

Euronext Growth Milan

# **RULES FOR EURONEXT GROWTH ADVISOR**

25 OCTOBER 2021

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



**BORSA ITALIANA**

# Rules for Euronext Growth Advisors

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## Introduction

Pursuant to the **Euronext Growth Milan Rules for Companies**, a **Euronext Growth Advisor** assesses the appropriateness of an **applicant** for **Euronext Growth Milan**, as defined in Schedule Three.

Following the admission, a **Euronext Growth Advisor** assists and supports the **Euronext Growth Milan company** on its tasks and its responsibilities as expressly specified under the **Rules for Companies**.

The **Rules for Companies** state that a **Euronext Growth Advisor** must be approved by **Borsa Italiana** and included on the current **Euronext Growth Milan register** maintained by **Borsa Italiana** so acquiring the status of **Euronext Growth Advisor**.

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 Euronext Growth Advisors** ("these rules") set out the eligibility, ongoing role and activity and certain disciplinary matters in relation to **Euronext Growth Advisors**.

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

### Euronext Growth Advisor eligibility criteria and approval process

#### Criteria for becoming a Euronext Growth Advisor

##### 1. General

The **Criteria** are the requirements that an applicant must satisfy before **Borsa Italiana** will consider approving it as a **Euronext Growth Advisor**. 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 **Euronext Growth Advisor**, **Borsa Italiana's** overriding consideration will be the preservation of the reputation and integrity of **Euronext Growth Milan**. 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 **Euronext Growth Advisor** must demonstrate to **Borsa Italiana's** satisfaction that:

- it is a bank or a 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; following and as a result of the United Kingdom's exit from the European Union, banks and investment firms authorised in the United Kingdom may seek approval as a Euronext Growth Advisor. **Borsa Italiana** reserves the right to revise this provision by 1 January 2022 in view of any changes to the UK supervisory system.
- 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 **Euronext Growth Milan 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 **Euronext Growth Advisor**).

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**.

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 Euronext Growth Milan

In addition to the **Criteria**, **Borsa Italiana** will consider whether the approval of an applicant might endanger the reputation or integrity of **Euronext Growth Milan** 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 Euronext Growth Advisor

### 4. Application forms and documentation

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

- Form EGA1;
- Forms EGA2 for each of the proposed **key executives**
- all supporting documentation requested within the above Form (and in particular at the beginning of Form EGA1); 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 'Euronext Growth Milan Fees for Companies and Euronext Growth Advisors' 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 **Euronext Growth Advisor**.

The application fee is in addition to the annual fee which is payable upon approval as a **Euronext Growth Advisor**, and subsequently, at the rates set out in and in accordance with the 'Euronext Growth Milan Fees for Companies and Euronext Growth Advisors' 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 **Euronext Growth Advisor**.

If an applicant is approved, **Borsa Italiana** will include with its written decision a list of the **Euronext Growth Advisor'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 Euronext Growth Advisors

### 8. Continuing eligibility

A **Euronext Growth Advisor**, 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 Euronext Growth Milan, on a continuing basis at all times as if it were a new applicant.

A **Euronext Growth Advisor** must regularly consider whether it and its **key executives** continue to meet the requirements of these rules. If at any time a **Euronext Growth Advisor** 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 **Euronext Growth Advisor** 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 **Euronext Growth Advisor** is still eligible.

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

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

### 9. Departing or new key executives

A **Euronext Growth Advisor** 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 **Euronext Growth Advisor** should submit a Form EGA2 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 **Euronext Growth Advisor** 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 **Euronext Growth Milan register**. It must make such payments within the time limits imposed by **Borsa Italiana** in the 'Euronext Growth Milan Fees for Companies and **Euronext Growth Advisors**' as published by **Borsa Italiana** from time to time .

A **Euronext Growth Advisor** should inform **Borsa Italiana** (by email) as soon as possible of any matters that may affect it being a **Euronext Growth Advisor** 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 Euronext Growth Advisors

The provisions provided into rule 8 and ss. also apply to the **Euronext Growth Advisors (Euronext Growth Advisors)** 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 **Euronext Growth Advisors** 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 **Euronext Growth Advisors** can perform the activity of assistance and support of the issuers admitted to trading in order to comply with the ongoing obligations provided for by Part Two of the present Rules.

## Part Two

### Continuing obligations of a Euronext Growth Advisor

#### General obligations

##### 11. Appropriateness of an Euronext Growth Milan company

The **Euronext Growth Advisor** to an **Euronext Growth Milan company** assesses the appropriateness of an applicant for **Euronext Growth Milan** performing the activities required by Schedule Three.

