



LISTING REGULATIONS

SECTION IIB

- DOMESTIC ISSUERS**
- SMALL CAPITALISATION
STOCKS**
- EQUITY SECURITIES**

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SECTION IIB

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CHAPTER 4**QUALIFICATIONS FOR LISTING****PRELIMINARY**

4.1 This Chapter sets out the basic conditions which have to be met as a pre-requisite to the listing of equity securities issued by small capitalisation domestic issuers. They apply to every method by which securities may be brought to a listing and to both new applicants and listed issuers, except where otherwise stated. It shall be noted that:-

- (1) these requirements are not exhaustive and the Exchange may impose additional requirements in a particular case; and
- (2) the Exchange retains an absolute discretion to accept or reject applications for listing, and that compliance with the relevant conditions may not of itself ensure an applicant's suitability for listing.

4.2 Where application for listing is made in respect of any class of security:-

- (1) if none of the securities of that class are already listed, the application must relate to all securities of that class, whether already issued or proposed to be issued; or
- (2) if some of the securities of that class are already listed, the application must relate to all further securities of that class which are proposed to be issued and the application must be made prior to the issue of the securities.

4.3 Where application is made to list a security which is convertible into another security the Exchange must be satisfied that investors will be able to obtain the necessary information to form a reasoned opinion regarding the value of the underlying security. For example, this requirement is met is where the underlying security is listed on the Exchange or on another stock exchange which is recognised for this purpose by the Exchange (see Appendix 6).

GENERAL

4.4 The issuer must be a local company duly incorporated or otherwise established in accordance with the laws of Bermuda.

4.5 Both the issuer and its business must, in the opinion of the Exchange, be suitable for listing.

4.6 The securities for which listing is sought must be freely transferable on the Exchange (subject to any restrictions on transfer to a shareholder who is not Bermudian under the Companies Act or any other statutory restrictions on transfers) and must not carry any liability for any further payments such as in the case of partly-paid securities.

4.7 The minimum percentage of securities in public hands, (i.e. persons who are not a director or substantial shareholder of the issuer or a director of a substantial shareholder of the issuer or an associate of any of them) must at all times be at least fifteen percent (15%), with a minimum of twenty (20) shareholders.

4.8 A new applicant must have an expected initial market capitalisation for all the securities to be listed of at least \$500,000 but less than \$10 million. Further issues of securities of a class already listed are not subject to this limit.

4.9 In the case of a new applicant, the latest financial period for which audited accounts have been prepared must not have ended more than twelve (12) months before the date of the prospectus.

4.10 The issuer is required to incorporate in its constitution the various provisions set out in Appendix 4.

RESTRICTIONS ON SMALL CAP. STOCKS

4.11 If the issuer has less than a two (2) year track record then the directors and substantial shareholders must agree not to dispose of any interest in any of their listed securities for a period of one year from the listing date, otherwise than amongst themselves, unless required to do so by a court order, the holder dies or a takeover offer goes unconditional.

4.12 The proprietors may not dispose of more than five percent (5%) of the issuer's issued capital by way of an offer for sale within three (3) years of the issuer being listed as a small cap. Stock, without the prior approval of the Exchange.

4.13 The issuer must agree to move up to the Main Board, and to enter into the appropriate Issuer's Undertaking for a Main Board company at that time, as soon as its average market capitalisation over any twelve month period exceeds \$15 million.

4.14 The issuer may not issue warrants whilst it is listed as a small capitalisation stock, without the prior approval of the Exchange.

CHAPTER 5**APPLICATION PROCEDURES AND REQUIREMENTS****PRELIMINARY**

5.1 This Chapter sets out the procedures and requirements for applications for the listing of equity securities issued by small capitalisation domestic issuers whether by new applicants or by listed issuers except where otherwise stated.

5.2 These requirements are not exhaustive and an applicant must satisfy any additional requirements and supply such further documents and information that the Exchange may require in any particular case or class of case.

5.3 Every document submitted to the Exchange must be in the English language or accompanied by a certified English translation.

APPLICATION PROCEDURES

5.4

(1) Each application for listing shall consist of the following:-

(i) a formal letter of application signed by a duly authorised officer of the applicant and the sponsor, if there is a sponsor, and which complies with the requirements set out in Appendix 1.

(ii) the various supporting documents specified in Regulation 5.5.

(iii) subject to paragraph (2), a prospectus that complies with the contents requirements set out in Regulation 5.8 and Appendix 2; and

(iv) the appropriate fees (see Appendix 5).

(2) A prospectus is not required in the case of an application made by a listed issuer in respect of a further issue of equity securities which are to be brought to listing by way of:-

(i) a placing under Regulation 2.19 of twenty percent (20%) or less of the existing issued share capital of the issuer;

(ii) a capitalisation issue under Regulation 2.21; or

(iii) the exercise of options, warrants or similar rights to subscribe or purchase securities (the grant of which has previously been approved by the Exchange) under Regulation 2.23.

(3) The issuer must take all reasonable care to ensure that any statement, document or other information which is made available to the Exchange as part of the listing application is not

misleading, false or deceptive and does not omit anything likely to affect the import of such statement, document or other information.

SUPPORTING DOCUMENTS

5.5 In support of its letter of application, the applicant must lodge with the Exchange at the same time the following documents:-

- (1) in the case of a new applicant, a certified copy of its certificate of incorporation;
- (2) in the case of a new applicant, a certified copy of its constitution and, in all cases, all amendments made since the constitution was last filed with the Exchange. The issuer's constitution must include the mandatory provisions set out in Appendix 4;
- (3) in the case of a new applicant, the audited annual report and accounts for each of the three (3) completed financial years of the issuer or group immediately preceding the issue of the prospectus or since incorporation, if shorter;
- (4) a certified copy of the resolution(s) authorising the issue and allotment of such securities, the making of the application and the signing of the Issuer's Undertaking and approving and authorising the issue of the prospectus.
- (5) an Issuer's Undertaking, unless previously supplied in connection with a previous application, in the form set out in Part A of Appendix 3, duly signed for and on behalf of the applicant;
- (6) in the case of a new applicant, a declaration and undertaking signed by each director and proposed director of the issuer, in the form set out in Part B of Appendix 3;
- (7) in the case of a new applicant, a certified copy of any resolution of the issuer in general meeting or of the board of directors authorising any alterations in the share capital of the issuer, or any mergers or amalgamation, within the period of five (5) years preceding the date of the application;
- (8) a copy of any temporary document of title and any definitive document of title in respect of the securities to be listed;
- (9) a certified copy of every letter, report, statement of adjustments, valuation, contract, resolution and other documents referred to in the prospectus (including a letter from any auditor whose audit report is set out in the prospectus confirming that the auditor has given its consent to the issue of the prospectus with the audit report included in the form and context in which it is included); and
- (10) such other documentation as may be required by the Exchange.

PROSPECTUS

5.6 The prospectus must contain all the specific items of information set out in Regulation 5.8 and Appendix 2. The prospectus may not be dated and issued in final form until the Exchange has confirmed that it has no further comments and it must then be distributed to the public.

5.7 The draft prospectus should be submitted in sufficient time for the Exchange to review it before the proposed publication date, but should not be submitted until it includes the required financial information about the issuer. Every draft prospectus submitted must be dated and marked in the margin so as to indicate where the particular requirements of Appendix 2 have been met. Subsequent redrafts must be blacklined against the version previously reviewed by the Exchange to clearly identify any changes.

5.8 In addition to the detailed requirements set out in Appendix 2 the prospectus must:

(1) as an overriding principle, contain such particulars and information which, according to the particular nature of the issuer and the securities for which listing is sought, is necessary to enable an investor to make an informed assessment of the activities, assets and liabilities, financial position, management and prospects of the issuer and of its profits and losses and of the rights attaching to such securities; and

(2) carry on the first page of the document (excluding any cover), in a prominent position and in bold type, the following disclaimer:

"The Bermuda Stock Exchange takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this document".

DISTRIBUTIONS

5.9 If the method of listing involves a distribution of securities then the issuer must ensure that a notice, which states where members of the public may obtain a copy of the prospectus free of charge, is published in the newspapers at the start of the distribution process and, prior to the commencement of dealings, must supply the Exchange with a letter confirming that the distribution has been successful and the required minimum percentage is in public hands and, if requested by the Exchange, a list containing the name and address and number of securities received by each person under the distribution.

