

The GSX Due Diligence Procedures Manual

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Definitions

The following definitions apply:

Accounting Standards means (i) International Financial Reporting Standards (IFRS), (ii) UK Generally Accepted Accounting Principles (UK GAAP), or (iii) any other accounting standard acceptable to GSX Limited and the Listing Authority.

Admission in relation to Securities, means Admission to the Official Listing on GSX.

Announcement: Company announcements made by the Issuer in compliance with the on-going listing obligations and “Company Announcement” shall be construed accordingly.

Applicant means any Security that is proposing to apply or is applying for Admission of any class of Security to the Official List of GSX Limited.

Application means an Application for Admission and “the Applicant” means the Issuer of the Securities concerned.

Approval means the positive act at the outcome of the scrutiny of the completeness of the Prospectus by the Competent Authority including the consistency of the information given and its comprehensibility.

Commercial Due Diligence Provider means an entity that is approved by GSX to provide independent commercial due diligence on the Applicant

GSX Global Market (‘GM’) means a market of GSX for listed securities aimed at professional investors. The GM is a multilateral trading facility as defined in Article 4(1) point 15 of Directive 2004/39/EC.

GSX Limited means GSX Limited that may be referred to as GSX and/or the Stock Exchange.

GSX Main Market (‘MM’) means the principal market of GSX. The Main Market is a ‘regulated market’ as defined in Regulation 3(1) of the European Communities (Markets in Financial Instruments) Regulations 2007.

Issuer means a legal entity which issues (or proposes to issue) securities and applies to have those securities admitted to listing and trading on the GSX GM or MM.

Listed means listed in the Official List and “Admission to Official listing” shall be construed accordingly.

Listing means Admission to the Official List of GSX.

Listing Member means an entity that is approved by GSX to arrange the Admission of an Applicant to the Official List and to inform the Issuer or its administrative, management or supervisory bodies or any person responsible within the Issuer of a Listed Security as to the Continuing Obligations of the said Listed Security post admission to the official list.

Scope

The Procedures Manual ("Manual") applies to the Listing and Admission to trading on the GSX Main Market and the GSX Global Market MTF and should be strictly followed by all Listing Members. This Manual should be read in conjunction with the relevant GSX Handbooks and Codes for the Listing and Admission to trading on the GSX Main Market and the GSX Global Market.

A GSX Listing Member has a duty to maintain and uphold the reputation and integrity of the GSX market. They play a crucial role in maintaining the quality of the market and, in particular, is responsible for critically assessing the appropriateness of an issuer for admission to GSX. A GSX Listing Member is also responsible for advising its client on its obligations and guiding it through the admission process.

One of the most important duties of a GSX Listing Member is to ensure that its client meets the eligibility criteria, and is otherwise suitable for our market as an admission and whether the client is likely to affect the orderly operation or integrity and reputation of GSX.

A vital component of that determination is the due diligence process. This process will vary in terms of its content and approach, depending on the stage of development and nature of the prospective issuer's business. Most importantly, the process should be undertaken using a risk-based approach.

The purpose of this Manual is to set out basic procedures that will enable GSX to ensure that all Listing Members adopt a consistent set of key due diligence parameters for all applications to GSX.

This Manual should also be read in conjunction with any other standard compliance documents and legislation that may be applicable to the Listing Member, such as (including but not limited to) anti-money laundering, combating the financing of terrorism, data protection etc. Compliance rules applicable to the jurisdiction of the Listing Member need to be followed, as well as those of Gibraltar, these include (but are not limited to):

- (a) Proceeds of Crime Act 2015
- (b) Counter-Terrorism Act 2010
- (c) Data Protection Act 2004
- (d) Market Abuse Act 2016

Gibraltar legislation can be viewed on the following site: http://www.gibraltarlaws.gov.gi/search_form.php

A serious breach of any rules or laws (including the rules in this Manual) by any director or employee of a Listing Member may result in disciplinary procedures and the removal of membership.

