



Channel Islands - The International Stock Exchange – Continuing Obligations - Qualified Investor Bond Market

Introduction

This memorandum has been prepared to inform directors of companies of their obligations following the listing of bonds and any other debt securities on The International Stock Exchange ("**TISE**"), which is regulated by The International Stock Exchange Authority Limited (the "**Authority**") pursuant to Chapter 3 – Continuing Obligations of the Qualified Investor Bond Market ("**QIBM**"), under the listing rules of the Authority (the "**Listing Rules**"). The intention is to assist the directors in satisfying themselves that they are complying with all relevant requirements and to avoid breaches which may lead to undesirable consequences such as fines and suspensions.

This memorandum is intended as an overview of the subject matter and should be used as a starting point for a more detailed and comprehensive discussion of the issues based on the particular circumstances or transactions envisaged. Client Memos on other listing topics are also available on request.

Continuing obligations

The Listing Rules contain provisions setting out the continuing obligations which an issuer is required to observe once any of its securities have been admitted to listing. The Listing Rules also contain provisions regarding accountants' reports and other financial information.

Once a listing has occurred, an issuer, assisted by its sponsor, must comply with the continuing obligations specified in the Listing Rules. The continuing obligations are intended to ensure that all market users have simultaneous access to the same information and to maintain an orderly market in the listed securities.

Walkers Capital Markets Limited ("**WCML**"), in its capacity as listing sponsor, and the Authority, must be kept apprised of the operations of the issuer so that we may best advise at all times on any appropriate course of action to be taken by an issuer to demonstrate compliance with the continuing obligations requirements. All necessary announcements, circulars and reports filed will be published via the TISE website.

A summary of the continuing obligations is set out below.

General Obligations (Listing Rule 3.1.5)

For the duration of the listing, an issuer must make available for inspection to all bondholders and any potential bona fide transferee, a document that sets out the terms and conditions of the listed bond.

General Notifications (Listing Rule 3.2)

An issuer must as soon as reasonably practicable notify the Authority (and, unless otherwise agreed with the Authority, publish an announcement on the website of TISE) of:

1. any takeover of, merger by, or purchase of the issuer;

2. a change to the issuer's name;
3. a failure to repay principal in accordance with the terms and conditions of the bonds unless otherwise appropriately waived or approved;
4. a failure to settle coupon in accordance with the terms and conditions of the bonds unless otherwise appropriately waived or approved;
5. a change to the final maturity date of the bonds;
6. in relation to derivative bonds, any material changes that are made to the associated underlying asset/rate/index; or
7. in relation to convertible bonds where the conversion entity is not listed on an exchange, any information on the conversion entity that might reasonably be expected to materially impact the bondholders.

An issuer must as soon as reasonably practicable notify the Authority of:

- (a) any further issues of its listed bonds; or
- (b) any partial redemption of its listed bonds.

An issuer must as soon as reasonably practicable notify the Authority, of any fully cancellation and/or redemption of the listed bonds and make an application to the Authority to de-list such bonds.

An application to delist bonds in accordance with Listing Rule 3.2.3 that were issued via a programme may be made either directly from the programme issuer, from the programme issuer's corporate service provider, or from the appointed Listing Agent.

TISE Passport programme listings (Listing Rule 3.3)

Any supplements filed with the applicable national competent authority should be filed with the Authority as soon as reasonably practicable.

Director Information (Listing Rule 3.4)

An issuer must notify the Authority as soon as reasonably practicable of all appointments and resignations of directors of the issuer and provide full names, date of birth and nationality of all new appointees.

An issuer must publish an announcement on the website of the Exchange as soon as reasonably practicable of:

1. the appointment of a new director, such new appointee's full name and the effective date of such appointment;
2. the resignation, removal or retirement of a director and the effective date of such resignation, removal or retirement; and
3. any material changes in a directors' holding of the issuer's listed bonds.

Newly appointed directors must provide to WCML, a certified copy of a utility bill (no older than six months) plus a certified copy of a director's passport.

