



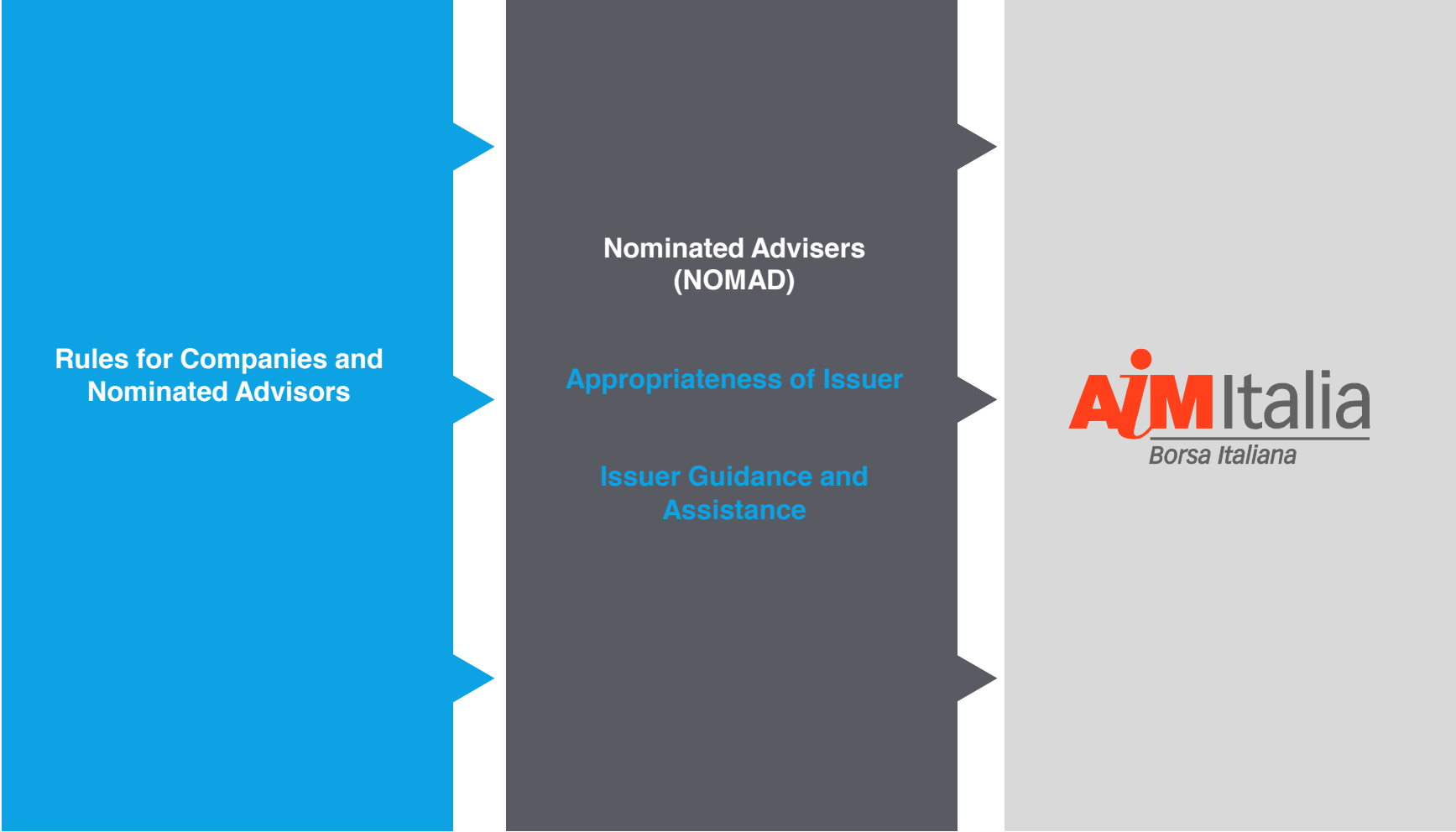
NOMINATED ADVISER

Admission and ongoing requirements

Rome, 14° November 2014

BALDI
PARTN&RS

AIM AT A GLANCE



THE ROLE

IN ORDER TO BE ELIGIBLE FOR AIM ITALIA, AN APPLICANT MUST APPOINT A NOMINATED ADVISER. FOLLOWING ADMISSION, AN AIM ITALIA COMPANY MUST RETAIN A NOMINATED ADVISER AT ALL TIMES.