This Manual is subject to revision from time to time and will be posted on GSX Limited's website www.GSX.gi. Any such revisions shall be notified to all Listing Members and shall be effective from the date of such notification or such later date as GSX Limited may determine. Any new requirements introduced by virtue of any amendments to the Manual will apply to existing Listed Securities.

1. Introduction: Listing Members, Clients and Admissions

1.1. General

1.1.1.A GSX Listing Member has a duty to maintain and uphold the reputation and integrity of the GSX markets. They play a crucial role in maintaining the quality of the markets and, in particular, are responsible for critically assessing the appropriateness of an issuer for admission to GSX.

1.1.2.A GSX Listing Member is also responsible for advising its client on its obligations and guiding it through the admission process.

1.1.3.Before accepting an engagement, especially from a new client, Listing Members need to satisfy themselves as to:

- (a) The integrity of:
 - i. Management (directors and senior management);
 - ii. The principal owners (proprietors or major shareholders);
 - iii. Other advisors who the clients are to work with.
- (b) The nature of the prospective client's activities and the risks within the business;
- (c) Financial standing and the sources of its funds (including money laundering); and
- (d) The commercial aspects of the proposed transaction and an understanding of the fundamental risk and return profile

1.1.4.Specific policies may apply in certain cases, for example;

- (a) Take-on of a potential client for the purposes of Admission; or
- (b) Take-on of a potential client which is already admitted

1.1.5.It is essential that the nature of any engagement be established clearly at the outset and that the Listing Member identify what documents (if any) are to be published by the prospective client.

1.1.6.A prospective client should be given a clear understanding of the extent of the Listing Members procedures, and any conditions to their agreeing to act.

1.1.7.There may be circumstances where, having regard to the nature of the transaction, Listing Members should consider that the work they are required to carry out is not practicable or is not appropriate. In such a case, they should decline to act.

1.2. Nature of Activities and Risks

- 1.2.1. Listing Members should not accept an engagement for a prospective client that is engaged in activities that are either illegal or potentially illegal, or are of a nature that could result in adverse publicity that might reflect badly on GSX or Gibraltar as a jurisdiction. Any doubt in this regard should be brought to the attention of GSX at the earliest possible outset.
- 1.2.2. Listing Members must use reasonable endeavours to ensure that they are not associated in any way with:
- (a) A transaction that is or would be in breach of prohibitions against insider dealing; or
 - (b) A transaction which would breach GSX's listing rules; or
 - (c) A transaction which involves a US company or US investors which would breach the rules of the US Securities and Exchange Commission ("SEC") or any other US legislation or regulations; or
 - (d) A transaction which involves, or may involve, money laundering; or
 - (e) A transaction, whose commercial aspects and / or capital structure are considered inappropriate and / or contrary to the interests of the investor.
- 1.2.3. It is important, prior to taking on new work, to identify and assess the risks within the business.
- 1.2.4. The Risk assessment is a continuing process, and Listing Members should regularly consider whether information and impressions coming to light during the course of the work relationship allay initial concerns, confirm them or give new grounds for concern. Internal procedures should then be amended to respond to the new circumstances. In extreme cases, Listing Members may decide that they should withdraw from an engagement even after having started work.

1.3. The Due Diligence Process

- 1.3.1. One of the most important duties of a GSX Listing Member is to ensure that its client meets the eligibility criteria, and is otherwise suitable for our market as an admission is likely to affect the orderly operation or integrity and reputation of GSX. A vital component of that determination is the due diligence process.
- 1.3.2. A Listing Member has ultimate responsibility for conducting the entire due diligence process that shall include a detailed review and analysis of the following four areas:
- (a) Directors and Controllers (See Section 3);
 - (b) Legal (See Section 4);
 - (c) Financial (See Section 5);

(d) Commercial (see Section 6); and

(e) Listing of Securities on the GSX markets (see Section 7).

1.3.3. GSX expects that as a minimum requirement, all Listing Members shall have the prerequisite in-house resources to fulfil the requirements of Section 1.3.2 (a), (b) and (c), the due diligence requirements of which are detailed in accordance with Sections 3, 4, 5 and 7 of the Manual.

