

Guidelines to the Listing Regulations

All Issuers

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Chapter 1. Introduction

- 1.1 Listing Regulations – Section I – Regulation 1.8 provides that the BSX may issue policy notes or notes of interpretation from time to time.
- 1.2 These Guidelines are designed to assist issuers and their advisors in interpreting and complying with the Listing Regulations. These Guidelines are not binding on the BSX and the BSX reserves the right to amend, impose additional requirements on an issuer seeking a listing on the BSX or waive requirements as it sees fit.
- 1.3 The BSX disclaims any liability for any loss arising from or in reliance upon any part of these Guidelines.

Chapter 2. General Requirements for all Issuers

Minimum Director Requirements

- 2.1 While the Listing Regulations are silent in relation to number of directors required to meet the requirements for listing, an issuer is expected to have good corporate governance arrangements in place appropriate to the nature of its business.
- 2.2 In practice, the BSX recognises that the number of directors required to maintain good corporate governance depends on the collective knowledge, experience and technical expertise of the appointed directors and on a range of factors including the nature and complexity of the business, the type of security, whether investment is open to the public or restricted, trading activity, regulatory requirements, the level and range of customers, employees and other stakeholders.
- 2.3 The BSX requires an issuer to have a minimum of 3 directors in place (except in the case of intercompany loan arrangements where 2 directors suffice) who together have appropriate experience and knowledge to manage the business of the issuer.
- 2.4 For securities which are open to retail investment, additional directors are expected to be in place to ensure good corporate governance standards can be met.

Director's Declarations

- 2.5 A director's declaration is required at an entity level. It is not required for a new standalone note, series, tranche or additional programme that may be issued by the entity provided the entity remains listed with the BSX and the director's declaration refers to the entity rather than a security. If the issuer has provided a director's declaration which is specific to a particular note or issuance the BSX may request the director to provide an additional declaration.
- 2.6 A director's declaration is required on first listing or at time of appointment for an existing listed entity.
- 2.7 If an entity delists and applies to re-list on the BSX a new director's declaration is required. Similarly, if a director resigns and is re-appointed then a new director's declaration is required if the previous declaration is more than 6 months old.
- 2.8 A new director's declaration should be submitted if there has been a material or substantive change in a director's response to the yes/no questions in the background questionnaire.
- 2.9 A director's declarations should be submitted to listings@bsx.com
- 2.10 On a periodic basis or where the BSX becomes aware of a change in circumstances, the BSX may request a director to provide a revised Director's Declaration.

Director's KYC

- 2.11 Identification documentation is required for each director of an entity (this is not indicated in the Regulations but is a requirement).
- 2.12 Acceptable identification documentation for a director:
- Valid passport or drivers licence or other Government issued photo ID, **and**
 - Utility bill, statement issued by a bank or credit institution or Government issued correspondence, which includes a director's home address and is less than three months old at time of submission.
- 2.13 Passports should be certified and provided in colour. Utility bills should be certified but are not required to be in colour.
- 2.14 A Director's KYC is required on first listing or at time of appointment for an existing listed entity.
- 2.15 New KYC is not required each time an entity applies for a new standalone note, series, tranche or additional programmes provided the entity remains listed with the BSX.
- 2.16 If an entity delists and applies to re-list on the BSX new KYC is required if the existing documentation provided to the BSX does not meet the requirement in 2.13 of these Guidelines. Similarly, if a director resigns and is re-appointed then new KYC is required if the existing documentation provided to the BSX does not meet the requirement in 2.13 of these Guidelines.
- 2.17 If a passport or driver's licence submitted to the BSX has expired, then the director should submit new certified copy of a passport or driver's licence.
- 2.18 On a periodic basis, the BSX may request a director to provide updated KYC documentation.
- 2.19 A director's KYC should be submitted to listings@bsx.com

Changes to Directors

- 2.20 An issuer must inform the BSX without delay of a change in director and announce the change to the market. The issuer should provide:
- an announcement to the BSX,
 - a director's declaration for the new director,
 - relevant KYC information, and
 - a signed letter/email by an authorized representative of the issuer such as the company secretary or another director or include certified minutes of the Board meeting effecting the change.
- 2.21 A template letter/email and a template announcement are provided at www.bsx.com. The information and announcement should be submitted to listings@bsx.com

2.22 A change in director approved by the Board of the issuer that is still subject to regulatory approval should be advised to the BSX noting that it is “subject to regulatory approval”.

Segregated Accounts

2.23 Segregated portfolios are treated as separate listings for application and fee purposes.

2.24 Announcements in relation to segregated portfolios may be on an aggregate corporate level or on a segregated account level depending on the nature of the announcement.

2.25 Financial statements can be provided at a company level but also needs to be segregated to allow investors in individual portfolios to understand the financial position of the security they are invested in.

Prospectus

2.26 A pre-existing prospectus (listing particulars, offering memorandum etc), provided it is not more than 6 months old, may be used for an application for listing provided there is no material change in the circumstances of the issuer, in which case a revised prospectus should be prepared and submitted.

2.27 If a prospectus exists that does not meet all the disclosure requirements (outlined in the Listing Regulations – Appendix 2 for that asset class), the BSX will accept the prospectus with a further document, which is appended to the prospectus, usually referred to as a BSX wrapper, to meet the BSX disclosure requirements.

2.28 A prospectus may be replaced by other document(s) e.g. term sheet and wrapper provided the content and disclosure requirements outlined in the Listing Regulations - Appendix 2 for that asset class are met.

