email [aimitalia.doc@borsaitaliana.it](mailto:aimitalia.doc@borsaitaliana.it)) and must include with that notification the reason why it has ceased to act.

## Independence and conflicts

### 18. Situations of incompatibility and the management of conflicts of interest

At the admission, a **Nominated Adviser** and its executives are independent from the **AIM Italia companies** for which the admission is requested.

To this end, a **Nominated Adviser** mandate may not be taken on if one of the cases referred to in Schedule One is present.

In cases of doubt about its independence a **Nominated Adviser** should consult **Borsa Italiana** in advance of entering into any arrangements.

## Procedures, Staff and records

### 20. Proper procedures

A **Nominated Adviser** must ensure that it maintains procedures which are sufficient for it to discharge its obligations under these rules. The **Nominated Adviser** should ensure that its compliance and procedures

manual (or similar) reflects and takes account of the requirements of these rules, as appropriate. For banks and investment firms, this criterion shall be taken to be already satisfied.

## **21. Adequacy of Staff**

A **Nominated Adviser** must ensure that it has sufficient **key executives** (and other corporate finance staff) to discharge its obligations as a **Nominated Adviser** under these rules at all times. In assessing whether it has sufficient staff, a **Nominated Adviser** must have regard to the number and type of **AIM Italia companies** for which it acts.

*In particular, it must ensure that any members of staff are properly supervised by a **key executive** at all appropriate time in relation to matters relating to **AIM Italia companies**.*

## **22. Maintenance of appropriate records**

A **Nominated Adviser** must retain sufficient records to maintain an audit trail of the key discussions it holds with, advice which it has given to, and the key decisions it has made in respect of, the **AIM Italia companies** for which it acts as **Nominated Adviser**. A **Nominated Adviser** should ensure that it is able (including by keeping appropriate records) to demonstrate the basis for advice given and key decisions taken, such as internal considerations and any actions taken prior to the advice being given. Such records must be retained whilst a firm is **Nominated Adviser** to a company and for at least three years after it ceases to be **Nominated Adviser**.

When performing a review of a **Nominated Adviser**, **Borsa Italiana** will look for clear evidence that those matters set out in Schedule Three have been considered and that appropriate actions have been taken in order to ensure compliance with these rules and the **AIM Italia Rules for Companies**.

## Part Three

### Review and discipline of a Nominated Adviser

#### 23. Review of Nominated Advisers

A **Nominated Adviser** may be subject to a formal review by **Borsa Italiana** to ensure that it has fully discharged its activities under these rules and the **AIM Italia Rules for Companies**. A **Nominated Adviser** must ensure that its **key executives** co-operate fully with **Borsa Italiana** and that the **key executive** who was responsible for a transaction is available to answer any questions by **Borsa Italiana** about any relevant matter.

A **Nominated Adviser** must allow **Borsa Italiana** officers access to its records (hard and electronic copies) and business premises when so requested by **Borsa Italiana**.

According to these Rules the **nominated advisor** is required to make available to **Borsa Italiana** all documents (hard and electronic copies) in relation to an admission transaction or in relation to an issuer.

#### 24. Disciplinary action against a Nominated Adviser

If **Borsa Italiana** (in accordance with the procedures set out in the **Disciplinary Procedures and Appeals Handbook**) considers that a **Nominated Adviser** is either in breach of its responsibilities under these rules or the **AIM Italia Rules for Companies** or that the integrity and reputation of **AIM Italia** has been or may be impaired as a result of its conduct or judgment, **Borsa Italiana** may in relation to such **Nominated Adviser** take one or more of the following measure provided for in the **Disciplinary Procedures and Appeals Handbook**.

#### 25. Moratorium on acting for further AIM Italia companies

Where, in the opinion of **Borsa Italiana**, a **Nominated Adviser** no longer meets the requirements of Part One of these rules or it is not meeting its responsibilities under these rules or it has insufficient staff pursuant to rule 21 of these rules or it is the subject of disciplinary action by **Borsa Italiana**, **Borsa Italiana** may prevent that **Nominated Adviser** from acting as a **Nominated Adviser** to any additional **AIM Italia companies** until that situation is resolved to **Borsa Italiana's** satisfaction.