1.3.4. This Manual will, however, enable a Listing Member to identify and where necessary, outsource elements of the due diligence process where they lack certain specialist resources and skills within the organisation. This may be especially apparent with respect to the analytical skills required to fulfil the Commercial due diligence requirements as detailed in Section 6 of this Manual.

1.3.5. Where appropriate, GSX endorses the use of approved, independent third party Commercial Due Diligence Providers, to conduct a specific specialised third party independent due diligence reporting service.

1.3.6. In such circumstances where third party Commercial Due Diligence Providers are retained, the Listing Member shall not have ultimate responsibility for the contents and accuracy of the commercial due diligence report. Such responsibility shall lie with the Commercial Due Diligence Provider

1.3.7. GSX will audit Listing Members based on compliance with this Manual and will consider the level of expertise and resources within the Member to carry out all due diligence requirements.

1.3.8. Where a Member Firm is deemed by GSX to not have sufficient in-house expertise or resources to conduct specific aspects of the due diligence process, in particular Commercial due diligence, the Member Firm must ensure that such due diligence procedures be undertaken by appropriate third party professional firms, that are affiliated to GSX, where applicable.

1.3.9. For a list of third party due diligence providers that are affiliated and approved by GSX, to conduct such services to the standards expected, please refer to the GSX Website.

1.3.10. Listing Members may be subject to inspections by GSX as part of the annual member audit. Such inspections may review client and transaction files and seek evidence of effective implementation of satisfactory due diligence and KYC procedures and controls. It is very important that full and accurate records should be kept so that Listing Members can demonstrate this to GSX and the regulatory authorities (if applicable). In addition, GSX will audit compliance with this Manual including the level of expertise and resources within the Listing Member to carry out the due diligence requirements.

2. Conflicts of Interest

2.1. General

2.1.1. Before any engagement of a prospective or existing client, Listing Members must determine that they are sufficiently independent to carry out the work and have no conflict of interest.

2.1.2. In case of doubt, the Listing Member's compliance department/compliance officer and/or regulator should be consulted with at the first possible outset. The Listing Member has final responsibility for deciding whether:

- (a) The Listing Member is at risk from an actual or a perception of conflict of interest (often based on concerns over confidentiality); and/or
- (b) It is commercially right to accept the engagement.

2.1.3. Particular care should be taken in respect of requests to act as independent financial adviser and also in some other role (for example where a Listing Member is acting as financial adviser and sponsor on public deals or financial adviser to a company in respect of which their analysts are publishing an independent report).

2.2. Circumstances in which conflicts of interest may arise

2.2.1. When assessing conflicts of interest, Listing Members should be particularly aware of the possibility of conflicts of interest in the following (or similar) circumstances:

- (a) Competition between clients to acquire a company or business; and
- (b) Other situations likely to lead to a potential conflict are where Listing Members have common directors with a client or where any member of the Listing Member has a material stake in a company.

2.3. Acting despite a conflict of interest

2.3.1. If the conflict of interest is real and material and so would prejudice a Listing Member's independence and the interests of their client, Listing Members must not act.

2.3.2. Where the Listing Members does act or continue to act following the identification of an apparent conflict of interest, having decided it does not materially prejudice the interests of any client, all reasonable steps should be taken to reduce the risk arising from the apparent conflict to a minimum. These should include (but not limited to) some or all of the following safeguards:

- (a) The use of different directors and staff for different engagements;

- (b) All necessary steps (i.e. "Chinese walls") to prevent the leakage of confidential information;
- (c) Regular review of the situation by a director not personally involved with either client;
- (d) Advising the clients to seek additional independent advice; and
- (e) Obtaining the clients' written agreement.

2.4. If engagement is declined or withdrawn

2.4.1. If it is not possible to resolve a material conflict of interest, the Listing Member should not act.

2.4.2. Where it is necessary to choose which of two clients to act for, the following preferences may guide that choice:

- (a) Established client relationship over new client;
- (b) "First-come, first-served"; and
- (c) Commercial considerations as to the long-term importance of the client.