2.29 Regulation 5.7 (Equities, Collective Investment Vehicles, Depositary Receipts, Domestic Debt), Regulation 5.8 (ILS and Derivative Warrants) and Regulation 5.10 (International Debt) state that a prospectus should be marked in the margin to indicate how particular requirements of the prospectus are met. It is preferable for a prospectus to be accompanied by a checklist relevant to the security being listed, which is provided at www.bsx.com

Approval in Principle

2.30 Issuers can make applications to the BSX with draft prospectus and supporting documents for consideration. The BSX will consider such applications and may grant approval in principle provided that the draft documents include sufficient information to allow the BSX to consider the nature of the issuer, the terms of the security, including an estimate of the proposed issuance amount.

2.31 Minimum documentation to enable the BSX to provide approval in principle shall include:

- Draft letter of application (this should include at least an estimate of the amount to be issued),
- Draft prospectus (including a draft wrapper where applicable),

- Constitutional documents for the issuer,
- Directors KYC and declarations for directors where they are not previously known to the BSX, and
- A completed checklist relevant to the security.

Initial application fees should also be provided.

2.32 Approval in principle is granted subject to receipt of all final documentation required by the Listing Regulations, confirmation of close where applicable and any other conditions specified by the BSX.

2.33 Approval in principle applies for 6 months from the date of granting. Once the 6 month period has expired, an issuer must submit a fresh application with supporting documents and a new listing application fee is required.

Listing Timelines

2.34 The below timelines are provided as guidance for the review of draft documents, and particularly applies to new issuers.

Security Type (Listing Regulations)	Initial Comments	Subsequent comments
ILS (V) International Debt (IIIB) Derivative Warrants (VI)	3 business days	2 business days
Investment Funds (IV) International Equities – Secondary Listing (IIIA) Depositary Receipts (IIIC)	4 business days	3 business days
Domestic Equities (IIA) International Equities – Primary Listing including Mezzanine Market (IIIA) Domestic Debt (IIC)	5 business days	4 business days

2.35 The below timelines are provided as guidance for approval in accordance with Regulation 2.11 on the basis that there are no further comments on draft documents. It assumes timely and complete submission of documentation to the BSX for review.

Security Type (Listing Regulations)	Approval in principle (AIP) ¹	Admission to listing approval with an existing AIP for the security in application ²	Admission to listing approval without existing AIP for the security in application ³
ILS (V)			
New Programme and Standalone notes	7 business days	Same or next business day	7 business days
Notes from existing pre-approved Programme	3 business days	Same or next business day	3 business days
International Debt (IIIB) – Qualified Investors			
New Programme and Standalone notes	7 business days	Same or next business day	7 business days
Notes from existing pre-approved Programme	3 business days	Same or next business day	3 business days
Investment Funds (IV)			
New Umbrella Fund and Standalone Funds	7 business days	Same or next business day	7 business days
Additional Class(es) of an existing pre-approved fund	3 business days	Same or next business day	3 business days
International Equities (IIIA) and Depositary Receipts (IIIC)			
New primary listing	7 business days	BSX will work with issuer timetable	7 business days
Secondary listing	7 business days		7 business days
Subsequent issue from an existing issuer – primary listing	3 business days		3 business days
Domestic equities (IIA and IIB) and domestic debt (IIC)			
New listing	7 business days		7 business days

¹ Approval in principle (AIP) may be granted on receipt of sufficient draft documentation as noted in 2.29.

² Approval for listing will only be granted on receipt of confirmation of the transaction closing and receipt of all final documentation required for listing relevant to that security. Same day listing with an existing AIP is feasible on receipt of all final documentation prior to 1pm on the proposed day of listing and assuming final/near final documentation has previously been provided to the BSX for review.

³ Approval for listing will only be granted on receipt of confirmation of the transaction closing and receipt of all final documentation required for listing relevant to that security.

Security Type (Listing Regulations)	Approval in principle (AIP) ¹	Admission to listing approval with an existing AIP for the security in application ²	Admission to listing approval without existing AIP for the security in application ³
Subsequent issue from an existing issuer	3 business days	BSX will work with issuer timetable	3 business days
Derivative Warrants			
New Programme and Standalone notes	7 business days	Same or next business day	7 business days
Notes from existing pre-approved Programme	3 business days	Same or next business day	3 business days

Premium Application Fee

2.36 A premium application fee is available to ILS and debt securities only. It applies where the issuer requests initial comments, approval in principle or approval for listing in a shorter period than that outlined in 2.35. Please note that the approval of a new programme or standalone note always requires a minimum of 5 business days and the approval of notes from a pre-approved programme always requires at least 1 business day.

Certification of Supporting Documents to a Listing

2.37 As noted in Chapter 5 of the Listing Regulations certain supporting documents in an application for listing must be ‘certified’.

2.38 Regulation 1.2 states “certified means a true copy or extract (as the case may be) by a director, the secretary or other authorised representative of the issuer or by the issuer’s auditors or solicitors”. It can also be by Commissioner of Oaths or other notary.

2.39 Documents can be certified by electronic means such as the use of a software service such as DocuSign or Adobe. Documents can also be certified in bulk with an appropriate cover letter from the certifier.

2.40 Documents should not be self-certified e.g. a director should not certify his/her own KYC documents.

Documents for Inspection – Place

- 2.41 The Listing Regulations – Appendix 2 for all securities include a requirement for the prospectus to state a place where application related documents are available for inspection for a period of not less than 10 business days from the date of listing.
- 2.42 The definition of ‘a place in Hamilton, Bermuda (or such other place as the Exchange may agree)’ is not specified. In the interest of clarity, the ‘place’ can be physical location or a virtual place such as a website or an online service provider such as intralinks.