THE NOMINATED ADVISER IS RESPONSIBLE TO BORSA ITALIANA FOR ASSESSING THE APPROPRIATENESS OF AN APPLICANT FOR AIM ITALIA

THE NOMAD IS RESPONSIBLE FOR ADVISING AND GUIDING THE AIM ITALIA COMPANY IN COMPLIANCE TO THE RESPONSIBILITIES AS DEFINED BY THE RULES

If an AIM Italia company ceases to have a nominated adviser, Borsa Italiana has the right to suspend trading in the AIM Italia security. If within 2 months of suspension the AIM Italia company has failed to appoint a replacement nominated adviser, the admission of the AIM Italia securities will be ceased.

CRITERIA TO BECOME A NOMAD ART. 2 RULES FOR NOMADS

INVESTMENT BANKS, INTERMEDIARIES,
PUBLIC AND PRIVATE LIMITED COMPANIES (*)
WITH NOTED STANDING AND MARKET
REPUTATION

ADEQUATE EXPERIENCE AND PRESENCE
(BOTH IN TERMS OF CONTENT AND LENGTH
OF TIME) WITHIN CORPORATE FINANCE
SECTOR

MINIMUM NUMBER OF EMPLOYEES TO FULLY
SATISFY AND SERVICE THE ACTIVITIES
REQUIRED WITHIN THE RULES

TO HAVE IN PLACE KEY EXECUTIVES (KE)
THAT MEET SET STANDARDS OF
PROFESSIONAL ADEQUACY AND
EXPERIENCE IN CORPORATE FINANCE

TO IMPLEMENT ADEQUATE PROCEDURES
AND CONTROLS IN ORDER TO PROVIDE
ADEQUATE LEVELS OF SECURITY IN LINE
WITH THE NOMAD RULES



NO PHYSICAL INDIVIDUALS

AT LEAST TWO YEARS OF EXPERIENCE

MINIMUM NUMBER OF RELEVANT
TRANSACTIONS

MANAGEMENT OF DUE DILIGENCE PROCESS
AND ON GOING REQUIREMENTS

NUMBER OF KEY EXECUTIVES

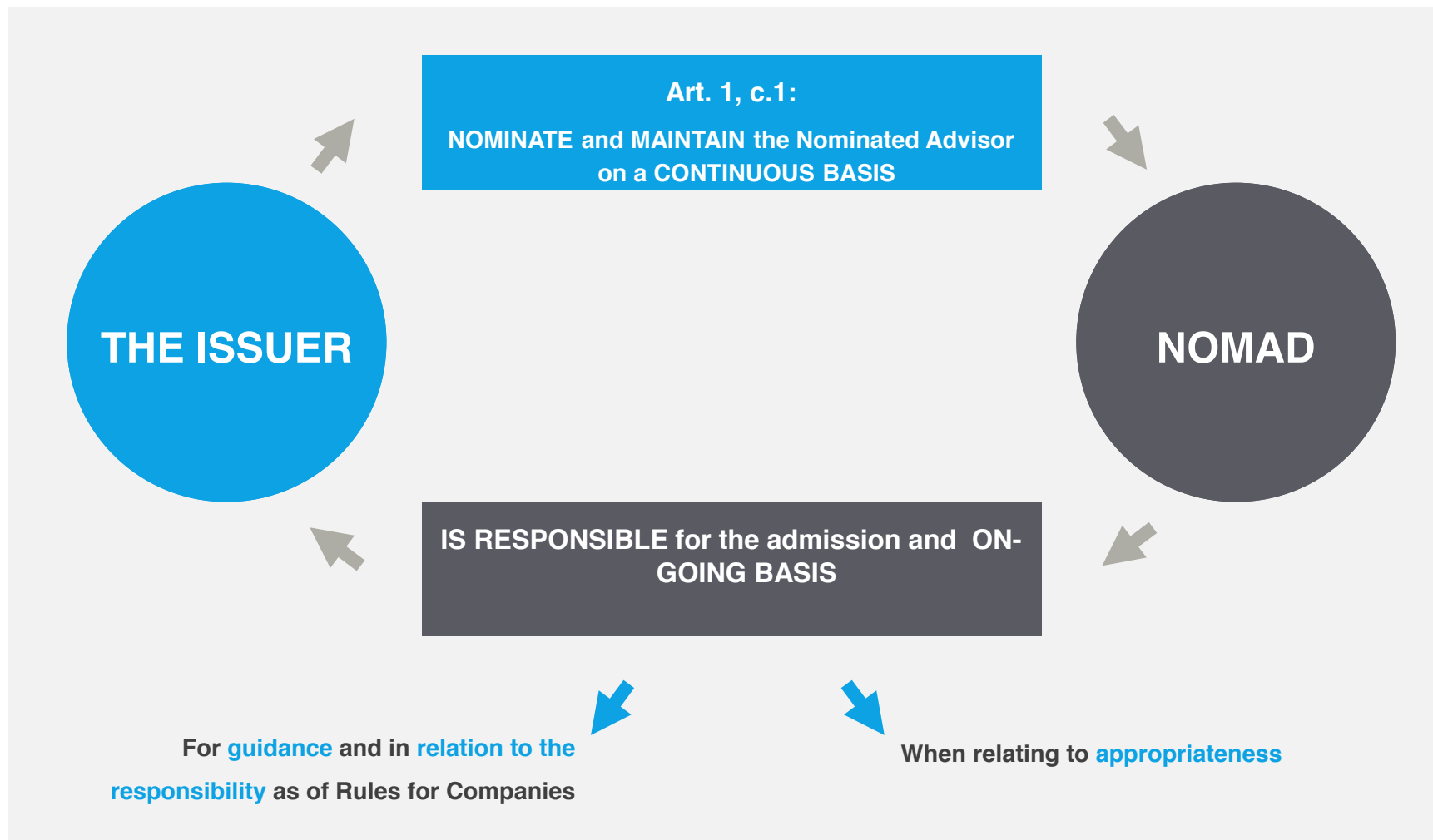
MINIMUM NUMBER OF RELEVANT
TRANSACTIONS FOR EACH KEY EXECUTIVE