##### 12. Compliance with the rules

A **Euronext Growth Advisor** shall be bound by and observe, for what regards the **Euronext Growth Advisor's** activities:

- these rules and the **Euronext Growth Milan 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 **Euronext Growth Advisor** 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 **Euronext Growth Advisor** must act with the due skill and care at all times.

#### Euronext Growth Advisor responsibilities

##### 14. Assisting and supporting an Euronext Growth Milan company

The **Euronext Growth Advisor** assists and supports an **Euronext Growth Milan company** as expressly foreseen under these Rules and under the **Euronext Growth Milan Rules for Companies** both in respect of its **admission** and its continuing obligations on an ongoing basis, following the **admission**.

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

##### 15. Euronext Growth Advisor responsibilities

In deciding whether a **Euronext Growth Advisor** has complied with these rules and the undertakings it has provided to **Borsa Italiana** in its **Euronext Growth Advisor'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 **Euronext Growth Advisor** 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 **Euronext Growth Advisor** 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 **Euronext Growth Advisor** that the information provided does not meet this requirement, the **Euronext Growth Advisor** should advise **Borsa Italiana** as soon as practicable.

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

A **Euronext Growth Advisor** 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 **Euronext Growth Milan Rules for Companies** or it has a concern about the reputation or integrity of **Euronext Growth Milan**. It should be noted that on detailed or specific regulatory matters **Borsa Italiana** will not liaise with **Euronext Growth Advisors** (or **Euronext Growth Milan companies** or other advisers) on a 'no-names' basis.

A **Euronext Growth Advisor** should advise **Borsa Italiana** as soon as practicable if it believes that it or an **Euronext Growth Milan company** has breached the **Euronext Growth Milan Rules for Companies** or these rules.

All communications between **Borsa Italiana** and a **Euronext Growth Advisor** 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 **Euronext Growth Advisor** or to the relevant **Euronext Growth Milan company**, unless **Borsa Italiana** states otherwise.

### 17. Becoming or ceasing to be Euronext Growth Advisor to an Euronext Growth Milan company

A **Euronext Growth Advisor** must submit to **Borsa Italiana** a completed **Euronext Growth Advisor's declaration** in relation to any applicant seeking admission (in accordance with the **Euronext Growth Milan Rules for Companies**). Where the **Euronext Growth Advisor** becomes **Euronext Growth Advisor** to an existing **Euronext Growth Milan company**, before the appointment becomes effective the incoming **Euronext Growth Advisor** must submit the **Euronext Growth Advisor's** declaration limited to Section C to **Borsa Italiana**. For the purposes of that submission, the outgoing **Euronext Growth Advisor** shall provide **Borsa Italiana** and the incoming **Euronext Growth Advisor** a report describing the circumstances and reasons underlying the termination of the relationship that may be relevant to the assumption of the engagement.

Where a **Euronext Growth Advisor** ceases to act for an **Euronext Growth Milan company**, it must inform **Borsa Italiana** as soon as possible (by email [egm.doc@borsaitaliana.it](mailto:egm.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, and subsequently on an ongoing basis, a **Euronext Growth Advisor** and its executives are independent from the **Euronext Growth Milan companies** for which the admission is requested and/or to which the assistance and support is provided.

To this end, a **Euronext Growth Advisor** 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 **Euronext Growth Advisor** should consult **Borsa Italiana** in advance of entering into any arrangements.

After admission, the **Euronext Growth Advisor** must no longer act for parties other than its own **Euronext Growth Milan company** client, which are party to an extraordinary transaction involving that company, unless the **Euronext Growth Milan company** is notified in advance and gives its consent.

## Procedures, Staff and records

### 20. Proper procedures

A **Euronext Growth Advisor** must ensure that it maintains procedures which are sufficient for it to discharge its obligations under these rules. The **Euronext Growth Advisor** 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 **Euronext Growth Advisor** must ensure that it has sufficient **key executives** (and other corporate finance staff) to discharge its obligations as a **Euronext Growth Advisor** under these rules at all times. In assessing whether it has sufficient staff, a **Euronext Growth Advisor** must have regard to the number and type of **Euronext Growth Milan 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 **Euronext Growth Milan companies**.

### 22. Maintenance of appropriate records

A **Euronext Growth Advisor** 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 **Euronext Growth Milan companies** for which it acts as **Euronext Growth Advisor**. A **Euronext Growth Advisor** 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 **Euronext Growth Advisor** to a company and for at least three years after it ceases to be **Euronext Growth Advisor**.

When performing a review of a **Euronext Growth Advisor**, **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 **Euronext Growth Milan Rules for Companies**.