Documents for Inspection – Accessibility

- 2.43 During the 10 business days when the documents are accessible, issuers may restrict access to investors (whether individuals or entities) that meet the minimum investment standard for investing in the security as stated in the prospectus. The issuer may require an individual or entity to complete a questionnaire to validate that a potential investor is bona fide and meets the minimum investment standard.
- 2.44 Throughout the period of listing, the issuer must make what constitutes the prospectus document available to any existing or potential bona fide investor. The form of prospectus available may be redacted to exclude certain confidential information e.g. expert reports. The prospectus is not required to be made available after the 10 business days has expired if the issued security relates to an intercompany arrangement.
- 2.45 Beyond the prescribed 10 business days, the issuer must continue to make the prospectus related document available to existing or bona fide investors however it is not a requirement to make other listing documents available.
- 2.46 Throughout the period of listing, the BSX may provide the prospectus to any existing or potential bona fide investor (a Qualified Investor where restricted marketing applies) however the BSX will not share a prospectus relating to an intercompany arrangement.
- 2.47 The BSX does not make available the supporting documentation relating to a listing to individuals or entities other than financial information which is published as stated in the Listing Regulations. Requests for documents (other than the prospectus or financial statements) are sent to the issuer or their representative for consideration.
- 2.48 The BSX may provide all documents relating to a listing to the Bermuda Monetary Authority and to other regulatory or investigating bodies if required to do so by law.

Financial Statements – Waiver at Time of Application

- 2.49 The Listing Regulations state that a new applicant for listing is required to submit 2 years (or in the case of equities 3 years) of financial statements of the issuer or group immediately preceding the issue of the prospectus or since incorporation if shorter.

2.50 If an applicant is incorporated within the last two years or has not produced audited financial statements, this requirement may be waived or partially waived to cover the period when the entity was not incorporated. This waiver is usually only granted to securities restricted to Qualified Investors and generally will not be granted to securities which are open to public investment (unless fully underwritten). The fact that audited financial statements are not available and the reason why they are not available must clearly be stated in the prospectus. An issuer should request this waiver as part of the listing application.

Financial Statements – Waiver to Ongoing Obligations

2.51 The Listing Regulations state that an issuer is required to submit audited annual statements within six months of the year end.

2.52 Where a financial regulatory authority in an issuer’s jurisdiction of incorporation does not require the issuer to produce audited financial statements then this requirement may be waived for International Debt and Insurance Linked Securities. This waiver is only granted to securities which are restricted to Qualified Investors and is not available for securities which are open to public investment. An issuer should request this waiver as part of the application.

Financial Statements – Late Filing

2.53 Where an issuer is unable to meet the filing deadline they should advise the BSX in writing at least 10 business days before the filing due date of the reason(s) why it cannot make the filing deadline.

2.54 The late filing of financial statements may result in a late filing fee.

Issuer Announcements – Format and Distribution

2.55 The Listing Regulations require issuers to submit a range of announcements and filings to the BSX for dissemination. Dissemination means that the BSX will publish the information provided on www.bsx.com

2.56 Issuer announcements and filings should be submitted to the BSX in PDF format ready for distribution on the BSX’s website and emailed to listings@bsx.com

2.57 Issuer announcements should be written from the Company’s perspective and include:

- Date
- Place (optional)
- Name of Company
- Title of announcement
- ISIN/CUSIP (where applicable)
- Ticker (where applicable)
- Company contact details for further information
- About the Company information (optional)

Template announcements in relation to the following are provided on the BSX website www.bsx.com:

- Standard announcement format
- Director's resignation
- Director's appointment
- Early redemption
- Delisting announcement
- Share repurchase – monthly nil return
- Share repurchase – monthly return

2.58 Issuer announcements are not distributed to a news services such as Bloomberg. Should an issuer wish the BSX to disseminate to Bloomberg a cost may apply.

Monthly Reconciliation of Securities held in the BSD

- 2.1 Listing Regulation 2.37 states that the BSX determines the eligibility of an issuer's listed securities for deposit and holding within the Bermuda Securities Depository (BSD). The Trading Membership Regulations, the Trading Regulations and BSD Regulations also refer to these Eligible Securities.
- 2.2 An Eligible Security for the BSD is any security listed on the BSX. An issuer of securities listed on the BSX can therefore have arrangements in place for holding its securities in the BSD.
- 2.3 Where Eligible Securities are held in the BSD, the issuer (or their registrar) must complete a BSD Reconciliation Form as provided on www.bsx.com and submit it to bsxops@bsx.com within 5 business days of each month end.

Qualified Investors – Form of Investor Suitability⁴

- 2.4 Where securities are restricted to Qualified Investors, an issuer must ensure that an appropriate investor suitability form is completed by each investor and that the securities are marketed to, traded by and transferred between Qualified Investors. A pro-forma Investor Suitability Declaration is provided on www.bsx.com and in Appendix A for:
- Individual investors
 - Private corporations or partnerships
 - Public companies and institutional investors

⁴ Replaces Practice Note 1 issued in 2002

2.5 The BSX recognizes that certain jurisdictions have equivalent or greater standards relating to Qualified Investor regime and that these standards can act as an alternative to the BSX Qualified Investor requirements. For example the following jurisdictions meet the BSX's Qualified Investor requirements:

- Canada – Accredited Investor recognized by the Canadian Securities Administrators.
- EU – Eligible counterparties or Professional Client under MiFID Regulations
- UK – Professional investor as defined by the Financial Conduct Authority
- US – Accredited Investor as defined by the SEC.