CHAPTER 6**ISSUER'S CONTINUING OBLIGATIONS****PRELIMINARY**

6.1

(1) This Chapter sets out the continuing obligations which each issuer must undertake to comply with as a condition of being granted, and of maintaining, a listing.

(2) The issuer must take all reasonable care to ensure that any statement, document or other information which is notified to or made available to the Exchange is not misleading, false or deceptive and does not omit anything likely to affect the import of such statement, document or other information.

6.2 Wherever an issuer is under an obligation to disclose information to the Exchange for dissemination by the Exchange, the issuer may, in addition, have the information published in the newspapers on the next day.

NOTIFICATIONS*Corporate disclosure policy*

6.3 Generally, and apart from compliance with all the specific requirements of this Chapter, the issuer shall keep the Exchange, members of the issuer and other holders of its listed securities informed without delay, by way of public announcements and/or circulars, of any information relating to the group that:-

- (1) is necessary to enable them and the public to appraise the financial position of the issuer and the group;
- (2) is necessary to avoid the establishment of a false market in its securities; and
- (3) might reasonably be expected materially to affect market activity in and the price of its securities.

Closure of books

6.4 The issuer shall send to the Exchange and publish in the newspapers notice of any closure of its register of members at least fourteen (14) calendar days before the closure.

Notice of general meetings

6.5 The issuer shall give members at least seven (7) calendar days notice of any general meeting and shall publish in the newspapers notice of every general meeting.

FINANCIAL STATEMENTS***Preparation of annual accounts***

6.6 The issuer shall prepare audited annual accounts within six (6) months of the end of the financial period to which they relate and shall send to every member of the issuer a copy of its audited annual accounts not less than the earlier of six months from the end of the financial period to which they relate and five (5) business days before the date of the issuer's annual general meeting. At the same time the issuer shall send ten (10) copies to the Exchange, for dissemination by the Exchange..

6.7 The annual accounts shall be prepared in accordance with the requirements of the Companies Act and, so far as practicable, with the accounting requirements of the Institute of Chartered Accountants of Bermuda. Any material differences from such accounting requirements must be disclosed in the notes thereto.

Information to accompany annual accounts

6.8 The issuer shall include with its annual accounts, a report by the directors, or by the chairman, president or chief executive officer on behalf of the board of directors, on the operations of the issuer and such directors' report must include:-

- (1) a description of the principal activities of the group;
- (2) a statement showing the name of every subsidiary, its principal country of operation, its country of incorporation and its main business. Provided that if, in the opinion of the directors of the issuer and with approval of the Exchange, the number of them is such that compliance with this paragraph would result in particulars of excessive length being given, compliance with this paragraph shall not be required except in the case of subsidiaries carrying on a business the results of the carrying on of which, in the opinion of the directors, materially affected the amount of the profit or loss of the group or the amount of the assets of the group;
- (3) a statement as at the end of the relevant financial year showing:-
 - (i) the total interests of all the directors and executive officers of the issuer in the equity or debt securities of the issuer or any subsidiary. For this purpose a disclosable interest is one in which the director or executive officer (or his spouse or children under 21 years old) has a vested right to receive any distributions made on the securities (either directly or indirectly by reason of having a present vested interest in the whole or part of the income of trust property which includes the securities) or is entitled to exercise or direct the exercise of the voting rights attaching to the securities (otherwise than in the capacity only of a trustee of a trust); and
 - (ii) the details of any right to subscribe for equity or debt securities of the issuer granted to any director or executive officer of the issuer (or his spouse or children under 21 years old),

and of the exercise of any such right, or if there is no such interest or no such right that has been granted or exercised, a statement of that fact;

(4) in the event of operating results shown by the accounts for the period under review differing materially from any published forecast made by the issuer, an explanation for the difference;

(5) a statement as to the period unexpired of any service contract of any director proposed for election at the forthcoming annual general meeting or, if there are no service contracts, a statement of that fact;

(6) so far as the issuer is aware, particulars of any contract of significance:-

(i) subsisting during or at the end of the financial year in which a director of the issuer is or was materially interested, either directly or indirectly, or, if there has been no such contract, a statement of that fact;

(ii) between the issuer, or one of its subsidiary companies, and a substantial shareholder or any of its subsidiaries;

(iii) for the provision of services to the group by a substantial shareholder or any of its subsidiaries;

(7) particulars of any arrangement under which a director has waived or agreed to waive any emoluments;

(8) particulars of any arrangement under which a shareholder has waived or agreed to waive any dividends;

(9) a summary, in the form of a comparative table, of the results and of the assets and liabilities of the group, for the last five (5) financial years; and

(10) an explanatory statement relating to the activities of the group and income (or loss) during the relevant period which must include any significant information enabling investors to make an informed assessment of the trend of the activities and income (or loss) of the group together with an indication of any special factor which has influenced those activities and the income (or loss) during the period in question, and enable a comparison to be made with the preceding financial year.

INTERIM REPORTS AND PRELIMINARY ANNOUNCEMENTS

Six-monthly reports

6.9

(1) The issuer shall prepare in respect of the first six (6) months of its financial year an interim financial report containing at least the information required by paragraph (2) and not later than three (3) months after the end of the relevant six month period the issuer shall send to every member of the issuer a copy of the interim report. At the same time the issuer shall send ten (10) copies to the Exchange, for dissemination by the Exchange.

(2) Each interim report referred to in paragraph (1) shall contain at least the following information stated in respect of the group:-

- (i) revenue and investment income;
- (ii) income (or loss) before discontinued operations and extraordinary items, including the share of the profit (or loss) of associated companies with separate disclosure of any items included therein which are exceptional because of size and incidence;
- (iii) income (or loss) attributable to minority interests;
- (iv) income (or loss) attributable to shareholders before extraordinary items;
- (v) extraordinary items and related taxes;
- (vi) profit (or loss) attributable to shareholders;
- (vii) rates of dividend paid or proposed on each class of shares (with particulars of each such class) and amounts absorbed thereby (or an appropriate negative statement);
- (viii) basic and fully diluted earnings per share calculated on the basis of income before extraordinary items and on the basis of net income;
- (ix) comparative figures of the matters specified in (i) to (viii) inclusive for the corresponding previous period;
- (x) a statement as at the end of the relevant period showing:-
 - (a) the total interests of all the directors and executive officers of the issuer in the equity or debt securities of the issuer or any subsidiary. For this purpose a disclosable interest is one in which the director or executive officer (or his spouse or children under 21 years old) has a vested right to receive any distributions made on the securities (either directly or indirectly by reason of having a present vested interest the whole or part of the income of trust property which includes the securities) or is entitled to exercise or direct the exercise of the voting rights attaching to the securities (otherwise than in the capacity only of a trustee of a trust); and
 - (b) the details of any right to subscribe for equity or debt securities of the issuer granted to any director or executive officer of the issuer (or his spouse or children under 21

years old), and of the exercise of any such right, or if there is no such interest or no such right that has been granted or exercised, a statement of that fact; and

(xi) an explanatory statement relating to the activities of the group and income (or loss) during the relevant period which must include any significant information enabling investors to make an informed assessment of the trend of the activities and income (or loss) of the group together with an indication of any special factor which has influenced those activities and the income (or loss) during the period in question, and enable a comparison to be made with the corresponding period of the preceding financial year and must also, as far possible, refer to the prospects of the group in the current financial year.

(3) Where the accounting information given in an interim report has not been audited that fact must be stated. If the accounting information contained in an interim report has been audited by the issuer's auditor, his report including any qualifications must be set out in the interim report.

Preliminary announcements of results

6.10 As soon as reasonably practicable after the final review prior to publication or approval by or on behalf of the board, the issuer shall deliver a preliminary announcement of the six month interim results to the Exchange, for dissemination by the Exchange.

6.11 As soon as reasonably practicable after the final review prior to publication or approval by or on behalf of the board, the issuer shall deliver a preliminary announcement of the results for the full financial year to the Exchange, for dissemination by the Exchange.

6.12 Every preliminary announcement of results shall contain at least the information specified in Regulation 6.9(2) except for that specified in sub paragraphs (x) and (xi).