## Part Three

### Review and discipline of a Euronext Growth Advisor

#### 23. Review of Euronext Growth Advisors

A **Euronext Growth Advisor** may be subject to a formal review by **Borsa Italiana** to ensure that it has fully discharged its activities under these rules and the **Euronext Growth Milan Rules for Companies**. A **Euronext Growth Advisor** 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 **Euronext Growth Advisor** 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 **Euronext Growth 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 Euronext Growth Advisor

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

#### 25. Moratorium on acting for further Euronext Growth Milan companies

Where, in the opinion of **Borsa Italiana**, a **Euronext Growth Advisor** 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 **Euronext Growth Advisor** from acting as a **Euronext Growth Advisor** to any additional **Euronext Growth Milan 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 Euronext Growth Milan **notice** published through a **Regulatory Information Service** and/or marking the **register** accordingly.

#### 26. Appeals by Euronext Growth Advisors

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

#### 27. Publication of the removal of Euronext Growth Advisor status

Where **Borsa Italiana** removes **Euronext Growth Advisor** 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 **Euronext Growth Advisor** requests to have that status removed,

**Borsa Italiana** will notify such removal by way of an Euronext Growth Milan **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>Euronext Growth Advisor</b> or applicant as set out in Rule 2.
<b>MTF</b>	A Multilateral Trading Facility as defined in MIFID
<b>Euronext Growth Advisor's declaration</b>	The declaration to be given by the <b>Euronext Growth Advisor</b> to an <b>Euronext Growth Milan company</b> as required in the <b>Euronext Growth Milan 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 **Euronext Growth Advisor** may not act as both **statutory auditor or a statutory auditing firm** on the one hand and **Euronext Growth Advisor** to an **Euronext Growth Milan 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 and/or the assistance and support service of a **Euronext Growth Advisor** may hold the position of a director of an **Euronext Growth Milan company** for which the firm acts as **Euronext Growth Advisor**;
- No **Euronext Growth Advisor** or partner, director, **key executive** or top manager involved on the admission process and/or the assistance and support service of a **Euronext Growth Advisor** 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 **Euronext Growth Milan company** for which the firm acts as **Euronext Growth Advisor**;
- A **Euronext Growth Advisor** or partner, director, **key executive** or top manager involved on the admission process and/or the assistance and support service of a **Euronext Growth Advisor** 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 **Euronext Growth Milan company** for which the firm acts as **Euronext Growth Advisor** 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 **Euronext Growth Advisor** 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 **Euronext Growth Advisor** should also consider the size and the nature of its credit position with the **Euronext Growth Milan company**. To this end, a **Euronext Growth Advisor** 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. This assessment only needs to be made in the admission phase and is not required for the assistance and support service.

## Schedule Two - Euronext Growth Advisor's declaration

This **Euronext Growth Advisor** confirms that:

### SECTION A:

After carefully performing the activities referred to in the **Euronext Growth Milan Rules for Euronext Growth Advisors** in relation to the company whose admission is being applied for:

- (a) all provided requirements of the **Euronext Growth Milan Rules for Companies** and **Euronext Growth Milan Rules for Euronext Growth Advisors** have been complied with and,
- (b) the **admission document**, for the matters the **Euronext Growth Advisor** 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 **Euronext Growth Milan Rules for Companies**,

For **Designated Markets**, point (b) must refer to the supplement to Schedule One of the Euronext Growth Milan Rules for Companies rather than the admission document.

moreover, this **Euronext Growth Advisor** confirms that:

### SECTION B:

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

When there is a change of **Euronext Growth Advisor**, the incoming **Euronext Growth Advisor** shall declare that:

### SECTION C:

- (a) the directors of the applicant have been informed (from this **Euronext Growth Advisor** and other appropriate professional advisers) as to the applicant's responsibilities and obligations under the **Euronext Growth Milan Rules for Companies** in order to facilitate due compliance by the applicant on an ongoing basis; and
- (b) the company has set up sufficient procedures to ensure compliance with the **Euronext Growth Milan Rules for Companies**;
- (c) it will comply with the **Euronext Growth Milan Rules for Companies** and **Euronext Growth Milan Rules for Euronext Growth Advisors** in its role of assistance and support as **Euronext Growth Advisor** to this applicant.

At the time of a transfer from the Professional Segment the Euronext Growth Advisor declares that:

## SECTION D:

- (a) the applicant has appointed an independent director and an investor relations manager as required by Rule 6-bis of the Euronext Growth Milan Rules for Companies;
- (b) the directors of the applicant have been informed (by the **Euronext Growth Advisor** and other appropriate professional advisers) as to the applicant's responsibilities and obligations under the Euronext Growth Milan Rules for Companies in order to facilitate due compliance by the applicant on an ongoing basis; and
- (c) it will comply with the Euronext Growth Milan Rules for Companies and Euronext Growth Milan Rules for Euronext Growth Advisors in its role of assistance and support as Euronext Growth Advisor to the applicant;
- (d) the minimum free float is in place, created in accordance with the procedures agreed with Borsa Italiana as per the guidance note of Rule 6 of the Euronext Growth Milan Rules for Companies;
- (e) it has verified that appropriate checks have been made on the working capital in accordance with AA2, where the company requesting the transfer has issued a working capital declaration for a period of 12 months.