2.4.3. If a Listing Member is required for any reason to disengage from an existing client, the Listing Member should do so as speedily as practicable having regard to the interests of the client. Where those interests prevent immediate disengagement, all relevant parties should be informed of the Listing Member's intention and of the reasons for continuing to act temporarily, in order that they may consider their own positions.

2.5. Engagement Letters

2.5.1. An engagement letter should be obtained for all engagements. The letter should:

- (a) Be addressed to the directors of the client;
- (b) Confirm the purpose of involvement;
- (c) Set out what work is required and its timing;
- (d) Indicate the manner in which to report, and to whom;
- (e) Include restrictions on responsibility;
- (f) Refer to any restrictions on the scope of the work;
- (g) Set out the basis of the fees and any expenses (if applicable);

- (h) Set out any conditions of agreeing to act; and
- (i) Inform the client that any due diligence documentation obtained by the Listing Member will be made available to GSX upon their request.

2.5.2. Where a significant item of new work is taken on for an existing client such a transaction should normally issue a formal engagement letter covering the additional work should be obtained.

However, this may be dispensed with where the Listing Member considers that the nature of the client relationship does not warrant such a letter and the current "retainer letter" provides the Listing Member with:

- i. Adequate scope to perform the work; and
- ii. Sufficient indemnification against loss.

2.5.3. It is preferable for the signed engagement letter to be obtained before the Listing Member commences any work.

2.6. Responsibility Restrictions

2.6.1. All engagement letters should include an exclusion of responsibility to:

- (a) Any party other than those to whom the engagement letter is addressed;
- (b) GSX; and
- (c) Any addressees if the letter or report is used for any purpose other than that for which the Listing Member were engaged.

2.6.2. It should be noted that there can be no guarantee that such exclusions will be effective, as their effectiveness will ultimately turn on how reasonable they were in the circumstances.

2.6.3. The engagement letter should also set out details of responsibilities during the offer period through to primary listing on GSX.

2.6.4. The engagement letter should also set out explicit details of any restrictions on the scope of the work and any fee arrangements (if applicable).

3. Due Diligence on Directors and Controllers

3.1. General

- 3.1.1. It is vital that a Listing Member conducts rigorous due diligence on directors and substantial shareholders or individuals able to exert significant influence or control involved in the business of a prospective issuer. Due diligence on directors should be applied consistently during a GSX Admission, the transfer of an existing GSX admitted company from another Listing Member and the appointment of a new director to an existing Issuer.
- 3.1.2. Due diligence on directors should be based on a Listing Member's reasonable judgement as to what information it requires in order to make an informed decision on an individual's suitability and experience to be a director of a GSX listed company.
- 3.1.3. A Listing Member should visit the Issuer's material site(s) of operation and meet the directors and key managers. Furthermore, a Listing Member is expected to carry out further due diligence for any other relevant material stakeholders (e.g. significant shareholders).
- 3.1.4. In assessing the suitability of directors, proposed directors and composition of the board, a Listing Member should consider the efficacy of the board as a whole as well as individually and in light of the company's specific requirements and the fact that the company is or will be admitted to an English language public market.
- 3.1.5. A Listing Member must review and assess the results of their due diligence, consider any issues that may arise, and satisfy itself that appropriate action has been taken to remedy any issues.

3.2. Assessment of Suitability

- 3.2.1. Listing Members are expected to utilise a broad range of resources to properly assess suitability when undertaking due diligence and to conduct investigations and enquiries to mitigate (if possible) any concerns before assessing whether the issues are appropriate for Admission to GSX, (not limited to, but) including:
- (a) A suitable director's questionnaire;
 - (b) Obtaining organograms of the client's corporate structure and ownership structure;
 - (c) Web-based general searches;
 - (d) Companies House or equivalent overseas checks;
 - (e) Interviews;
 - (f) Press searches
 - (g) World check searches; and

- (h) Taking-up references etc.

Listing Members should extend these investigations and considerations as appropriate to key managers and personnel who are/will be named in the prospectus, listing particulars or any other such documents in relation to new issues.