OTHER DISCLOSURES

Disclosable events

6.13

(1) If any one or more of the circumstances set out in paragraph (2) occurs in relation to a listed issuer then it must, without delay:-

(i) deliver to the Exchange an announcement containing details about the matter, for dissemination by the Exchange; and

(ii) unless the Exchange otherwise agrees, within ten (10) business days of the occurrence of the relevant disclosable event, send to every member of the issuer a copy of a report on the event. At the same time the issuer shall send ten (10) copies of the report to the Exchange, for dissemination by the Exchange.

- (2) The circumstances referred to in paragraph (1) are as follows:-
- (i) the agreement of the terms of a material contract or agreement with another person, where such contract or agreement will have a significant effect (being any effect equal to or greater than forty percent (40%) of the higher of the book value of the consolidated net tangible assets or trading profits of the group) on the issuer's assets, liabilities, rights or one or more of the products manufactured, supplied or traded by it;
 - (ii) the making of any material investments outside of the ordinary and usual course of business of the issuer (being any investments equal to or greater than forty percent (40%) of the higher of the book value of the consolidated net tangible assets or trading profits of the group) or the purchase of long term assets for a significant amount. (Long term assets include land, buildings, equipment and facilities as well intangible assets whose depreciation value exceeds one financial year, such as patents, patented technology, trademarks, copyright and franchises etc. and other assets not expected to be converted into cash within one year);
 - (iii) the incurring of any significant debt outside of the usual and ordinary course of business of the issuer (being debt with an amount equal to or greater than forty percent (40%) of the higher of the book value of the consolidated net tangible assets or trading profits of the group);
 - (iv) there occurs any significant trading or non-trading losses (being losses equal to or greater than forty percent (40%) of the higher of the book value of the consolidated net tangible assets or trading profits of the group);
 - (v) there occurs any significant change (being a change with a likely effect equal to or greater than forty percent (40%) of the higher of the book value of the consolidated net tangible assets or trading profits of the group) to the production and trading environment of the issuer (production and trading environment includes the obtaining of resources and the sale of products);
 - (vi) any newly promulgated laws and regulation, policies, directives, or systems announced by the Government, the Authority or any municipal authority in Bermuda which is likely to have a significant effect (being an effect equal to or greater than forty percent (40%) of the higher of the book value of the consolidated net tangible assets or trading profits of the group) on the trading and production of the issuer;
 - (vii) there occurs any changes to the composition of the board of directors or executive officers of the issuer, including any change in the chairman;
 - (viii) any involvement in significant litigation proceedings (where the amount involved is equal to or greater than forty percent (40%) of the higher of the book value of the consolidated net tangible assets or trading profits of the group);
 - (ix) the issuer or any of its subsidiaries agreeing to acquire or dispose of assets to or from a director or executive officer (or any member of their immediate family) or a substantial

shareholder of the issuer (where the amount involved is equal to or greater than five percent (5%) of the higher of the book value of the consolidated net tangible assets or trading profits of the group); and

(xi) the issuer or any of its subsidiaries agreeing to acquire or dispose of an interest in a company a substantial shareholder of which is a director or executive officer of the issuer (or any member of their immediate family) or a controlling shareholder of the issuer (where the amount involved is equal to or greater than five percent (5%) of the higher of the book value of the consolidated net tangible assets or trading profits of the group).

(3) Where in the opinion of the board of the issuer disclosure of a matter required by this regulation would be unduly detrimental to the issuer, the issuer may deliver details of the event to the Exchange on a strictly confidential basis together with reasons why the information should not be disclosed at that time. The Exchange may at any time order that an announcement be delivered to it for dissemination by the Exchange.

Purchases of securities

6.14

(1) An issuer must comply with the provisions of Regulations 6.38 to 6.44 when engaging in the repurchase of its own securities pursuant to a securities repurchase programme.

(2) If any one or more of the circumstances set out below occurs in relation to a listed issuer, then the issuer shall deliver to the Exchange without delay a written notice containing details of the matter for dissemination by the Exchange:

(i) any repurchase, drawing or redemption by the issuer or any of its subsidiaries of the issuer's listed securities otherwise than in accordance with Regulations 6.38 to 6.44;

(ii) if the directors or executive officers of the listed issuer become aware of any shareholder who, either directly or indirectly, acquires a beneficial interest, control or direction over a sufficient number of securities of the issuer, or securities convertible in to the issuer's securities, so as to become a holder of five percent (5%) or more of the issuer's securities or any change in the identity of such shareholders; or

(iii) if the directors or executive officers of the listed issuer become aware of any shareholders who, either directly or indirectly, beneficially own or exercise control or direction over five percent (5%) or more of an issuer's securities or securities convertible into the issuer's securities, and such shareholder acquires, in aggregate, an additional three percent (3%) or more of the issuer's securities.

(3) In a situation where an issuer wishes to repurchase in excess of twenty percent (20%) of its listed securities, the issuer shall first contact the Exchange in order to obtain prior approval. The Exchange shall prescribe such procedures as it may deem appropriate in order to maintain market integrity and to ensure equality of treatment for all security holders.

After board meetings

6.15 The issuer shall inform the Exchange without delay after approval by or on behalf of the board, for dissemination by the Exchange, of:-

- (1) any decision to declare, recommend or pay any dividend or to make any other distribution on its listed securities and the rate and amount thereof;
- (2) any decision not to declare, recommend or pay any dividend which would otherwise have been expected to have been declared, recommended or paid in due course;
- (3) any proposed change in the capital structure; and
- (4) any decision to change the general character or nature of the business of the issuer or group.

Changes

6.16

(1) The issuer shall inform the Exchange without delay, for dissemination by the Exchange, of any decision made in regard to:-

- (i) any proposed alteration of the issuer's constitution;
 - (ii) any changes in its board of directors, and shall procure and lodge with the Exchange as soon as practicable after their appointment a signed declaration and undertaking in the form set out in Part B of Appendix 3, from each new director;
 - (iii) any change in the rights attaching to any class of listed securities and any change in the rights attaching to any shares into which any listed securities are convertible or exchangeable; and
 - (iv) any changes in its secretary, auditors, registered address, transfer agent or registrar.
- (2) The issuer shall inform the Exchange without delay of any decision to change its listing sponsor or authorised representatives.

Basis of allotment

6.17 The issuer shall inform the Exchange, for dissemination by the Exchange, of the basis of allotment of securities offered to the public for subscription or sale and of the results of any rights issue and, if applicable, of the basis of any acceptance of excess applications, as soon as reasonably practicable, but in any event, not later than the morning of the business day next after the allotment letters or other relevant documents of title are posted.

Winding-up and liquidation

6.18

(1) The issuer shall inform the Exchange without delay, for dissemination by the Exchange, on the happening of any of the following events as soon as the same shall come to the attention of the issuer:-

- (i) the presentation of any winding-up petition, or equivalent application in the country of incorporation or other establishment, or the making of any winding-up order or the appointment of a provisional liquidator in respect of the issuer, its holding company or any major subsidiary;
- (ii) the passing of any resolution by the issuer, its holding company or any major subsidiary that it be wound-up by way of members' or creditors' voluntary winding-up;
- (iii) the entry into possession of or the sale by any mortgagee of a portion of the issuer's assets which in aggregate value represents an amount in excess of twenty percent (20%) of the book value of the consolidated net tangible assets of the group; or
- (iv) the making of any judgement, declaration or order by any court or tribunal of competent jurisdiction whether on appeal or at first instance, which may adversely affect the issuer's enjoyment of any portion of its assets which in aggregate value represents an amount in excess of twenty percent (20%) of the book value of the consolidated net tangible assets of the group.

(2) For the purposes of paragraph (1) a "major subsidiary" means a subsidiary representing twenty percent (20%) or more of the book value of the consolidated net tangible assets or trading profits of the group.

Minimum required public holdings

6.19

(1) The issuer shall inform the Exchange without delay if it becomes aware that the number of listed securities which are in the hands of the public has fallen below the relevant required minimum percentage or the number of shareholders has fallen below the prescribed minimum (see Regulation 4.7).

(2) Once the issuer becomes aware that the number of listed securities in the hands of the public has fallen below the relevant prescribed minimum percentage the issuer shall take steps to ensure compliance at the earliest possible moment.

Dividend declarations

6.20 Any decision by an issuer to declare, recommend or pay any dividend or to make any other distribution on its listed securities and the rate and amount thereof must be made, and reported to the Exchange for dissemination by the Exchange, at least five (5) business days prior to the record date for that distribution.