**Borsa Italiana** may make the imposition of any moratorium public by way of an AIM Italia **notice** published through a **Regulatory Information Service** and/or marking the **register** accordingly.

#### 26. Appeals by Nominated Advisers

Where **Borsa Italiana** takes any steps against a **Nominated Adviser** pursuant to these rules, any decision of **Borsa Italiana** in relation to these rules or the **AIM Italia Rules for Companies** in respect of a **Nominated Adviser** may be appealed by that **Nominated Adviser** in accordance with the procedures set out in the **Disciplinary Procedures and Appeals Handbook**.

#### 27. Publication of the removal of Nominated Adviser status

Where **Borsa Italiana** removes **Nominated Adviser** status (for example, due to disciplinary action or it failing to continue to meet the eligibility criteria set out in Part One of these rules) or where a **Nominated Adviser** requests to have that status removed, **Borsa Italiana** will notify such removal by way of an AIM Italia **notice** published through a **Regulatory Information Service** and/or mark the **register** accordingly.

## Glossary

<b>Criteria</b>	The criteria set out in rule 2 of these rules.
<b>key executive</b>	A full time senior employee of the <b>Nominated Adviser</b> or applicant as set out in Rule 2.
<b>MTF</b>	A Multilateral Trading Facility as defined in MIFID
<b>Nominated adviser's declaration</b>	The declaration to be given by the <b>Nominated Adviser</b> to an <b>AIM Italia company</b> as required in the <b>AIM Italia Rules for Companies</b> which should be in the form set out in Schedule Two of these rules.

## Schedules

### Schedule One - Independence in relation to rule 18

- A **Nominated Adviser** may not act as both **statutory auditor or a statutory auditing firm** on the one hand and **Nominated Adviser** to an **AIM Italia company** on the other unless it has satisfied **Borsa Italiana** that appropriate safeguards are in place;
- No partner, director, **key executive** or top manager involved on the admission process of a **Nominated Adviser** may hold the position of a director of an **AIM Italia company** for which the firm acts as **Nominated Adviser**;
- No **Nominated Adviser** or partner, director, **key executive** or top manager involved on the admission process of a **Nominated Adviser** either individually or collectively may be a **substantial shareholder** (10% or more, taking into account options, warrants or similar that it may hold as if they have been exercised) of an **AIM Italia company** for which the firm acts as **Nominated Adviser**;
- A **Nominated Adviser** or partner, director, **key executive** or top manager involved on the admission process of a **Nominated Adviser** may be a shareholder with a relevant holding (5% or more, taking into account options, warrants or similar that it may hold as if they have been exercised) of an **AIM Italia company** for which the firm acts as **Nominated Adviser** provided adequate safeguards are in place to prevent any conflict of interest;
- Compliance with the above thresholds is shown by entries in the register of shareholders or other available data.
- If a **Nominated Adviser** breaches any of the above limits as a result of its underwriting activities it must make best endeavours to sell down its holding to within the guidelines as soon as reasonably practicable.
- In order to evaluate its independence, the **Nominated Adviser** should also consider the size and the nature of its credit position with the **AIM Italia company**. To this end, a **Nominated Adviser** may refer, for the assessment of the credit relationship existing between itself and the applicant (together with the group headed by the **applicant**), to the independence requirements for sponsors established by Borsa Italiana for regulated markets.
- A **Nominated Adviser** may not act for persons other than its **AIM Italia company** client in an extraordinary corporate action involving that **AIM Italia company** unless the latter has been informed in advance and has agreed.