3.2.2. When making an application to GSX, the Listing Member should include a list of all due diligence conducted and the documents available on file, in the event that GSX wish to view them.

3.2.3. The Listing Member should evaluate the above information and consider whether it is appropriate to undertake further investigative enquiries and due diligence from independent, third party sources such as specialist companies, particularly in respect of overseas directors, which may include commissioning a detailed investigative third party report (e.g. specialist firms specialising in screening and background checks). GSX would normally expect a GSX Listing Member to undertake third party checks in respect of directors and other relevant individuals and/or entities of trading companies that are seeking Admission to GSX (a list of GSX approved third party specialist companies can be obtained upon request).

3.2.4. Information on the client and its directors/controllers/key managers must clearly demonstrate that the Listing Member undertook adequate due diligence and gained sufficient understanding of the client's activities and business.

3.2.5. Copies of the assessment documents as detailed in rule 3.2.1, any third party reports and notes or conclusions of the Listing Member must be retained on file and may be reviewed by GSX at their request.

3.3. Ongoing Requirements

3.3.1. The following requirements should be put in place with regards to all clients:

- (a) To maintain regular contact with clients and vice versa;
- (b) Attendance at board meetings and provision of board minutes and agendas;
- (c) Obtain financial statements annually or semi-annually (as the case may be);
- (d) Inform GSX immediately of any changes to the corporate structure of the client;
- (e) Conduct the same assessment review as outlined in rule 3.2.1 if new management is appointed; and
- (f) Keep all due diligence and correspondence on file for the length of any Admission to GSX (including the length of time of any renewals).

Copies of the above may be reviewed by GSX at any time upon their request.

3.4. Documents

3.4.1. The following documents should be obtained by the Listing Member (however, if more in depth analysis is required, these should also be kept on file):

Documents	On File
1. Client Information (e.g. business plans etc.)	✓
2. KYC and AML documentation	✓
3. Internal notes/correspondence	✓
4. Conflict of Interest documents /decisions	✓
5. Due diligence search results	✓
6. Interview notes	✓
7. Executed engagement letter	✓
8. Organograms of the client's corporate structure and ownership structure	✓
9. Third party research report	✓
10. Correspondence	✓
11. Financial statements	✓
12. Other information deemed necessary during the assessment investigation	✓

4. Legal Due Diligence

4.1. General

- 4.1.1.A Listing Member should satisfy itself that, among other things, statements and materials included in an issuer's prospectus, listing particulars or any other such documents in relation to new issues relied on for the purposes of Admission have been legally verified by appropriate professional advisers as accurate, complete, relevant and fairly presented.
- 4.1.2.A Listing Member should satisfy itself that legal due diligence appropriate to the circumstances of the issuer has been undertaken with due skill and care.
- 4.1.3.A Listing Member must review and assess the results of their due diligence, consider any issues that may arise, and satisfy itself that appropriate action has been taken to remedy any issues.

4.2. Relevant Information

- 4.2.1.Key legal and accounting due diligence items must be retained as a record/note of, for example, working capital discussions, conversations with the directors on their responsibilities and other similar items.

4.3. Legal Advice

- 4.3.1.Legal advice should be sought where the transaction is likely to be complex or involves a high public profile.
- 4.3.2.A competent firm of independent lawyers should be retained to provide legal advice.
- 4.3.3.Where a client operates within any overseas jurisdiction, appropriate legal advice should be obtained to ensure that local securities, technical and general commercial legislation is complied with.

4.4. Market Abuse/Suspicious Transactions

- 4.4.1.Market abuse is a criminal regime which supplements the existing criminal regimes for insider-dealing and market manipulation. The basic offence is outlined in the Market Abuse Act 2016 with regards to insider dealing, improper disclosure of inside information, misuse of information, manipulating transactions, disseminating information likely to give a false or misleading impression or misleading behaviour or market extortion. The market abuse regime covers everybody and can be on or off-market.

4.4.2. There is a requirement for all Listing Members to report to GSX (as well as any regulatory body as may be stipulated by the law of their jurisdiction) without delay any transaction where they have a suspicion that an abuse of the market is taking place.