PRE-EMPTIVE RIGHTS

6.21

(1) Except in the circumstances mentioned in paragraph (3) (subject to paragraph (2)) the directors of the issuer shall obtain the consent of shareholders in general meeting prior to:-

(i) allotting, issuing or granting:-

(a) shares;

(b) securities convertible into shares; or

(c) options, warrants or similar rights to subscribe for any shares or such convertible securities,

if the shares are a class of listed securities; and

(ii) any major subsidiary of the issuer making any such allotment, issue or grant so as materially to dilute the percentage equity interest of the issuer and its shareholders in such subsidiary.

(2) Notwithstanding sub paragraph (3)(ii) below, the directors of the issuer shall obtain the consent of the shareholders in general meeting prior to allotting any voting shares if such allotment effectively alters the control of the issuer.

(3) No such consent as is referred to in paragraph (1) shall be required:-

(i) for the allotment, issue or grant of such securities pursuant to an offer made to the shareholders of the issuer, and, where appropriate, to holders of other equity securities of the issuer entitled to be offered them, pro rata (apart from fractional entitlements) to their existing holdings; or

(ii) if, but only to the extent that, the existing shareholders of the issuer have by ordinary resolution in general meeting given a general mandate to the directors of the issuer, either unconditionally or subject to such terms and conditions as may be specified in the resolution, to allot or issue such securities or to grant any offers, agreements or options which would or might require securities to be issued, allotted or disposed of, whether during the continuance of such mandate or thereafter.

(4) If the general mandate given under sub paragraph (3)(ii) above permits the directors to allot or agree to allot more than twenty percent (20%) of the existing issued share capital of the issuer, then the original mandate and any renewal shall only continue in force until:-

- (i) the conclusion of the first annual general meeting of the issuer following the passing of the resolution that gives or renews the mandate, at which time it shall lapse unless, by ordinary resolution passed at that annual general meeting, the mandate is renewed, either unconditionally or subject to conditions; or
- (ii) revoked or varied by ordinary resolution of the shareholders in general meeting whichever occurs first.

(5) For the purposes of sub-paragraph (1)(ii) a "major subsidiary" has the same meaning as in Regulation 6.18(2)

(6) The issuer shall obtain the Exchange's prior consent before issuing or granting any options, warrants or similar rights to subscribe or purchase equity securities of the issuer which are of a class of listed securities. Where the Exchange approves an employee or executive share scheme, the issuer need not apply for separate approval to grant each individual option thereunder.

REVIEW AND DISTRIBUTION OF OTHER DOCUMENTS

6.22 In addition to the specific requirements set out in these Listing Regulations, the issuer shall submit to the Exchange, for review, copies of drafts, before they are issued, of any announcements or advertisements the subject matter of which involves a change in or relates to or affects arrangements regarding trading in its listed securities on the Exchange (including a suspension of trading).

6.23 The issuer shall send ten (10) copies to the Exchange of every circular sent to holders of the issuer's listed securities, at the same time as they are issued, for dissemination by the Exchange.

6.24 The issuer shall send to the Exchange ten (10) copies of all shareholder resolutions of the issuer, documents relating to takeovers mergers and offers, notices of shareholder meetings, forms of proxy, reports, announcements or other similar documents, at the same time as they are issued, for dissemination by the Exchange.

SETTLEMENT ISSUES

Limitations on foreign shareholdings

6.25 The issuer shall notify the Exchange as soon as the percentage of its issued share capital which is held by non Bermudians reaches thirty percent (30%). Once the percentage held by non Bermudians reaches the maximum level permitted under the Companies Act from time to

time, the issuer agrees that it will adopt the special trading and settlement procedures specified by the Exchange from time to time.

Registration of transfers

6.26 The issuer shall register transfers and issue definitive certificates arising out of a registration of transfers or the splitting of certificates within seven (7) business days of receiving properly executed transfer documents or the date of expiration of any right of renunciation (as appropriate).

Certificates

6.27 The issuer shall ensure that every person whose name is entered as a member in the register of members shall be entitled without charge to receive one certificate for all his shares. In addition, the issuer shall permit a shareholder to have his shareholding evidenced by as many certificates as the shareholder requires (and in the sizes requested), subject to a maximum charge of \$10 per certificate issued after the first.

Fees

6.28 Subject to Regulation 6.27, the issuer and its registrar shall not charge investors any fee for the registration of transfers or other documents relating to or affecting the title to any shares, splitting certificates, issuing certificates or marking or noting such documents.

Registrar

6.29 If the issuer does not maintain its own register, the issuer must make appropriate arrangements with its registrar to ensure compliance with these Listing Regulations.

GENERAL***Subsequent listings***

6.30 The issuer shall apply for the listing of any further securities which are of the same class as securities already listed on the Exchange, prior to their issue, and shall not issue such securities unless it has applied for the listing of those securities and the Exchange has approved the application. The Exchange may give "in principle" approval in advance for the issue of further securities under a dividend reinvestment plan or share option scheme or on the exercise of a convertible security, where the plan, scheme or convertible security is approved by the Exchange. In such cases, the issuer shall seek the Exchange's confirmation of the listing of all securities issued pursuant to the "in principle" approval during each financial year within three (3) months of the end of that financial year.

Proxy forms

6.31 The issuer shall send with the notice convening a meeting of holders of listed securities to all persons entitled to vote at the meeting, proxy forms, with provision for two-way voting on all resolutions intended to be proposed thereat.

Equality of treatment

6.32 The issuer shall ensure equality of treatment for all holders of listed securities of the same class.

Sufficient operations

6.33 The issuer shall carry out, directly or indirectly, a sufficient level of operations or have tangible assets of sufficient value and/or intangible assets for which a sufficient potential value can be demonstrated to the Exchange to warrant the continued listing on the Exchange of the issuer's securities.

Response to enquiries

6.34 The issuer shall respond promptly to any enquiries made of the issuer by the Exchange concerning unusual movements in the trading, bid or offer price or trading volume of its listed securities with reference to its relative historic pattern of trading, or any other matters, by giving such relevant information as is available to the issuer or, if appropriate, by issuing a statement to the effect that the issuer is not aware of any matter or development that is or may be relevant to the unusual price movement or trading volume of its listed securities.

Additional obligations

6.35 The Exchange shall be entitled to require the publication of further information by, and impose additional continuing obligations on the issuer, where it considers that circumstances so justify, but will allow representations by the issuer before imposing any additional obligations on it which are not imposed on listed issuers generally.

Insider dealing

6.36 The issuer shall adopt by board resolution and enforce an internal code of dealing for directors and executive officers which proscribes their ability to trade on the basis of unpublished price sensitive information. The code must, as a minimum, prohibit the directors and executive officers from dealing in the issuer's listed securities for the period from when they become aware of the interim and full year results until those results are announced.

SECURITIES REPURCHASE PROGRAMMES

6.37 An issuer may purchase up to twenty percent (20%) of its listed securities pursuant to a securities repurchase programme during the twelve (12) month period commencing from the date which is three (3) business days after the date written notice is provided to, and accepted by the Exchange, providing the repurchases occur through the facilities of the Exchange and no

more than two percent (2%) of the aggregate number of listed securities of the issuer are repurchased in any rolling thirty (30) calendar day period.

6.38

- (1) The written notice provided pursuant to Regulation 6.37 must indicate:
 - (i) the issuer has a present intention to acquire the listed securities pursuant to a securities repurchase programme;
 - (ii) the number of listed securities the issuer's board of directors has determined may be acquired or the amount of money that has been put aside to make such purchases;
 - (iii) the percentage of the overall listed securities the repurchase represents;
 - (iv) the reasons for the securities repurchase;
 - (v) details of any repurchases during the previous year;
 - (vi) to the extent known by the issuer's directors or executive officers, details of every associate and insider of the issuer and every associate of any insider of the issuer, who intends to sell listed securities to the issuer during the course of the securities repurchase programme; and
 - (vii) any direct or indirect benefits to any person specified in (vi) herein by selling or not selling the listed securities during the currency of the securities repurchase programme.
- (2) The Exchange will not accept notice of a securities repurchase programme if the issuer would not meet the Exchange's listing requirements, as specified in Regulations 4.7 and 4.8, assuming all the purchases contemplated by the notice were made.