2.6 Where securities are being listed on the BSX by way of introduction, existing investors are not necessarily required meet the Qualified Investor requirement. Such shareholders can continue to hold the issuer's securities but can only sell their securities to other Qualified Investors.

Voluntary Withdrawal of a Listing Documentation

2.7 An issuer requesting to withdraw a time limited security in accordance with Listing Regulation 2.31 – 2.34 is required to:

- Submit a letter signed by an appropriate authorized signatory (Director, Secretary) requesting the withdrawal of the security.
- Provide evidence that the requirements for withdrawal have been met.
- Pay applicable fees up to and including the withdrawal date.
- Submit an announcement confirming the withdrawal and the reason for withdrawal for dissemination to the BSX.
- The BSX will also issue a regulatory announcement to confirm the delisting of the security.

Delisting Documentation

2.8 An issuer requesting to delist a time limited security in accordance with Listing Regulation 2.33 is required to:

- Submit a letter signed by an appropriate authorized signatory (Director, Secretary) requesting the delisting of the security and confirming how the issuer has met its obligations to holders of the security e.g. redemption of the security.
- Pay applicable fees up to and including the delisting date.
- The BSX will issue a regulatory announcement confirming the delisting. Should an issuer wish to make its own announcement it should be submitted to the BSX at the time of the request.

Extension Documentation

2.9 An issuer requesting to extend the maturity date of a time limited security in accordance with Listing Regulation 2.33 is required to:

- Submit a letter signed by an appropriate authorized signatory (Director, Secretary) requesting the extension of the security as soon as the decision to extend is made.
- Pay applicable fees to the extension date if less than 12 months or for a further 12 months if more than 12 months.
- The BSX will issue a regulatory announcement confirming the extension. Should an issuer wish to make its own announcement it should be submitted to the BSX at the time of the request.

Chapter 3. Domestic Equities

Primary Listings – Requirement for a Trading Member

- 3.10 A listing sponsor must act in conjunction with a trading member for an application to list equity securities on a primary basis on the BSX. This applies for both domestic and international issuers of equity securities. The trading member must be in a position to take orders from clients to input for execution onto the BSX trading system.

General Meetings – Requirements pre and post Meeting

- 3.11 Listing Regulations - Section IIA and IIB - Regulation 6.5 states that the issuer shall give members at least 7 *calendar* days notice of any general meeting and shall publish in the newspapers notice of every general meeting. Section IIA - Regulation 6.31 and and Section IIB - Regulation 6.32 states that the issuer shall send with the notice convening the meeting, proxy forms and resolutions to be proposed. In the interest of clarity, the issuer is required to send an announcement to the BSX at least 5 *business* days in advance in relation to a general meeting and include any proxy forms and details of resolutions for the BSX to distribute to shareholders with that announcement.
- 3.12 In line with Listing Regulations - Section IIA and IIB - Regulation 6.3, any material disclosures made at such meetings should be made at the same time by the issuer by way of announcement sent to listings@bsx.com.
- 3.13 In line with Listing Regulations - Section IIA and IIB - Chapter 6, any material decisions made at such meetings should also be disclosed by way of announcement without delay. In any case, the issuer is required to send the BSX the outcome and the results of votes held at general meetings to bsxops@bsx.com within 3 business days of the meeting being held.

Subsequent Issue of Pre-Approved Schemes - Announcement

- 3.14 Listing Regulations - Section IIA – Section 6.31 and Section IIB - Regulation 6.30 refer to the issue of further securities by way of pre-approved dividend reinvestment plan or share option scheme or the exercise of a convertible security. When the shares issued are approved by the BSX, an announcement should be made to confirming the issuance of shares without delay.

Disclosable Events – Meaning of Report

- 3.15 Listing Regulations - Section IIA and IIB - Regulation 6.13 (ii) refers to sending every member of the issuer “a copy of a report” on a relevant disclosable event without delay. The circumstances of such disclosable events are detailed in Regulation 6.13(2). In the interest of clarity:

- (1) a report can take the form of an announcement and/or other additional supporting information which provides sufficient information to enable a shareholder to understand the material and salient points of the disclosable event.
- (2) It is not necessary to send every shareholder of the issuer “a copy of a report” on a relevant disclosable event. It is sufficient to undertake the following procedures without delay:
 - Provide the BSX with the announcement and/or additional supporting information for dissemination, and
 - Publish the announcement and/or other additional supporting information on the issuer’s website, and
 - Distribute the announcement and/or other additional information to media contacts in Bermuda including the Royal Gazette.

Interim and Annual Financial Information – Requirements and Distribution⁵

- 3.16** The Listing Regulations – Section IIA and Section IIB for Domestic Equities refer to audited annual accounts and interim reports. “Annual accounts” has the same meaning as annual report or financial statements. Interim financial report has the same meaning as interim financial statements.
- 3.17** Audited annual accounts that comply with the Companies Act of Bermuda - Provision of Summarised Financial Statements to Shareholders are deemed to comply with the BSX Listing Regulations.
- 3.18** The Listing Regulations state that a domestic issuer is required to to send a copy of its audited annual accounts or interim report to shareholders. In the interest of environmental sustainability, it is sufficient for an issuer to advise each shareholder by letter or email (if the shareholder has signed up for email communication) as to where and when such information is available, and offer to provide a hard copy if so requested. A sample template is provided on www.bsx.com
- 3.19** An Issuer is required to send electronic copies of its audited annual accounts and interim financial report to the BSX. Hard copies are not required.