4.4.3. Should any employee of the Listing Member suspect that any transaction may be an abuse of the market they should report it to the nominated person at the Listing Member, and the nominated person must report it to GSX.

4.5. Chinese Walls and Insider Lists

4.5.1. A Chinese wall exists where there is an ethical barrier between different divisions of the Listing Member to avoid conflicts of interest.

4.5.2. It is recognised that certain members of staff will, from time to time, be required to cross a Chinese wall for specific management or operational reasons, however it is imperative that any relevant compliance department/compliance officer is informed when anyone is taken over the wall, to enable a log to be kept and monitored accordingly.

4.5.3. Anyone on the insider log should provide the following information for the list:

- (a) Information involved;
- (b) Identity of person(s) relaying information;
- (c) Date and time made inside; and
- (d) Reason.

4.5.4. Care should always be taken in passing inside/price sensitive information, whether internal or external. Inside/price sensitive information should only be passed for legitimate business reasons and before imparting with such, the recipient should firstly agree that they are happy to receive inside/price sensitive information. It should be made perfectly clear whether the information passed should be classed as inside/price sensitive information or not.

5. Financial Due Diligence

5.1. General

5.1.1.A Listing Member is expected to ensure that, among other things, financial due diligence is appropriate to the circumstances of the Issuer. In particular, a Listing Member must be satisfied that appropriate working capital and financial reporting systems and control reviews have been undertaken by appropriate professional advisers including the review and assessment of accountants' reports and adviser comfort letters.

5.1.2.A Listing Member must review and assess the results of their due diligence, consider any issues that may arise, and satisfy itself that appropriate action has been taken to remedy any issues.

5.2. Financial Standing and Source of Funds

5.2.1.Should there be any doubts whatsoever concerning a prospective client's financial standing the Listing Member should be wary of accepting an engagement. In some cases, a prospective client may be seeking to raise finance for a high-risk new venture, and the uncertainty of finance would not then be a sufficient reason for refusing to act, but in other cases the Listing Member may not wish to do so.

5.2.2.Anti-money laundering and due diligence procedures must be implemented.

5.3. Anti-Money Laundering

5.3.1.The Listing Member should ensure that employees have received training on money laundering issues and that this is updated on a periodic basis. Information on the anti-money laundering regime and the Listing Member's procedures is available at all times to its employees.

5.3.2.All employees of the Listing Member should be aware of who the Money Laundering Reporting Officer ("MLRO") is and the reporting procedures in place.

5.3.3.Any reports made to the MLRO concerning a security already listed on the GSX GM or MM should have GSX copied into it, so as to allow GSX to conduct their own review of the matter. All employees of the Listing Member should be made aware of this and Listing Members should add this provision to their procedures Manuals and protocols.

6. Commercial Due Diligence

6.1. General

- 6.1.1. A Listing Member should satisfy itself that the commercial opportunity discussed in the issuer's prospectus, listing particulars or any other such documents in relation to new issues has been assessed as to its future prospects or viability. Without such assessment equity or bond investors could be exposed to undue risk. Bond-holders in particular will need to have regard to the timely repayment of interest and principal. (A list of GSX approved commercial due diligence providers can be obtained upon request.)
- 6.1.2. Commercial Due Diligence as detailed in this Section must be conducted in addition to due diligence on Directors and Controllers (Section 3), Legal (Section 4) and Financial (Section 5).
- 6.1.3. Where a Member Firm considers itself, or is deemed by GSX to not have sufficient in-house expertise or resources to conduct Commercial due diligence, the Member Firm must ensure that such due diligence procedures be undertaken by appropriate third party professional firms, that are affiliated to GSX, where applicable. (See Section 1.3 of this Manual).
- 6.1.4. For a list of third party Commercial Due Diligence Providers that are affiliated and approved by GSX, to conduct such services to the standards expected, please refer to the GSX Website.
- 6.1.5. In such circumstances where third party Commercial Due Diligence Providers are retained, the Listing Member shall not have ultimate responsibility for the contents and accuracy of the commercial due diligence report. Such responsibility shall lie with the Commercial Due Diligence Provider
- 6.1.6. Commercial due diligence, as provided by a GSX approved Provider, shall be for the sole attention and benefit of GSX, and paid for by the Client / Issuer directly. It shall not be distributed to any third party without the express permission of both GSX and the Commercial Due Diligence Provider
- 6.1.7. The contract formed for the provision of Commercial due diligence shall be between the Provider and the Client / Issuer