6.39 In order to ensure equality of treatment for all securities holders, the following rules must be obeyed when an issuer repurchases its own securities:

- (1) the price paid by the issuer for the repurchase of its listed securities shall not be higher than the last independent trade of a round lot of the class of securities which is the subject of the repurchase. In particular, a trade directly or indirectly for the account of an associate or insider of the issuer or any associate of an insider of the issuer is not considered to be an "independent trade";
- (2) a pre-arranged trade is not permitted where the seller is an associate or insider of the issuer or an associate of an insider of the issuer;
- (3) the repurchase shall be made in the open market and not by private agreement;

(4) should any unpublished price sensitive information come to the attention of the issuer or any of its insiders or executive officers, the security repurchase programme shall be immediately suspended until such time as a public announcement concerning the price sensitive information is disseminated by the Exchange.

6.40 The issuer shall include a copy of the notice referred to in Regulation 6.38 in either the next annual report by the directors, the next six monthly report or such other document as may next be sent to the holders of the issuer's listed securities.

6.41 During the course of the securities repurchase programme, an issuer may amend its notice to the Exchange by increasing or decreasing the number of listed securities sought, provided the maximum percentage referred to in Regulation 6.37 is not exceeded within the twelve (12) month period in question.

6.42 An issuer may make repurchases of its listed securities from associates and insiders of the issuer and from associates of the insiders of the issuer provided no more than such person's pro-rata share of the listed securities are repurchased.

6.43 Within ten (10) calendar days of the end of each month in which any repurchase is made, the issuer must provide a written report to the Exchange stating the number of listed securities repurchased during the month, the date of the repurchases, the average repurchase price and whether the repurchase securities have been cancelled, reserved for issuance or otherwise dealt with.

APPENDIX 1**FORM OF LETTER OF APPLICATION**

A formal letter of application shall, in substantially the order given below, cover the following information. Information in a draft prospectus which is enclosed with the application letter may be incorporated by reference:-

1. General

- (1) the name of the applicant and the date of incorporation;
- (2) the address of the principal registered office and the address of each office at which a share register is kept;
- (3) a formal request for the listing of the securities in respect of which application is made, specifying the nature of the securities and the amount, class and par value and whether they are to be fully paid.
- (4) the proposed method by which the securities are to be brought to listing and details of any proposed distribution of the securities;
- (5) the estimated market capitalisation of the securities for which a listing is sought. In the case of debt securities, the total net tangible assets of the applicant;
- (6) an estimate of the net proceeds of any proposed issue and the intended use of the proceeds; and
- (7) the name of any other stock exchange on which any securities of the issuer are already listed and/or traded.

2. Share capital and ownership

- (1) A list in tabular form of:-
 - (i) the designation or title of each class of share;
 - (ii) the number of shares authorised;
 - (iii) the number of shares issued;
 - (iv) the par value;
 - (v) the amount of fully paid up shares;
 - (vi) the shareholdings of the directors and officers of the issuer;

(vi) so far as is known, or can be ascertained after reasonable enquiry, the names of all shareholders of the issuer who own or control, directly or indirectly five percent (5%) or more of the shares of the issuer and their respective shareholdings;

(vi) the total number of shares, if any, to be issued in connection with the listing; and

(vii) the total number of shares to be issued on full exercise of all outstanding options or rights of conversion, for which “in principle” approval for listing is being sought.

3. History and nature of business

A short introductory paragraph describing the general nature of the business and products of the applicant. A brief history of the issuer for the last five (5) years or, if later, from inception to the date of the application. A description of the business now conducted by the issuer and its subsidiaries, including principal products manufactured, services performed or investments held, principal markets for products and raw materials, method of marketing, annual turnover for the preceding three (3) financial years and for the current financial year to the latest date available.

4. Summary of earnings

A summary of earnings, on a consolidated basis if the applicant has subsidiaries, for the last three (3) financial years, showing sales, earnings before charges for depreciation, interest and tax (if any), the amount of each of those charges, net income before extraordinary items, extraordinary items, net income and earnings per share.

5. Tabulation of balance sheet

A tabulation of its balance sheet for each of the last three (3) financial years (on a consolidated basis if the issuer has subsidiaries) or from the date of incorporation, if shorter. The tabulation should include a calculation of the net asset value per security for each of the three (3) financial years.

6. Employees

A statement as to the total number of persons regularly employed and, if subject to seasonal fluctuations, the maximum and minimum numbers employed during the preceding twelve (12) months.

7. Subsidiaries

A tabular list of all subsidiaries showing in respect of each such company:-

(1) the name of the company;

(2) a brief statement of the nature of its business and its relationship to the operations of the entire enterprise; and

(3) share capital by classes, showing the par value, amount authorised, amount issued and the amount owned by the holding company or under option to the holding company.

8. Dividend record

State the number of consecutive years in which dividends have been paid. State the amount of dividend (per share and in the aggregate) paid by the applicant (and its subsidiaries) for each of the three (3) preceding years. Indicate whether dividends have been paid on a quarterly, semi-annual or annual basis. State the record date, payment date and the date of declaration with respect to each dividend paid during the preceding three (3) years.

9. Properties

Describe briefly the general character of the properties of the applicant and its subsidiaries, including:-

(1) location;

(2) land area;

(3) number of buildings;

(4) aggregate floor area of buildings; and

(5) whether the property is owned outright, mortgaged or leased, and if leased, state total rental paid for each of the three (3) preceding financial years and average term of years and, if mortgaged, state total mortgage repayments for each of the three (3) preceding financial years.

10. Litigation

Particulars of any litigation or claims of material importance made against any member of the group in the last five (5) years or which is pending or threatened against any member of the group, or an appropriate negative statement.

11. Management

(1) the full name, residential address and description (being his qualifications or area of expertise or responsibility) of every director or proposed director and any person who performs an important administrative, management or supervisory function and particulars of the principal functions performed by each of them within the group if significant to the group;

(2) the nature of any family relationship between the persons mentioned in (1);

(3) a brief account of the business experience of each of these persons during the last five (5) years;

(4) indicate any other directorships held by each director or proposed director in any publicly listed or traded companies; and

(5) state if any director or proposed director has, in any jurisdiction, been convicted in any criminal proceeding or has had a bankruptcy petition filed against him or any partnership in which he was a partner or any body corporate of which he was a director or has been sanctioned or otherwise disciplined by any self regulatory securities association of which he is or has been a member or any securities supervisory or regulatory body or any such event is pending.

12. Sponsors, bankers, etc.

(1) The names and addresses of the issuer's principal bankers, authorised representatives, stockbroker, financial and legal advisers, transfer agent/share registrar and of the sponsor to the issue; and

(2) the name, address and professional qualification of the issuer's current auditors and any previous auditors in the preceding three (3) years.

13. Statement of non-compliance

A statement of any requirements of the Listing Regulations which cannot be met by the applicant and detailed arguments to support any request for a waiver or modification of the normal requirements.

14. Declaration

A declaration, stated to be to the best of the issuer's knowledge, information and belief:-

(1) that, save as specified in the application letter, all the qualifications for listing set out in Chapter 4 of Section IIB of the Listing Regulations have, in so far as applicable and required to be met and fulfilled prior to application, been met or fulfilled in relation to the issuer and the securities of the issuer the subject of the application;

(2) that all information required to be included in the prospectus pursuant to Regulation 5.8 and Appendix 2 and the Companies Act will be included; and

(3) that there are no other facts bearing on the issuer's application for listing which, in the issuer's opinion, should be disclosed to the Exchange.

APPENDIX 2

CONTENTS OF PROSPECTUSES

Preliminary

1. In the case of a rights issue prospectus only the following paragraphs apply: 2 to 4, 8, 11 to 16, 21,31 to 40 and 43 to 52 but the following additional information must be given:-

- (1) the pro rata entitlement;
- (2) the last date on which transfers were or will be accepted for registration for participation in the issue;
- (3) how the shares rank for dividend or interest;
- (4) whether the shares rank pari passu with any existing listed securities;
- (5) the nature of the document of title (if any) and its proposed date of issue;
- (6) how any fractions will be treated; and
- (7) how shares not taken up will be dealt with and the time in which the offer may be accepted.

General information about the issuer, its advisers and the prospectus

2. The full name, and address of the registered office, of the issuer.
3. A statement in bold type as follows:-

"This prospectus includes particulars given in compliance with the Listing Regulations of the Bermuda Stock Exchange for the purpose of giving information with regard- to the issuer. The directors collectively and individually accept full responsibility for the accuracy of the information contained in this prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading".