CORPORATE FINANCE MANUAL

COMPLIANCE AND RISK MANAGEMENT
MANUAL *



NOMINATE & MAINTAIN NOMAD – on going responsibilities



CONTINUING ELIGIBILITY (art.8 reg. NOMAD)

The NOMAD must satisfy the requirements on a continuing basis at all times as if it were a new applicant, evaluating on a continuous basis that its Key Executives continue to respect the requirements of the rules.

Borsa Italiana may request at any time, further information from a NOMAD and/or a key executive, to the extent in which it can also interview and/or carry out further verifications

If Borsa Italiana finds that a nominated adviser has fallen below the requirements of this rule, it may remove the nominated adviser status or impose conditions on the nominated adviser's ability to act as a nominated adviser further issuers.



BALDI
PARTN&RS

The admission of a company on AIM Italia

THE ADMISSION OF A COMPANY ON AIM ITALIA

KEY PLAYERS

NOMAD

BROKER

AUDITING FIRM

OTHER ADVISERS

ISSUER'S LEGAL ADVISER

NOMAD'S LEGAL ADVISER



NOMAD ADMISSION RESPONSIBILITIES

AA1:
Adequate knowledge of the issuer and its activities

AA2:
Adequate due diligence

AA3:
Verification a of the admission document

AA4:
Compliance to the Rules for Compliance

THE ADMISSION OF A COMPANY ON AIM ITALIA

AA1

The Issuer and its activities

The adviser should achieve a sound understanding of the **applicant and its business** (where necessary utilising third part experts)

consider the **sector, value proposition, business plan or similar, financial structure, historical financial information** and other corporate information

Ensure that the applicant's **by-laws** are compliant with AIM Italia Rules for companies

Make considerations as to issues relating to the applicant's country of incorporation and operation and any other issues that might affect its **appropriateness**

Undertake visits to the applicant's legal or operational centres' and **meet the directors and key managers**. Ensure that any other relevant material stakeholders (e.g. key shareholders) have also been met where necessary

Consider whether it is appropriate to appoint its own legal advisers that are independent from the applicant, to assist in the nominated adviser's understanding of the applicant and to provide independent advice

To ensure the appropriateness of a potential issuer, the NOMAD must maintain an adequate knowledge of the business, utilising where necessary third part experts

THE ADMISSION OF A COMPANY ON AIM ITALIA

AA1

The Issuer and its activities

Issue and review directors' **questionnaires** and review the **directors' curriculum vitae**

Verify information deriving from the questionnaires and CVs, for example by conducting **press searches**, verification through the appropriate **industry chamber of commerce**, and, where appropriate, obtaining **third party checks**.

Extend these verifications where appropriate, to **key managers** and consultants that are nominated within the admission document

Evaluate the appropriateness of undertaking the same checkup in relation to **key shareholders** at the moment of admission

Consider the appropriateness of **each director** and their experience when considering that that the instrument will be traded publicly.