6.2. Relevant information

6.2.1. Commercial due diligence must contain the following elements:

- (a) Description of the company's business;
- (b) The company's competitive position;
- (c) A review of its current sales and customers;

- (d) A description of its production capability and its key suppliers; and
- (e) Relevant commercial experience of directors and other relevant individuals and/or entities of trading companies that are seeking Admission to GSX.

6.2.2. The report should also include whichever of the following elements are appropriate:

- (a) Cash flow analysis;
- (b) Balance sheet analysis;
- (c) Profit & loss analysis; and
- (d) Review of budgeting and planning, and comments on their reasonableness.

6.2.3. For bond applications specifically the report must include:

- (a) a review of how the company will pay any coupons and any associated risks;
- (b) a review of how the company will repay the capital of the bond and what the key risks are; and
- (c) a review of the likely outcome for bondholders in the event of a default.

7. Listing Securities on the GSX markets

7.1. General Member Firms Responsibilities

7.1.1. GSX and its Members are charged with protecting the reputation of GSX (and in turn Gibraltar) and upholding investor protection to the highest standards. During the primary offer the Listing Member is responsible for ensuring that the securities are placed with eligible investors. This responsibility applies even if the Listing Member is not involved or retained for distribution of the bonds.

7.2. Appointing Third Parties

7.2.1. Any third party entity or individual seeking to be involved in a capital raise that has not been named in the Prospectus or forms a material contract, should be disclosed and notified via the submission of a Non-Financial Supplement. The third party may require clearance from the Competent Authority. This needs to be completed and if required, receive approval prior to the Issue of the Debt Securities and monies being received by the Issuer through the transaction.

7.2.2. Information to be included in a Supplement other than those prescribed by the Prospectus Directive regarding Third Party entities/ individuals includes but is not limited to:

- (a) Name and registered address;
- (b) Details of main controllers;
- (c) Regulated status/License details;
- (d) Where and how they intend to source investors; and
- (e) Details of commissions, fees being paid out of the proceeds.

7.3. Due Diligence

7.3.1. Where the Listing Member or the Issuer has made arrangements with third parties to secure funding the Listing Member must ensure;

Pre-Debt Securities being Issued.

- (a) It has been provided with evidence that adequate anti-money laundering checks have been carried out on the source of funds. This needs to be completed prior to the Issue of the bonds and monies have been received through the transaction.
- (b) The Listing Member must make it clear to third parties and the Issuer that it retains the right to reject investors if the evidence provided by third parties fails to satisfy the investor's eligibility to purchase the Securities.
- (c) The Listing Member must be advised what commissions/fees are payable to third parties (these must not exceed the figures stated in the prospectus)

Post-Debt Securities being Issued.

- (a) Confirmation that all distribution fees have been paid
- (b) The Listing Member must keep an up to date record /report which includes a full breakdown of all monies raised.

7.4. Commissions- Fees – Expenses

7.4.1. Member Firms must keep a record of any details of commissions and/or associated fees paid out in respect of subscriptions received. Any fees paid out must acknowledge that the Transaction

can only receive funds from Investors that would satisfy the investor's eligibility to purchase the Securities as stipulated in the Prospectus.

7.4.2. Listing Members must keep details of all expenditure including but not limited to third party fees, payments, purchases and other invoices settled with any monies raised as part of the Transaction.

7.4.3. Listing Members must be fully up to speed of all material strategies, developments and discussions relevant to the Engagement of any Third Parties and make it clear that no relevant initiatives will be taken without their prior consultation.