Trading on the Exchange (Listing Rule 3.5)

An issuer which trades its own listed bonds on TISE must arrange to publish the bid, offer and mid prices via MyTISE on the TISE website (by WCML).

Financial Information (Listing Rule 3.6)

Listing Rule 3.6.1

An issuer must provide to the Authority, on a confidential basis, such annual financial information as agreed with the Authority when:

1. the auditor reports a qualified opinion of such annual financial information; or
2. such financial accounts are no longer prepared on a going concern basis; or
3. the Authority requests a copy of such annual financial information as part of any ongoing enquiry or investigation.

Listing Rule 3.6.2

Where an issuer is a sovereign, local authority, or public international body, the issuer must as soon as reasonably practicable either publish a one-off announcement in accordance with Listing Rule 3.6.3 or publish its annual financial information on the Exchange's website.

Listing Rule 3.6.3

An issuer may, where its financial information is publicly available, publish a one-off announcement on TISE's website which states:

4. a weblink to where its financial information will be published; and
5. the issuer's filing deadline permitted under its national legislation.

Investor Website (Listing Rule 3.7)

An issuer may publish a one-off announcement on TISE's website which states:

1. a weblink to an investor relations website for the issuer or issuer group; and
2. that general information relating to the bonds, issuer or issuer group will be available via the investor website.

Sanctions, Legal and Regulatory Proceedings (Listing Rule 3.8)

An issuer must notify the Authority as soon as reasonably practicable, and provide the Authority with all relevant information including any steps the issuer is taking in relation to these events, if the issuer or any director of the issuer:

1. becomes subject to government sanction; or
2. faces formal legal or regulatory proceedings for market abuse or other financial crimes including, but not limited to, fraud, money laundering, tax evasion, bribery, corruption, or embezzlement (for the avoidance of doubt, media speculation where no formal investigation has been initiated will not trigger this obligation).

Publication of announcements

All necessary announcements are published on the TISE website by WCML.

The announcements should be sent to the designated WCML email address: TISEAnnouncements@walkersglobal.com.

Timing of Notifications

Currently, there is no published guidance from TISE in respect of the meaning of "as soon as reasonably practicable" for the purposes of making notifications'. However, we would ordinarily suggest considering 10 business days, as a reasonable period within which to provide any required notifications.'

Listing agent services

WCML is a Category 1 and 2 sponsor of the Authority, which means that we are able to act as a sponsor for all TISE listing services, enabling all clients to achieve their goals. We are experienced in the provision of high quality and cost effective professional legal and listing services.

Our team has a thorough working knowledge of listing requirements and provides an efficient, high quality listing service. When you choose WCML, you receive the focused attention of senior, experienced professionals with a strong track record of liaising with the Authority, managing the listing process and meeting client expectations of quality and timeliness. The dedicated WCML listings team is supported by several team members who have worked directly for TISE and other exchanges.

In our capacity as listing sponsor, WCML liaises with the Authority on an issuer's behalf in relation to its continuing obligations.

Our continuing obligations role includes:

1. Advice on the application of the Authority's continuing obligations requirements.
2. Drafting announcements for the issuer's review and approval.
3. Liaising with the Authority, when necessary, where announcements or circulars must be pre-approved prior to release to shareholders.
4. Reviewing interim reports and annual reports and accounts.
5. Ensuring filing deadlines for announcements, circulars and financial reports are met.
6. Advising and resolving apparent breaches of the listing rules when raised by the Authority.
7. All announcements, circulars and reports filed by WCML on behalf of an issuer will be displayed on the TISE website, as necessary.

Open communication

WCML operates an open-door policy and is happy to answer any query, however big or small, to ensure that an issuer best complies with its obligations to the Authority. In this regard we recommend that, upon listing, an issuer establishes key contacts within its administrator, legal advisers or directors who will be responsible for liaising with WCML on an on-going basis. We then aim to develop a strong working relationship with the issuer's contact(s) to develop effective and efficient communication channels.

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For further information please refer to your usual contact or:

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The information contained in this memorandum is necessarily brief and general in nature and does not constitute legal or taxation advice. Appropriate legal or other professional advice should be sought for any specific matter.