Special Trading and Settlement Procedures

- 3.20** Listing Regulations - Section IIA and IIB - Regulation 6.25 refer to special trading and settlement procedures that must be followed by a domestic issuer once the percentage held by non-Bermudians is 30% or higher. This is to ensure that the market is prepared for the maximum level permitted under Section 114 of the Companies Act, currently 40%. These special trading and settlement procedures are:
- (1) The issuer or registrar/transfer agent (RTA) advises bsxops@bsx.com that the 30% threshold has been reached.

⁵ Replaces Practice Note 12 from 2012

- (2) The BSX advises trading members that special arrangements for trading and settlement in relation to that security are now in place and the issuer/RTA must approve all orders and potential trades. This means:
- Trading members obtain approval from the issuer/RTA for any existing buy-side orders from foreign account holders to ensure they can remain queued in the order book. Proof of approval must be provided to the BSX.
 - Trading members obtain RTA approval for any new buy side orders from foreign account holders. Once approved, the order can be entered into the order book. Proof of approval must be provided to the BSX.
- (3) The issuer/RTA will review trades by foreign owned account holders. Any trades that were not pre-approved or cause the issuer to breach the 40% threshold will be cancelled prior to settlement date.

Security Repurchase Programmes – Secondary or Dual Listed Securities⁶

- 3.21** A domestic equity issuer with a dual or secondary listing on another stock exchange may conduct a Securities Repurchase Programme on the facilities of the BSX and/or on the facilities of the other stock exchange. The issuer should ensure that total repurchases comply with the limits outlined in Section IIA - Regulation 6.38 and Section IIB - Regulation 6.37.
- 3.22** It is not required to suspend an existing Securities Repurchase Programme under Section IIA - Regulation 6.40(4) and Section IIB - Regulation 6.39(4) if:
- the Securities Repurchase Programme is undertaken at arm's length by a third party,
 - the third party is not aware of the unpublished price sensitive information, and
 - procedures are in place to prevent that third party from becoming so aware.
- 3.23** The periodic reporting of Securities Repurchase Programme to the BSX should reflect the total activity conducted over both exchanges.
- 3.24** An issuer is required to announce any repurchase of securities in the previous month and announce if there was no repurchase in that month. Where a repurchase has occurred the following information should be included:
- the number of listed securities (or nominal value in the case of debt) repurchased,
 - the date(s) of the transaction(s),
 - the average repurchase price,
 - whether the repurchased securities have been cancelled, held as treasury securities and reserved for issuance or otherwise dealt with, and
 - the number of securities (or nominal value in the case of debt) outstanding following the repurchase.

⁶ Replaces Practice Note 2 from 2002

3.25 Template announcements for both scenarios are provided on www.bsx.com

Security Repurchases outside of a Programme

3.26 A domestic issuer of equities, who buys its own securities outside of an approved Securities Repurchase Programme, must provide within one business day to the BSX, an announcement for dissemination which includes the following information:

- the number of listed securities repurchased,
- the date of the transaction(s),
- the average repurchase price,
- whether the repurchased securities have been cancelled, held as treasury securities and reserved for issuance or otherwise dealt with, and
- the number of shares outstanding following the repurchase.

3.27 A domestic equity issuer, who buys its own securities outside of an approved Securities Repurchase Programme, must comply with the total repurchase limits, equality of treatment and repurchase from associates and insiders requirements outlined in:

- Section IIA – Domestic Main Board – Equity Securities – Regulation 6.38, 6.40 and 6.43.
- Section IIB – Domestic Small Cap Equities - Regulation 6.37, 6.39 and 6.42. .

Chapter 4. International Equities

Primary Listings – Requirement for a Trading Member

4.28 A listing sponsor must act in conjunction with a trading member for an application to list equity securities on a primary basis on the BSX. This applies for both domestic and international issuers of equity securities. The trading member must be in a position to take orders from clients to input for execution onto the BSX trading system.

Regulation 4.10 - Extension of Qualified Investor Waiver⁷

- 4.1 Listing Regulations - Section IIIA - Regulation 4.10 outlines the requirements which allow international issuers to market to non-Qualified Investors i.e. retail investors and the general public.
- 4.2 The waiver in relation to restricted marketing has been extended to allow non-Bermudian domiciled issuers, listed, or applying to list on the Mezzanine Market to seek this waiver, and market to the general public provided that the entity is incorporated in an appointed jurisdiction under the Companies Act⁸ and otherwise complies with the obligations of Regulation 4.10.
- 4.3 In addition to the requirements stated in Regulation 4.10, an issuer must submit a prospectus that complies with the requirements of Appendix 2 of Section IIA of the BSX Listing Regulations at the time of application for listing and in any subsequent request to market, trade or transfer its securities to non-Qualified Investors.
- 4.4 In relation to standards of financial information acceptable to the BSX under Regulation 4.10 (4), it is a requirement that both annual and six-monthly financial statements are prepared and disseminated in line with the timelines indicated in Section IIA of the Listing Regulations.
- 4.5 An existing international issuer, which has its securities restricted to Qualified Investors, may apply to the BSX to expand its investor base to include retail investors. The issuer will be required to provide an updated prospectus compliant with Appendix 2 of Section IIA of the BSX Listing Regulations and to demonstrate how it meets the requirements of Regulation 4.10 in advance of any offering of securities to retail investors.

SPAC Provisions⁹

- 4.6 A Special Purpose Acquisition Company (SPAC) can have a primary listing on the Mezzanine Market of the BSX under Listing Regulations – Section IIIA applying to international issuers – equity securities. An issuer should state it is applying to list under these provisions where relevant.