4. The names and addresses of the issuer's principal bankers, authorised representatives, stockbroker, financial and legal advisers, transfer agent/share registrar and of the sponsor to the issue.
5. The name, address and professional qualifications of the issuer's auditors.
6. The date of incorporation of the issuer.

7. The provisions, or a sufficient summary of the provisions, of the constitution with regard to:-

- (1) any power enabling a director to vote on a proposal, arrangement or contract in which he is materially interested;
- (2) any power enabling the directors to vote remuneration (including pension or other benefits) to themselves or any members of their body and any other provision as to the remuneration of the directors;
- (3) borrowing powers exercisable by the directors and how such borrowing powers can be varied;
- (4) retirement or non-retirement of directors under an age limit;
- (5) directors' qualification shares;
- (6) changes in capital;
- (7) any time limit after which entitlement to dividend lapses and an indication of the party in whose favour the lapse operates; and
- (8) arrangements for transfer of the securities and (where permitted) any restrictions on the free transferability.

8. Where the prospectus includes a statement purporting to be made by an expert, a statement:-

- (1) specifying the qualifications of such expert and whether such expert has any shareholding in any member of the group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the group, and, if so, a full description thereof;
- (2) that the expert has given and has not withdrawn his written consent to the issue of the prospectus with the expert's statement included in the form and context in which it is included; and
- (3) of the date on which the expert's statement was made and whether or not it was made by the expert for incorporation in the prospectus.

9. Particulars of any other stock exchange on which any part of the equity or debt securities of the issuer is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought, the name of the stock exchange on which the issuer's primary listing is or is to be and particulars of the dealing and settlement arrangements on each such exchange and between such exchanges, or an appropriate negative statement.

10. Particulars of any commissions, discounts, brokerages or other special terms granted within the two (2) years immediately preceding the issue of the listing document in connection with the issue or sale of any capital of any member of the group, together with the names of any directors or proposed directors, promoters or experts (as named in the prospectus) who received any such payment or benefit and the amount or rate of the payment or benefit they received, or an appropriate negative statement.

Information about the securities for which listing is sought and the terms and conditions of their issue and distribution

11. A statement that application has been made to the Exchange for the listing of the securities.

12. The nature and amount of the issue including the number of securities which have been or will be created and/or issued and a full description of, including a summary of the terms attaching to, the securities for which listing is sought.

13. The following information, so far as is appropriate, concerning the terms and conditions of the issue of the securities in respect of which the application for listing is made:-

- (1) the total amount of the issue and the number of securities offered, where applicable, by category;
- (2) the issue price or offer price of each security, stating the nominal value of each security;
- (3) the methods of payment of the issue or offer price;
- (4) the procedure for the exercise of any right of pre-emption and the transferability of subscription rights;
- (5) the period during which the issue or offer of securities will remain open after issue of the prospectus, the date and time of opening of the subscription list, and the names of the receiving bankers;
- (6) the methods of and the time limits for delivery of the securities;
- (7) the names, addresses and description of the persons underwriting the issue for the issuer;
- (8) in the case of an offer for sale of securities, the names, addresses and descriptions of the vendor(s) of the securities or, if there are more than ten (10) vendors, such details of the ten (10) principal vendors and a statement of the number of other vendors and particulars of any beneficial interest possessed by any director of the issuer in any securities so offered for sale;

- (9) the method of issuing securities to be listed on the Exchange; and.
- (10) an estimate of the total proceeds of the issue and the amount of expenses to be incurred by the issuer in making the issue (identifying any commissions to be paid to financial intermediaries).
14. Where listing is sought for securities with a fixed dividend, particulars of the profits cover for dividend.
15. A statement of the net tangible asset backing for each class of security for which listing is sought, after making allowance for any new securities to be issued, as detailed in the prospectus.
16. If known, the date on which trading on the Exchange will commence.

Information about the issuer's capital

17. The authorised share capital of the issuer, the amount issued or agreed to be issued, the amount paid up, the nominal value and a description of the shares.
18. The amount of any outstanding convertible debt securities and particulars of the conditions governing and the procedures for conversion, exchange or subscription of such securities.
- 19.
- (1) The voting rights of shareholders.
- (2) If there is more than one class of share, the rights of each class of share as regards voting, dividend, capital redemption, and the creation or issue of further shares ranking in priority to or pari pass with each class other than the lowest ranking equity.
- (3) A summary of the consents necessary for the variation of such rights.
20. Particulars of any alterations in the capital of any member of the group within the two years immediately preceding the issue of the prospectus, including:-
- (1) where any such capital has been issued or is proposed to be issued as fully or partly paid up otherwise than in cash, particulars of the consideration for which the same has been or is proposed to be issued and in the latter case the extent to which they are so paid up; and
- (2) where any such capital has been issued or is proposed to be issued for cash, particulars of the price and terms upon which the same has been or is proposed to be issued, details of any discounts or other special terms granted, or an appropriate negative statement.

21. Particulars of any capital of any member of the group which is under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee, or an appropriate negative statement: Provided that where options have been granted or agreed to be granted to all the members or debenture holders or to any class thereof, or to employees under a share scheme, it shall be sufficient, so far as the names and addresses are concerned, to record that fact without giving the names and addresses of the grantees.

General information about the group's activities

22. A brief history and the general nature of the business of the group and, in cases where two or more activities are carried on which are material in terms of profits or losses, assets employed or any other factor, such figures and explanation as are necessary to demonstrate the relative importance of each such activity and details of the main categories of products sold and/or services performed and an indication of any significant new products and/or activities.

23. If the issuer is a member of a group, a brief description of that group covering the issuer's position within that group and, if a subsidiary, the names of and the number of shares held (directly or indirectly) by each holding company of the issuer.

24. Particulars of any trade marks, patents or other intellectual or industrial property rights which are material in relation to the group's business and, where such factors are of fundamental importance to the group's business or profitability, a statement regarding the extent to which the group is dependent on such factors.

25. Information concerning the policy of the group on the research and development of new products and processes over the past five (5) financial years where significant.

26. Particulars of any interruptions in the business of the group which may have or have had a significant effect on the financial position in the last twelve (12) months.

27. The number of people employed by the group and changes therein in the last financial year, if such changes are material in the context of the group, with, if possible, a breakdown of persons employed by main categories of activity.

28. Particulars, including location, of the principal investments (if any), including such investments as new plant, factories and research and development, being made or planned by the group.

29. In regard to every company the whole of, or a substantial proportion of, whose capital is held or intended to be held (either directly or indirectly) by the issuer, or whose profits or assets make or will make a material contribution to the figures in the latest audited accounts or the next published accounts, particulars of the name, date and country of incorporation, general nature of business, issued capital and the proportion thereof held or intended to be held.

30. In regard to the group, particulars of the location of the principal establishments.

Financial information about the group and the prospects of the group

31. A comparative table showing the profit and loss accounts, balance sheets and statements of changes in financial position in respect of the three (3) financial years immediately preceding the issue of the prospectus, or since establishment if shorter (including any explanatory notes and a statement as to the accounting standards applied) and the auditor's report accompanying the latest accounts. If more than nine months have elapsed since the date to which the latest audited accounts of the issuer were made up, an interim financial statement covering at least the first six months must be included in the prospectus or appended to it. If the interim financial statement is unaudited, this fact must be stated and a comfort letter from the issuer's auditor, in a form acceptable to the Exchange, must be provided to the Exchange.

32. The accounts should be shown on a consolidated basis unless the issuer has only published its accounts on another basis. However, the issuer's own accounts should be included if they provide significant additional information. Where the proceeds of the issue are to be applied in whole or in part to the acquisition of a business, by the purchase of assets or shares, the prospectus must include the financial statements of the acquired business and pro forma statements combining the assets and liabilities, income or losses and changes in financial position of the business with those of the issuer, in a manner acceptable to the Exchange. If an auditor's report is prepared in connection with the pro forma financial statements it need only be concerned with the manner in which the statements have been compiled.