**NOTE:**

Sections A and B must be completed where securities are being admitted to **Euronext Growth Milan** pursuant to an **admission**, also when the companies are listed on Designated Markets.

Where the **Euronext Growth Advisor** that assesses the appropriateness of the **Euronext Growth Milan company** for the admission does not coincide with the **Euronext Growth Advisor** 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. Where applicable, this declaration is also issued for the admission to trading on the **Professional Segment**.

Only Section C must be completed where this form is being completed pursuant to a change of **Euronext Growth Advisor** and Sections A and B will not be applicable. In such cases, the term **applicant** should be deemed to read **Euronext Growth Milan company**.

Only Section D must be completed where this form is being provided pursuant to a transfer from the **Professional Segment** and Sections A, B, and C do not apply. In such cases, the term applicant should be understood to refer to Euronext Growth Milan company.

Terms used in this **Euronext Growth Advisor's declaration** are as defined in the **Euronext Growth Milan Rules for Companies**.



## Schedule Three - Euronext Growth Advisor activities

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

If a **Euronext Growth Advisor** 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 **Euronext Growth Advisor** has acted with due skill and care.

### Admission activities

These apply to a **Euronext Growth Advisor** that is acting for an **applicant** in respect of its **admission to Euronext Growth Milan**.

### THE APPLICANT AND ITS SECURITIES

**AA1 - In assessing the appropriateness of an applicant and its securities for Euronext Growth Milan, a Euronext Growth Advisor 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, by means of consultants and external experts, the conformity of the **applicant's** bylaws with the **Euronext Growth Milan 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.
- verify, by means of external consultants and experts, the possession of the integrity requirements pursuant to Article 147-quinquies of the Consolidated Law on Finance by each director and the possession of the experience and integrity requirements pursuant to Article 148, paragraph 4, of the Consolidated Law on Finance by each statutory auditor.

### DUE DILIGENCE

**AA2 – In assessing the appropriateness of an applicant, the Euronext Growth Advisor should oversee the due diligence process**

In meeting this, the **Euronext Growth Advisor** 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 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 which may be conducted independently by the **Euronext Growth Advisor** or, where it considers it appropriate, by using appropriate professional entities 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 **Euronext Growth Advisor** 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 **Euronext Growth Milan**

## ADMISSION DOCUMENT

**AA3** – The **Euronext Growth Advisor** should check, for the matters the Euronext Growth Advisor has learnt about during the checks carried out directly and/or indirectly, the completeness and compliance with Schedule Two of the **Euronext Growth Milan Rules for Companies**.

In meeting this, the **Euronext Growth Advisor** 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 **Euronext Growth Advisor's declaration**) that the **admission document** complies with the **Euronext Growth Milan Rules for Companies**.

## EURONEXT GROWTH MILAN RULE COMPLIANCE

**AA4** – The **Euronext Growth Advisor** should satisfy itself that the **applicant** understands its obligations under the **Euronext Growth Milan Rules for Companies**

In meeting this, the **Euronext Growth Advisor** should:

- be satisfied that any procedure established by the company allows to enable compliance with the **Euronext Growth Milan Rules for Companies**

- be satisfied that the **directors** have been advised of their and the company's continuing responsibilities and obligations under the **Euronext Growth Milan Rules for Companies**

### **Assistance and support to the Euronext Growth Milan company following the admission**

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

In meeting this, the **Euronext Growth Advisor** should:

- maintain regular contact with the **Euronext Growth Milan company**, in particular to be satisfied that the **Euronext Growth Advisor** is kept up-to-date in order that it can advise the company on its obligations under the **Euronext Growth Milan Rules for Companies** and to identify breaches of the **Euronext Growth Milan Rules for Companies** (e.g. in relation to Rule 17 disclosures)
- inform the **Euronext Growth Milan company** about any amendments to the Euronext Growth Milan Rules
- assist and support the **Euronext Growth Milan company** in complying with disclosure requirements (for example, the disclosure requirements set out in Regulation (EU) 596/2014).

## Schedule Four - Declarations for reverse take-over

With respect to reverse take-over, the **Euronext Growth Advisor**, after having diligently carried out the activities described in Schedule 3 of the **Rules for Euronext Growth Advisors**, declares that:

### PART I

- the information document, to the extent of the information the **Euronext Growth Advisor** 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 Euronext Growth Advisors** have been complied with and the Issuer, as per the reverse take-over, is appropriate.



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