⁷ Replaces Practice Note 13 issued in 2012

⁸ <https://www.gov.bm/sites/default/files/appointed-jurisdiction-4-28-2022.pdf>

⁹ Replaces Practice Note 25 issued in 2021

- 4.7** The BSX will not grant a waiver under Regulation 4.10 from the Restricted Marketing provision relating to Qualified Investors for SPACs. Therefore SPAC securities can only be marketed to Qualified Investors, trade on the BSX between Qualified Investors and be transferred between Qualified Investors.
- 4.8** Generally, the BSX will require a SPAC seeking a listing on the BSX to have the following attributes, provisions or characteristics:-
- (1) The SPAC must have a minimum market capitalization of US\$500,000 in seed capital at the time its initial listing application is presented to the BSX and prior to the SPAC conducting the IPO via the BSX;
 - (2) The founder shareholders must all be Qualified Investors. The directors and management of the SPAC must as a group have the appropriate experience and track record both in business generally and specifically in the industry of the intended target acquisition;
 - (3) The SPAC must submit a prospectus for the shares issued as seed capital and the shares to be issued by way of the IPO offering only to Qualified Investors as part of a full listing application. The prospectus and listing application must be submitted to the BSX via the SPAC's appointed BSX Listing Sponsor;
 - (4) 90% of the gross proceeds of the offering to Qualified Investors must be held in escrow with a designated party which is acceptable to the BSX acting as trustee;
 - (5) The founder shareholders must have a net equity position in the SPAC of between 10% and 20% post the IPO offering to Qualified Investors;
 - (6) There must be a 12-month post acquisition lock-up in place for all shares held by the directors and the management of the SPAC;
 - (7) The SPAC must identify an appropriate business or asset as a qualifying acquisition within 36 months of the closing of the IPO offering to Qualified Investors and the business or asset must have an aggregate fair market value equal to at least 80% of the funds held in escrow;
 - (8) Following the identification of the qualifying acquisition, the SPAC must prepare an information circular regarding the qualifying acquisition with prospectus-level disclosure for submission to the BSX and, following review by the BSX, for distribution to the SPAC's shareholders;
 - (9) The SPAC may only complete the acquisition if a majority of its shareholders approve the transaction at a duly convened meeting of shareholders;
 - (10) The SPAC may EITHER impose a condition not to proceed with the proposed qualifying acquisition if more than a pre-determined percentage of shareholders, who are not directors, officers or management of the SPAC, vote against the proposed qualifying acquisition OR offer a cash out option for shareholders who vote against the proposed qualifying acquisition;

- (11) If, at any stage in the acquisition process, the SPAC moves to change the original qualifying acquisition entity, business or industry it must seek shareholder approval to do so and offer a cash out option for shareholders who vote against the proposed change of the qualifying acquisition entity;
- (12) In order to provide for a liquidity opportunity for the SPAC's IPO investors, post completion of the qualifying acquisition, the resulting entity shall continue to be listed on the BSX for a minimum period of 12 months;
- (13) If a qualifying acquisition has not been completed within the 36 months allowed, the SPAC must provide for a liquidation distribution allowing for the pro-rata distribution of the funds held in escrow to the shareholders who participated in the IPO offering;
- (14) At its sole discretion, the BSX may grant a listed SPAC a single one-off listing extension of 6 months in order for the SPAC to complete the qualifying acquisition. If the SPAC at the end of the 6 months extension is still not able to complete the qualifying acquisition the liquidation distribution noted in (13) must take place.

Chapter 5. Domestic Debt

Security Repurchase Programmes – Secondary or Dual Listed Securities¹⁰

- 5.9 A domestic issuer with a dual or secondary listing on another stock exchange may conduct a Securities Repurchase Programme on the facilities of the BSX and/or on the facilities of the other stock exchange. The issuer should ensure that total repurchases comply with the limits outlined in Section IIC - Regulation 6.24.
- 5.10 It is not required to suspend an existing Securities Repurchase Programme under Section IIC - Regulation 6.26(4) if:
- the Securities Repurchase Programme is undertaken at arm's length by a third party,
 - the third party is not aware of the unpublished price sensitive information, and
 - procedures are in place to prevent that third party from becoming so aware.
- 5.11 The periodic reporting of Securities Repurchase Programme to the BSX should reflect the total activity conducted over both exchanges.
- 5.12 An issuer is required to announce any repurchase of securities in the previous month and announce if there was no repurchase in that month. Where a repurchase has occurred the following information should be included:
- the number of listed securities (or nominal value in the case of debt) repurchased,
 - the date(s) of the transaction(s),
 - the average repurchase price,
 - whether the repurchased securities have been cancelled, held as treasury securities and reserved for issuance or otherwise dealt with, and
 - the number of securities (or nominal value in the case of debt) outstanding following the repurchase.
- 5.13 Template announcements for both scenarios are provided on www.bsx.com

Security Repurchases outside of a Programme

- 5.14 A domestic issuer of debt, who buys its own securities outside of an approved Securities Repurchase Programme, must provide within one business day to the BSX, an announcement for dissemination which includes the following information:
- the number of listed securities repurchased,
 - the date of the transaction(s),
 - the average repurchase price,

¹⁰ Replaces Practice Note 2 from 2002

- whether the repurchased securities have been cancelled, held as treasury securities and reserved for issuance or otherwise dealt with, and
 - the number of shares outstanding following the repurchase.
- 5.15 A domestic issuer of debt, who buys its own securities outside of an approved Securities Repurchase Programme, must comply with the total repurchase limits, equality of treatment and repurchase from associates and insiders requirements outlined in Section IIC – Domestic Debt Securities - Regulation 6.24, 6.26 and 6.29.