33. A consolidated capitalisation statement and indebtedness statement for the issuer made up to a recent date acceptable to the Exchange (normally not earlier than three (3) months prior to the issue of the prospectus) giving information on short, medium and long-term debt (distinguishing between actual and contingent liabilities and including details of any debt securities issued and, if appropriate, the terms and conditions of any conversion, exchange or subscription rights) and shareholders' equity (including an indication of authorised and issued share capital by class, if appropriate, and the amount paid-up) duly adjusted to reflect the issue of the equity securities for which listing is sought accompanied by particulars of any material changes since that date, or an appropriate negative statement.

34. A statement showing the sales turnover figures or gross trading income of the group during the three (3) financial years immediately preceding the issue of the prospectus which should contain an explanation of the method used for computation of such turnover or income and a reasonable breakdown between the more important trading activities.

35. General information on the trend of the business of the group since the date to which the latest audited accounts of the issuer were made up.

36. A statement of any material information which may be relevant to the financial and trading prospects of the group for at least the current financial year, including all special trade factors or risks (if any) which are not mentioned elsewhere in the prospectus and which are unlikely to be known or anticipated by the general public, and which could materially affect the profits.

37. Where a profit forecast appears in the prospectus the principal assumptions, including commercial assumptions, upon which it is based, must be stated. The accounting policies and calculations for the forecast must be examined and reported on by the auditors in a form acceptable to the Exchange and its report must be set out. The sponsor, in the case of a new applicant, must report in addition that they have satisfied themselves that the forecast has been stated by the directors after due and careful enquiry, and such report must be set out.

38. A statement by the directors that in their opinion the working capital available to the group is sufficient or, if not, how it is proposed to provide the additional working capital thought by the directors to be necessary.

39. A statement by the directors of any material adverse change in the financial or trading position of the group since the end of the period reported on in the latest audited accounts, or an appropriate negative statement.

40. Particulars of any litigation or claims of material importance pending or threatened against any member of the group, or an appropriate negative statement.

Information about the issuer's management

41. The full name, nationality, residential or business address and description (being his qualifications or area of expertise or responsibility) of every director or proposed director and of every executive officer.

42. The full name and professional qualification, if any, of the secretary of the issuer.

43. The address of the registered office and, if different, the head office and transfer office.

44. A statement showing the interest of each director and executive officer of the issuer in the equity or debt securities of the issuer or any subsidiary of the issuer.

45. A statement showing the name and address of each person, other than a director or executive officer of the issuer, who owns five percent (5%) or more of the shares of the issuer, or, if there are no such interests, an appropriate negative statement.

46. Particulars of directors' existing or proposed service contracts with any member of the group (excluding contracts expiring or determinable by the employer within one year without payment of compensation), or an appropriate negative statement.

47. The aggregate of the remuneration paid and benefits in kind granted to the directors of the issuer by any member of the group in respect of the last completed financial year under any description whatsoever.

48. An estimate of the aggregate remuneration payable to, and benefits in kind receivable by, the directors or any proposed directors of the issuer by any member of the group in respect of the current financial year under the arrangements in force at the date of the prospectus.

49. Full particulars of any contract or arrangement subsisting at the date of the prospectus in which a director of the issuer is materially interested and which is significant in relation to the business of the group, or an appropriate negative statement.

Use of proceeds

50. In the case of an issue of new shares, details of the intended use of the proceeds of the issue.

Material contracts

51. The dates of and parties to all material contracts (not being contracts entered into in the ordinary course of business) entered into by any member of the group within the two years immediately preceding the issue of the prospectus, together with a summary of the principal contents of such contracts and particulars of any consideration passing to or from any member of the group.

Documents for inspection

52. Details of a reasonable period of time (being not less than ten (10) business days) during which, and a place in Hamilton, Bermuda at which, the following documents (or copies thereof) where applicable may be inspected:-

- (1) the constitution of the issuer;
- (2) any comfort letter required pursuant to paragraph 31;
- (3) each contract disclosed pursuant to paragraphs 46 and 51 or, in the case of a contract not reduced into writing, a memorandum giving full particulars thereof;
- (4) all reports, letters or other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in the prospectus;
- (5) the audited accounts of the issuer or, in the case of a group, the consolidated audited accounts of the issuer and its subsidiaries for each of the three (3) financial years immediately preceding the issue of the prospectus, or since incorporation, if shorter;
- (6) the final form of the prospectus.

APPENDIX 3

FORMS

PART A: ISSUER'S UNDERTAKING**Form of Issuer's Undertaking required to be entered into by an issuer in support of its application for a listing**

TO: The Bermuda Stock Exchange
 FROM: []

In consideration of The Bermuda Stock Exchange ("the Exchange") granting our application for listing, we HEREBY ACKNOWLEDGE that our securities shall remain listed only during the pleasure of the Exchange, and that we HEREBY UNDERTAKE AND AGREE to comply with the Listing Regulations in force from time to time as issued by the Exchange and in particular undertake and agree to comply with the continuing obligations of the Exchange as set out in Chapter 6 of Section IIB of the Listing Regulations of the Exchange.

In addition, we agree to move up to the main board, and to enter into a new Issuer's Undertaking as appropriate for a main board company at that time, in accordance with the requirements of the Listing Regulations.

Dated this day of 200 .

Signature: Name:

Signed for and on behalf of the issuer as authorised thereto by resolution of the board of directors dated:

PART B: DIRECTOR'S DECLARATION AND UNDERTAKING**Form of declaration and undertaking required to be entered into by each director of an issuer whose securities are listed on the Exchange**

TO: The Bermuda Stock Exchange

DECLARATION

1. State:

(1) present surname and any former surname(s);

(2) present forename(s) and any former forenames(s);

- (3) date of birth;
 - (4) residential address;
 - (5) nationality and former nationality, if any; and
 - (6) professional qualifications, if any.
2. Are you a director, shadow director or alternate director of any other company or a trustee of any trust or a partner in any partnership which is publicly listed or traded? If so, state the name of any such company, trust or partnership, the nature of business where this is not indicated in the title, and date you became a director, trustee or partner.
3. Have you at any time been adjudged bankrupt or sequestrated in any jurisdiction.
- If so, state the court by which you were adjudged bankrupt and, if discharged, the date and conditions on which you were granted your discharge.
4. Have you at any time been a party to a deed of arrangement or made any other form of composition with your creditors?
5. Are there any unsatisfied judgements outstanding against you? If so, give full particulars.
6. Has any company been put into compulsory liquidation or had an administrator or an administrative or other receiver appointed during the period when you were (or within the preceding twelve (12) months had been) one of its directors, shadow directors or alternate directors?
- Has any partnership or trust been put into compulsory liquidation or been sequestrated during the period when you were (or within the preceding twelve (12) months had been) one of its partners or trustees?
- If so, in each case state the name, nature of business, date of commencement of winding up, administration or receivership and the amount involved together with an indication of the outcome or current position.
7. Have you at any time or has a company of which you were a director, shadow director or alternate director at the time of the offence been convicted in any jurisdiction of any criminal offence or an offence under legislation relating to companies. All such convictions must be disclosed even though they may now be "spent convictions".
- If so, state the court by which you were or the company was convicted, the date of conviction and full particulars of the offence and the penalty imposed.

We,..... being sponsor to
..... {name of issuer} hereby
declare that:-

1. Offers for subscription and offers for sale

to the best of our knowledge and belief, at the time trading commences on the Exchange at least fifteen (15%) of the issued securities will be in the hands of the public in accordance with the Listing Regulations of the Bermuda Stock Exchange (the "Listing Regulations"); or

2. Placings or Introductions

(1) to the best of our knowledge and belief, the securities have been placed/are held as follows:-

No. of Placees/holders

No. of Securities Placed/Held

[use separate sheet if necessary]

; and

(2) to the best of our knowledge and belief fifteen percent (15%) of the securities have been placed in the hands of the public in accordance with the Listing Regulations; and

3. General

(1) to the best of our knowledge and belief, having made due and careful enquiry of the issuer and its advisers, the issuer has satisfied all relevant conditions for listing and other relevant requirements of the Listing Regulations;

(2) to the best of our knowledge and belief, having made due and careful enquiry of the issuer and its advisers:

(i) all the documents required by the Listing Regulations to be included in the application for listing have been supplied to the Exchange;

(ii) all other relevant requirements of the Listing Regulations have been complied with; and

(iii) there are no matters other than those disclosed in the prospectus or otherwise in writing to the Exchange which should be taken into account by the Exchange in considering the suitability for listing of the securities for which application is being made;

(3) the directors of the issuer:

(i) have had explained to them by us or other appropriate professional advisers the nature of their responsibilities and obligations as directors of a listed company under the Listing Regulations; and

(ii) in particular, understand what is required of them to enable holders of the issuer's listed securities and the public to appraise the position of the issuer and avoid the creation of a false market in its securities once they are listed;

(4) we have obtained written confirmation from the issuer that the working capital available to the group is sufficient for its present requirements and we are satisfied that the confirmation has been given after due and careful enquiry by the issuer and that the persons or institutions providing finance have stated in writing that the relevant financing facilities exist; and

(5) we are satisfied that any profit forecast or estimate in the prospectus has been made after due and careful enquiry by the issuer; and

4. Acknowledgement of Exchange's disciplinary power

we acknowledge that if the Exchange considers that we have been in breach of our responsibilities under the Listing Regulations or this declaration, then the Exchange may censure us and/or refuse to allow us to sponsor further issues by removing our firm from the list of approved sponsors and/or suspend our trading membership under the Trading Membership Regulations and that the Exchange may publicise the fact that it has done so and the reasons for its actions.