## Schedule Two - Nominated adviser's declaration

This **Nominated Adviser** confirms that:

### SECTION A:

After carefully performing the activities referred to in the **AIM Italia Rules for Nominated Advisers** in relation to the company whose admission is being applied for:

- (a) all provided requirements of the **AIM Italia Rules for Companies** and **AIM Italia Rules for Nominated Advisers** have been complied with and,
- (b) the **admission document**, for the matters the **Nominated Adviser** has learnt about during the checks carried out directly and/or indirectly, shall be complete with respect to and comply with Schedule Two of the current **AIM Italia Rules for Companies**,

moreover, this **Nominated Adviser** confirms that:

### SECTION B:

- (a) the directors of the **applicant** have been informed (from this **Nominated Adviser** and other appropriate professional advisers) as to the **applicant's** responsibilities and obligations under the **AIM Italia Rules for Companies** in order to facilitate due compliance by the **applicant** on an ongoing basis; and
- (b) it will comply with the **AIM Italia Rules for Companies** and **AIM Italia Rules for Nominated Advisers** in its role of assistance and support as **Nominated Adviser** to this **applicant**.

### NOTE:

Sections A and B must be completed where securities are being admitted to **AIM Italia** pursuant to an **admission**.

Where the **Nominated Adviser** that assesses the appropriateness of the **AIM Italia company** for the admission does not coincide with the **Nominated Adviser** responsible for the placement, the latter issues a declaration regarding the compliance with the provisions of Guidance Notes 6 of the Rules for Companies for the part related to the placement.

Only Section B, letter (b) must be completed where this form is being completed pursuant to a change of **Nominated Adviser** and Sections A and B, letter (a) will not be applicable. In such cases, the term **applicant** should be deemed to read **AIM Italia company**.

Terms used in this **nominated adviser's declaration** are as defined in the **AIM Italia Rules for Companies**.

## Schedule Three - Nominated Adviser activities

In order to assess the appropriateness of an **applicant**, a **Nominated Adviser** must refer in the admission phase to the activities specifically indicated below and known as AA.

If a **Nominated Adviser** deems that it must diverge from the activities indicated below, a record must be kept of the reasons underlying this decision as part of the record keeping duties under rule 22 in order to evidence to **Borsa Italiana** that a **Nominated Adviser** has acted with due skill and care.

### Admission activities

These apply to a **Nominated Adviser** that is acting for an **applicant** in respect of its **admission** to **AIM Italia**.

## THE APPLICANT AND ITS SECURITIES

**AA1 - In assessing the appropriateness of an applicant and its securities for AIM Italia, a Nominated Adviser should perform the following activities**

- ensure it has, or has access to, appropriate knowledge of the **applicant's** area of business (taking into account its country of incorporation and operation), using in-house specialists or external experts where necessary to achieve this
- consider the **applicant's** sector, proposition, business plan or similar, financial structure, historical financial information and other corporate information. This assessment shall be deemed to have been carried out and completed with the performance of the due diligence activities indicated by AA2;
- assess, directly or by means of consultants and external experts, the conformity of the **applicant's** bylaws with the **AIM Italia Rules for companies**
- consider the elements specific to the country in which the **applicant** is established or operates that could affect the circulation of the financial instruments and/or the rights attached thereto and the exercise thereof
- undertake a visit to the **applicant's** material site(s) of operation and meet the **directors** and key managers.

## DUE DILIGENCE

**AA2 – In assessing the appropriateness of an applicant, the Nominated Adviser should oversee the due diligence process**

In meeting this, the **Nominated Adviser** should:

- be satisfied that appropriate financial, tax and legal due diligence is undertaken by an appropriate professional firm(s)
  - financial due diligence includes any issues regarding the applicant's financial structure, including the composition of the net financial position, the working capital (on the basis of the checks carried out by third persons) and the existence of financial covenants on outstanding debt, and any issues regarding overdue debts, trade payables, financial, tax and social security debts, overdue receivables and derivative contracts
  - the business due diligence (possibly drawing on a specialized technical due diligence) must provide an analysis of the applicant and its group, its reference market, its competitive positioning, and its strategy and business model;
  - the fiscal due diligence must include a verification of the documentation concerning the last financial year concluded for direct and indirect tax purposes, an assessment of any tax disputes pending, tax assessments notified and inspections under way, any losses carried forward for tax purposes, the

company's transfer-pricing policies, and any tax exemptions/reductions/facilitations it has benefited from in the last three years;