Chapter 6. International Debt

Regulation 4.10 (1) – Definition of a Supranational Organisation

6.16 In accordance with Regulation 4.10 (1) an issuer may be a supranational body. Supranational organisations include the European Union, The United Nations, The World Bank and The World Trade Organisations and other [intergovernmental agencies receiving standing invitations to participate as Observers in the session and the work of the United Nations General Assembly](#).

Regulation 4.10 (4) - Listing a Note/Tranche from another Exchange

6.1 In accordance with Regulation 4.10 (4) the BSX an issuer may be listed on another recognized exchange. The list of recognized exchanges is outlined in Appendix B. The programme itself does not necessarily need to be listed on the BSX for a note or tranche to be listed on the BSX.

Regulation 6.8 - Calculation of Purchase, Redemption or Cancellation Disclosure Amounts

- 6.2 Regulation 6.8 states “any purchase, redemption or cancellation by the issuer, or any member of the group, of its listed debt securities must be disclosed to the Exchange, for dissemination by the Exchange, without delay after such purchase, redemption or cancellation. The announcement should also state the amount of the relevant debt securities outstanding after such operations. *For this purpose, purchases of debt securities may be aggregated and an announcement should be made when, in aggregate, ten percent (10%) of the outstanding amount of a debt security has been acquired. If the issuer or any member of the group purchases further amounts of that security an announcement should be made whenever an additional five percent (5%) in aggregate has been acquired.*”
- 6.3 In general, the issuer should follow the statement in the first line of Regulation 6.8 and make an announcement without delay of a purchase, redemption or cancellation and include the amount of debt securities outstanding after the purchase, redemption or cancellation in the announcement.
- 6.4 In relation to the second part of this Regulation, this should only be used where an issuer has made an advance declaration/decision to purchase, redeem or cancel notes effectively putting a debt repurchase programme in place. Any decision to commence such a programme should be announced without delay.
- 6.5 Where a debt repurchase programme is in place an announcement should be made each time the 10% and 5% threshold is reached and when the final repurchase in that programme is complete. Where an announcement is made for a new repurchase programme before an existing programme is complete then the calculation of the 5% and 10% threshold for the new programme should be based on the amount outstanding after the completion of the existing programme. For example:

Date	Action	Balance O/s	Cumulative Share repurchase Value	Announcement*
1 June 2023	Company A has outstanding issued debt of \$100m. Company A announces that the Board has approved the repurchase of up to \$20m in notes.	\$100m		Yes
1 September 2023	Repurchase of \$8m.	\$92m	\$8m	No – 8%.
15 September 2023	Repurchase of \$3m.	\$89m	\$11m	Yes – repurchase exceeds 10% threshold of \$100m.
30 September 2023	repurchase of \$5m	\$84m	\$16m	Yes – repurchase exceeds 5% of \$100m
31 October 2023	<p>Company A announces that the Board has approved the repurchase of a further \$15m in notes.</p> <p>The thresholds for this programme are based on \$80m outstanding value as \$4m is still to be repurchased from the 1 June 2023 announcement. Repurchase announcements for this program should be made based on the new amount outstanding so 10% is \$8m and 5% is \$4m.</p>	\$84m		Yes – new repurchase programme.
4 November 2023	repurchase of \$4m	\$80m	\$20m	Yes – although it is only 4% from the original repurchase programme, it completes the first repurchase programme announced on 1 June 2023.
20 December 2023	Repurchase of \$4m.	\$76m	\$4m (new programme)	No – 10% threshold not reached.

Date	Action	Balance O/s	Cumulative Share repurchase Value	Announcement*
22 December 2023	Repurchase of \$5m.	\$71m	\$9m	Yes – 10% threshold reached.

*An announcement stating the cumulative amount of debt repurchased and the balance outstanding should be stated the following business day.

Chapter 7. Collective Investment Vehicles

Regulation 6.5 - NAV submission

- 7.1 Listing Regulation 6.5 states that the net asset value (NAV), the issue and redemption prices of an investment fund, should be submitted to the BSX whenever they are calculated and include the percentage change in the NAV since the previous notification.
- 7.2 The following is the process for submission of NAVs:
- At the time of listing, the issuer nominates an individual/entity responsible for NAV submission,
 - the BSX sets up a user name and password for the relevant individual/entity and the frequency of NAV submission for the security,
 - The NAV provider uploads a CSV file with the following information (multiple NAVs can be uploaded simultaneously) to the BSX's online portal. Please contact the Operations team for details at bsxops@bsx.com:
 - ISIN identify,
 - NAV date,
 - NAV value or Bid, Ask, Close,
 - The percentage change is not required and will be calculated by the BSX.
 - The BSX publishes the NAV value on its website, www.bsx.com, under the relevant security.

Appendix A - Investor Suitability Declaration

ALL PROSPECTIVE INVESTORS ARE ADVISED THAT COMPLETION BY THEM OF THIS DECLARATION IS REQUIRED BY THE BERMUDA STOCK EXCHANGE (THE "BSX") IN ORDER TO PURCHASE OR SUBSCRIBE FOR THE SECURITIES OF _____ (THE "COMPANY"), WHICH SECURITIES, IF APPROVED FOR LISTING ON THE BSX, WILL BE SUBJECT TO THE "RESTRICTED MARKETING" PROVISIONS OF THE BSX'S LISTING REGULATIONS.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY THE BSX NOR HAS THE BSX CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THE PROSPECTUS OR OTHER OFFERING DOCUMENTS.