Yours faithfully,

Signed.....

Name:.....

For and on behalf of {sponsor's name}

APPENDIX 4

MANDATORY PROVISIONS FOR CONSTITUTION

This Appendix sets out the matters which must be provided for in the constitution of a domestic issuer which lists equity securities on the Exchange.

Capital structure

Where there is more than one class of share, the articles must state the name of each class and how the various classes will rank for any distribution by way of dividend and on a return of capital.

Non-voting

Where there are equity shares which do not carry voting rights, the words "non-voting" must appear in the designation of such shares.

Restricted voting shares

Where there are equity shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words "restricted voting" or "limited voting".

Preference shares

Where preference shares are listed, they must carry voting rights in at least the following circumstances:

- (1) when dividends on such shares are more than six months in arrears; and
- (2) on any resolution for the winding-up of the company.

Transfer and registration

Transfers and other documents or instructions relating to or affecting the title to any shares must be registered without payment of any fee (except where required by law).

Restrictions on transfer

Fully paid shares must be free from all liens and have free transferability on the Exchange (except for any restriction on a transfer to a shareholder who is not Bermudian under the Companies Act or any other statutory restrictions on transfers).

Register

The closing of the register must be discretionary.

Definitive certificates

Every person whose name is entered as a member in the register of members shall be entitled without charge to receive one certificate for all his shares or several certificates each for 1 or more of his shares upon payment of \$10 for every certificate after the first or such less sum as the directors shall from time to time determine. A new certificate issued to replace one that has been worn out, lost or destroyed must be issued without charge (other than exceptional out of pocket expenses) although a company may require an indemnity prior to the issue of a replacement certificate. Where a holder of securities has sold part of his holding, he must be entitled to a certificate for the balance without charge.

Proxy forms

A corporation may execute a form of proxy under the hand of a duly authorised officer.

Untraceable members

Where power is taken in the constitution to cease sending dividend warrants/cheques by post if such warrants/cheques have been returned undelivered or left uncashed, the power may not be exercised until either such warrants/cheques have been so returned or left uncashed on two consecutive occasions or, following one such occasion, reasonable enquiries have failed to establish any new address of the registered holder.

Where power is taken in the constitution to sell the shares of a member who is untraceable, the power may not be exercised unless:

- (1) during a period of seven (7) years at least three (3) dividends in respect of the shares in question have become payable and no dividend during that period has been claimed; and
- (2) on or after expiry of the seven (7) years the company has given notice, by advertisement published in the newspapers and also in a newspaper circulating in the area in which the last known address of the member or the address at which service of notices may be effected in the manner authorised by the articles is located, of its intention to sell the shares and has informed the Exchange of such intention.

Dividends

Any amount paid up in advance of calls on any share may entitle the holder of the share to interest but must not entitle the holder to participate in respect of that amount in any dividend.

Forfeiture

Where power is taken in the constitution to forfeit unclaimed dividends, the power must not be exercisable until seven (7) years or more after the date the dividend became due for payment to be forfeited.

Directors

The constitution must either prohibit, or empower the chairman/president of the relevant meeting to disqualify, a director from voting on any contract or arrangement or any other proposal in which he has an interest which is a material interest.

Casual vacancies

Any person appointed by the directors to fill a casual vacancy on, or as an addition to, the board must retire from office at, or at the end of, the next following annual general meeting of the company, and will then be eligible to stand for election.

APPENDIX 5

LISTING FEES AND LEVIES

1. Initial fee

(1) In the case of an application for listing of equity securities by a new applicant an initial, non-refundable listing fee shall be payable on application for listing in accordance with the following scale:-

Expected market capitalisation of securities to be listed	Fee
\$m	\$
Not exceeding 5	2,500
7.5	3,500
10	4,500

(2) A new applicant shall pay the initial fee, in advance, at the same time as it submits its formal letter of application in accordance with Chapter 5.

2. Annual fee

(1) In addition to the initial listing fee, an annual fee shall be payable in advance on each class of securities which are listed on the Exchange, in accordance with the following scale:

Market value of securities listed	Fee
\$m	\$
Not exceeding 5	2,500
7.5	3,500
10	4,500
Exceeding 10	5,000

(2) The annual fee in respect of the first year shall be payable at the same time as the issuer submits its formal letter of application in accordance with Chapter 5 and thereafter shall be payable in advance within seven (7) business days of receiving an invoice from the Exchange.

3. Subsequent issue fee

(1) Where a listed issuer makes a subsequent issue of equity securities, a subsequent issue fee shall be charged at the same rate as the initial fee.

(2) This charge does not apply to the issue of securities on the exercise of options, warrants or conversion rights under convertible securities, the grant or issue of which has been approved by the Exchange, or to a capitalisation issue including the issue of securities under a scrip dividend scheme.

(3) An issuer shall pay any subsequent issue fees within seven (7) business days of receiving an invoice from the Exchange.

4. New issue levy

(1) A new issue levy shall be payable to the Exchange by the issuer at the rate of 0.05% of the total consideration payable by a subscriber or purchaser for each security offered to the public under an initial public offering of equity securities of a class new to listing, subject to a maximum payable of \$5,000.

(2) The issuer shall be entitled to charge the subscriber or purchaser (as the case may be) up to half of the levy payable in respect of the securities subscribed or purchased by them but in all cases the issuer shall be responsible for ensuring that the new issue levy is paid to the Exchange.

(3) The new issue levy shall be paid to the Exchange before trading on the Exchange commences in the relevant securities, in the manner specified by the Exchange from time to time.

APPENDIX 6**LIST OF RECOGNISED STOCK EXCHANGES****PART A**

The Main Board of the following exchanges:

- All exchanges licensed to operate in any EU Member State
- All exchanges approved as a National Market by the United States SEC
- All exchanges which are Full Members of the FIBV
- American Stock Exchange
- Australian Stock Exchange
- Boston Stock Exchange
- Chicago Board of Trade
- Chicago Board Options Exchange
- Deutsche Borse
- EUREX
- EURONEXT
- European Association of Securities Dealers Automated Quotation (EASDAQ)
- Frankfurt Stock Exchange
- Hong Kong Exchanges and Clearing
- Irish Stock Exchange
- London International Financial Futures and Options Exchange
- London Metals Exchange
- London Stock Exchange
- London Stock Exchange – Alternative Investment Market (AIM)
- Luxembourg Stock Exchange
- Milan Stock Exchange
- Montreal Stock Exchange
- National Stock Exchange of India
- New York Stock Exchange
- New Zealand Stock Exchange
- OM Stockholm Stock Exchange
- Osaka Securities Exchange
- Oslo Stock Exchange
- SBF - Paris Bourse
- Singapore Stock Exchange
- Swiss Stock Exchange
- Taiwan Stock Exchange
- Tokyo Stock Exchange
- Toronto Stock Exchange

PART B

- Any other board of a Part A Stock Exchange
- Any Exchange which is an Associate Member of the FIBV
- CDNX
- Johannesburg Stock Exchange
- Kuala Lumpur Stock Exchange
- Mumbai Stock Exchange
- NuerMark
- Stock Exchange of Thailand

Note 1: This list is deemed to include any successors stock exchange to the ones included herein.

Note 2: This list of recognised exchanges may be amended or added to by the Exchange pursuant to Regulation 1.7