- the legal due diligence must refer to the corporate documents produced in the last year (minutes of the board of directors, ordinary and extraordinary shareholders' meetings, meetings of the board of auditors and any other internal committees), authorizations and dealings with the authorities; verification of the regulatory framework; the documents concerning extraordinary corporate actions (e.g. mergers and takeovers) undertaken in the last three years; major contracts in process; legal disputes under way, actions pending or threatened, tangible and intangible goods (including buildings), intellectual property, trade marks and patents, staff and labour relations, privacy, insurance policies, environmental and security matters, related-party transactions.
- consider whether commercial, specialist (e.g. intellectual property) and/or technical due diligence is required and be satisfied that it is undertaken where required
- in performing the due diligence activity, the **Nominated Adviser** must assess reports and adviser comfort letters issued by specialised third party, considering any material issues, recommended actions or adverse analysis raised and be satisfied that appropriate actions have been undertaken to resolve such matters or otherwise be satisfied that such matters do not affect the appropriateness of the **applicant** for **AIM Italia**

## ADMISSION DOCUMENT

**AA3 – The Nominated Adviser should check, for the matters the Nominated Adviser has learnt about during the checks carried out directly and/or indirectly, the completeness and compliance with Schedule Two of the AIM Italia Rules for Companies**

In meeting this, the **Nominated Adviser** should:

- oversee the drafting of the sections of the **admission document** that relate to the business of the **applicant** and the risk factors
- consider whether any specialist third party reports are required (e.g. for companies in particular sectors such as property or biotechnology)
- be satisfied (in the terms of the **Nominated Adviser's declaration**) that the **admission document** complies with the **AIM Italia Rules for Companies**.

## AIM ITALIA RULE COMPLIANCE

**AA4 – The Nominated Adviser should satisfy itself that the applicant understands its obligations under the AIM Italia Rules for Companies**

In meeting this, the **Nominated Adviser** should:

- be satisfied that any procedure established by the company allows to enable compliance with the **AIM Italia Rules for Companies**
- be satisfied that the **directors** have been advised of their and the company's continuing responsibilities and obligations under the **AIM Italia Rules for Companies**

## Assistance and support to the AIM Italia company following the admission

**The Nominated Adviser should maintain regular contact with an AIM Italia company for which it acts, in particular so that it can assess whether (i) the Nominated Adviser is being kept up-to-date with developments at the AIM Italia company and (ii) the AIM Italia company continues to understand its obligations under the AIM Italia Rules for Companies**

In meeting this, the **Nominated Adviser** should:



- maintain regular contact with the **AIM Italia company**, in particular to be satisfied that the **Nominated Adviser** is kept up-to-date in order that it can advise the company on its obligations under the **AIM Italia Rules for Companies** (especially the requirements of Rule 11) and to identify breaches of the **AIM Italia Rules for Companies** (e.g. in relation to Rule 17 disclosures))
- inform the **AIM Italia company** about any amendments to the AIM Italia Rules
- assist and support the **AIM Italia company** in complying with the disclosure requirements provided for in the **AIM Italia Rules for Companies**

## Schedule Four - Declarations for reverse take-over

With respect to reverse take-over, the **Nominated Adviser**, after having diligently carried out the activities described in the **Rules for Nominated Advisers**, declares that:

### PART I

- the information document, to the extent of the information the **Nominated Adviser** acquired during the performance of direct and indirect checks, complies and is complete with respect to the requirements of the **Rules for Companies**.

### PART II

- all the requirements of the **Rules for Companies** and the **Rules for Nominated Advisers** have been complied with and the Issuer, as per the reverse take-over, is appropriate.

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