THE INVESTOR HEREBY ACKNOWLEDGES THAT THE BSX TAKES NO RESPONSIBILITY FOR THE CONTENTS OF ANY SUCH DOCUMENT(S), MAKES NO REPRESENTATIONS AS TO THEIR 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 SUCH DOCUMENT(S) OR INVESTMENT IN THE SECURITIES.

IF APPROVED FOR LISTING ON THE BSX, THE SECURITIES MAY NOT BE TRANSFERRED OR OTHERWISE DISPOSED OF EXCEPT IN ACCORDANCE WITH THE "RESTRICTED MARKETING" PROVISIONS OF THE BSX'S LISTING REGULATIONS. THE INVESTOR RECOGNISES AND HEREBY ACKNOWLEDGES THAT THE TRANSFERABILITY OF THE SECURITIES IS EXTREMELY LIMITED, THAT HE MAY NOT BE ABLE TO LIQUIDATE HIS INVESTMENT AND HE HAS NO NEED TO LIQUIDATE HIS INVESTMENT AND THAT HE CAN AFFORD THE LOSS OF HIS ENTIRE INVESTMENT.

INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

The Investor must initial those representations that apply to him, her or it. In this Declaration the "\$" sign refers to US dollars but the monetary value indicated may be the equivalent in another currency.

For Individual Investors

Investor represents that his or her investment is not less than \$100,000 and that he or she is a sophisticated investor. For the purposes of this representation, a “sophisticated investor” means a person who has such knowledge and experience in financial, securities, investment and other business matters that he or she is capable of evaluating the merits and risks of the prospective investment and is able to adequately protect his or her own interests. Investor acknowledges that he or she can bear the risk of this investment for an indefinite period of time.

_____ OR

Investor represents that he or she had an individual income of more than \$200,000 in each of the last two calendar years or joint income with his or her spouse in excess of \$300,000 in each of those years and reasonably expects to reach the same income level in the current calendar year.

_____ OR

Investor represents that he or she has an individual net worth, or together with his or her spouse a combined net worth, in excess of \$1,000,000. For the purposes of this representation, “net worth” means the excess of total assets at fair market value, including home, home furnishings and automobiles, over total liabilities.

_____ OR

Investor represents that he or she is a director, executive officer, general partner or employee of the Company.

For Private Corporations or Partnerships

EITHER:

Investor represents that its investment is not less than \$100,000 and that each of its directors is a sophisticated investor. For the purposes of this representation, a “sophisticated investor” means a person who has such knowledge and experience in financial, securities, investment and other business matters that he or she is capable of evaluating the merits and risks of the prospective investment and is able to adequately protect his or her own interests. Investor acknowledges that it can bear the risk of this investment for an indefinite period of time.

_____ OR

Investor represents that it is a corporation, business trust or partnership with total assets in excess of \$5,000,000 and that each of its equity owners/partners is a sophisticated investor. For the purposes of this representation, a “sophisticated investor” means a person who has such knowledge and experience in financial, securities, investment and other business matters that he or she is capable of evaluating the merits and risks of the prospective investment and is able to adequately protect his or her own interests. Investor acknowledges that it can bear the risk of this investment for an indefinite period of time.

_____ OR

Investor represents that it is a corporation, business trust or partnership and that all of its equity owners/partners meet at least one of the standards set out in Paragraph 1 of this Investor Suitability Declaration. Investor acknowledges that it can bear the risk of this investment for an indefinite period of time.

For Public Companies and Institutional Investors

Investor represents that it is a corporation with a primary listing on a stock exchange which is recognised for this purpose by The BSX¹¹ or that it is a bank, stockbroker, insurance company, investment company, mutual fund or pension fund which is licensed in its home jurisdiction as such.

Dated

Name, if individual

Signature, if individual

Name, if entity

By:

Title

¹¹ The following stock exchanges are recognised by The BSX:

- An exchange operating a regulated market or multilateral trading facility (MTF) recognised by the European Securities and Market Authority (ESMA).
- A national securities exchange approved by the Securities Exchange Commission (SEC) in the USA.
- An exchange which is a full or affiliate member of the World Federation of Exchanges (WFE).
- An exchange which is a full or affiliate member of the Federation of European Securities Exchanges (FESE).
- A recognised investment exchange approved by the Financial Conduct Authority (FCA) in the UK.
- A stock exchange recognised by a province or territory in Canada.

This list may be amended from time to time by The BSX, pursuant to its Listing Regulations.

Appendix B - Recognised Stock Exchanges

The following stock exchanges are recognised by The BSX:

- An exchange operating a regulated market or multilateral trading facility (MTF) recognised by the European Securities and Market Authority (ESMA).
- A national securities exchange approved by the Securities Exchange Commission (SEC) in the USA.
- An exchange which is a full or affiliate member of the World Federation of Exchanges (WFE).
- An exchange which is a full or affiliate member of the Federation of European Securities Exchanges (FESE).
- A recognised investment exchange approved by the Financial Conduct Authority (FCA) in the UK.
- A stock exchange recognised by a province or territory in Canada.

This list may be amended from time to time by The BSX, pursuant to its Listing Regulations.

Appendix C - Recognised Stock Exchanges for Collective Investment Vehicles

The following stock exchanges are recognised by The BSX:

- Any country which is a member of the European Union
- British Virgin islands (funds registered as public funds)
- Canada
- Guernsey
- Hong Kong
- Isle of Man
- Japan
- Jersey
- Mauritius
- Switzerland
- Singapore
- The Cayman Islands
- The United Kingdom
- The United States of America

This list may be amended from time to time by The BSX, pursuant to its Listing Regulations.

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