Evaluate the Board of Directors as a whole in relation to the **needs of the applicant**, for example, size, expected profile and the fact that the company will be publicly traded

Consider with directors, the just adoption of rules of **corporate governance**

THE ADMISSION OF A COMPANY ON AIM ITALIA

AA2

Due Diligence

Be satisfied that appropriate **financial, tax and legal due diligence** is undertaken by the appropriate professional firms. Due diligence should also include: any issues regarding the **applicant's financial structure** (including the composition of the net financial position and the existence of financial covenants on outstanding debt) and any issues regarding overdue debts (trade payables, financial, tax and social security debts), overdue receivables and derivative contracts

Verify that the correct measures have been implemented to ensure the adequacy of **working capital** and management **information system** (also relating to information made available to financial auditors)

Verify if a commercial, specialised or technical due diligence is necessary (e.g. on technical or intellectual property)

Define the object and appropriate level of due diligence and report depth (e.g. in relation to working capital, assumptions and sensibility analysis)

The NOMAD must identify and coordinate the consultants that are to be involved in the due diligence process according to the understanding that the NOMAD has of the issuer's business and the issuer's organisation

The Nominated Adviser should oversee the due diligence process and be satisfied that it is appropriate to the applicant and transaction. It should also be satisfied that any material issues arising from the due diligence is dealt with or otherwise does not affect the appropriateness of the applicant for AIM Italia

THE ADMISSION OF A COMPANY ON AIM ITALIA

AA3

The Admission Document

Oversee and be actively involved in the **preparation** of those **parts of the admission document** that relate to the Issuer's business and risk factors. The Nominated Adviser should be satisfied that the admission has been completed in accordance to the rules. The Nominated Adviser will verify the completeness and accuracy of due diligence before making their final declaration.

Verify that the sections containing financial information and the other sections of the admission document were prepared in the appropriate manner.

Consider if third party reports are necessary (e.g. in particular sectors such as biotech etc.)

Be satisfied that all appropriate verifications were made to the admission document and all the necessary notifications have been made

Nomad must be satisfied that the admission document respects the provisions laid down in the AIM Rules for Companies.

The NOMAD must be directly involved in the preparation of the admission document, to the extent that it is assured to the end of its declaration, that all procedures and steps have been carried out in the correct manner.

THE ADMISSION OF A COMPANY ON AIM ITALIA

AA4

Compliance to the Rules

Verify that satisfactory procedures have been put into place to guarantee adherence to the AIM Italia Rules for Companies, e.g. the release of price sensitive information, announcements mentioned in art. 17, the discipline to close periods, etc.

Ensure that the directors have been advised of their and the company's continuing responsibilities under the AIM Italia Rules for Companies and that the directors are aware of when and why they should be seeking the advice of the nominated adviser. It is the NOMAD's responsibility to provide advice to the directors so that they are aware of the practical consequences of the requirements of the AIM Italia Rules for Companies

The NOMAD should be satisfied that the applicant has in place sufficient systems, procedures and controls in order to comply with the AIM Italia Rules for Companies and it should be satisfied that the applicant understands its obligations under the AIM Italia Rules for Companies

APPLICATION TO ADMISSION - NOMAD'S DECLARATION

THE NOMAD DECLARES THAT

Having made a careful enquiry and having considered all relevant matters under the AIM Italia Rules for Companies and AIM Italia Rules for NOMADs, to the best of its knowledge and belief, the NOMAD believes that the issuer has met all applicable requirements of the AIM Italia Rules for Companies and AIM Italia Rules for Nominated Advisers have been completed. In particular, the admission document complies with Schedule Two of the current AIM Italia Rules for Companies, and:

having fully evaluated the issuer as set out in the terms of the AIM Italia Rules for Companies and the AIM Italia Rules for Nominated Advisers, it is satisfied that the applicant and its securities are appropriate to be admitted to AIM Italia,

the directors of the applicant have received advice and guidance (from declaring NOMAD as to the applicant's responsibilities and obligations under the AIM Italia Rules for Companies. They confirm that the issuers is aware of the requirements of an ongoing basis; and

the NOMAD will comply with the AIM Italia Rules for Companies and AIM Italia Rules for Nominated Advisers as applicable as its role as NOMAD to the applicant.



BALDI
PARTN&RS

:

Via Cino del Duca 5
20123 Milano
Tel.+39.02.58318214
Fax +39.02.58310893

Via Gutenberg, 3
42124 Reggio Emilia
Tel. +39.0522.27.12.20
Fax +39.0522.27.14.32

info@baldiandpartners.it
Antonio.boccia@baldiandpartners.it

