

**BAHAMAS INTERNATIONAL SECURITIES EXCHANGE  
LIMITED**

**BISX RULES**

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**BAHAMAS INTERNATIONAL SECURITIES EXCHANGE**

**SECTION 7: ISSUER’S CONTINUING OBLIGATIONS**

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## Subsection 1: General Obligations

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### 1.1 Introduction

This Section sets out the continuing obligations that an issuer is required to observe once its securities are listed. Observance of the continuing obligations and the orderly dissemination of information disclosed by issuers under the rules is essential to the maintenance of an orderly market in securities and to ensure that all users of the market have simultaneous access to the same information. Failure of an issuer to comply with any applicable continuing obligation may result in the Exchange taking the enforcement actions described in Section 6.

### 1.2 Authorised representatives

An issuer's authorised representative acts as the issuer's principal channel of communication with the Exchange on an ongoing basis in respect to compliance with its continuing obligations or any other matters concerning its listing on the Exchange.

### 1.3 General duty of public disclosure and notification to the Exchange

1. An issuer shall notify information to the Exchange by the method laid down by the Exchange from time to time. Information contained in notifications will be published by the Exchange through its website and other media.
2. Generally and apart from compliance with all the specific requirements of the Rules, the issuer shall keep the public, the Exchange, the holder of the securities of the issuer and other holders of its listed securities informed as soon as reasonably practicable of any information relating to the issuer (including information on any major new developments in the issuer's sphere of activity which is not public knowledge) which:
  - (i) is necessary to enable them and the public to appraise the position of the issuer;
  - (ii) is necessary to avoid the establishment of a false market in its securities; and
  - (iii) might reasonably be expected materially to affect market activity in and the price of its securities, or
  - (iv) may significantly affect its ability to meet its commitments.
3. Information released publicly by a listed issuer must:
  - (i) include all material facts;
  - (ii) not be misleading;
  - (iii) not omit price-sensitive information; and
  - (iv) present a balanced view of the issuer's activities.
4. An issuer whose securities are also listed on another exchange must ensure that equivalent information is made available at the same time to the Exchange and such other exchanges.

### 1.4 Handling confidential information

Information required to be disseminated by issuers under these Rules must not be given to a third party before it is notified to the Exchange, except as permitted under this rule. An issuer may give information in strict confidence prior to its publication to other relevant regulatory bodies, its advisers, an agent employed to release the information, and to persons with whom it is negotiating with a view to effecting a transaction or raising finance, including prospective underwriters of an

issue of securities, providers of finance or loans or the placement of the balance of a rights issue not taken up by shareholders. In such cases, the issuer must advise the recipients of such information that it is confidential and that they should not discuss the matter with unauthorised parties or deal in the issuer's securities until after the information has been made available to the public.

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## Subsection 2: Disclosure Of Certain Events

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### 2.1 Notifiable events

1. An issuer must notify the Exchange and the public without delay of any material change in its affairs, including but not restricted to, the following matters:
  - (i) any proposed change in its capital structure, including the structure of its listed debt securities, except that an announcement of a new issue may be delayed while marketing or underwriting is in progress;
  - (ii) where an issuer has listed debt securities, any new issues of debt securities, and any guarantee or security in respect of them;
  - (iii) any change in the rights attaching to any class of listed securities (including any change in loan terms or in the rate of interest carried by a debt security) or to any securities into which any listed securities are convertible;
  - (iv) the notification of the record date for the distribution of a dividend or rights, and in any case, not less than five days prior to the date of record.
  - (v) any purchase, sale, drawing or redemption by the issuer of its listed securities;
  - (vi) the basis of allotment of listed securities offered generally to the public for subscription or sale and of the results of any rights issues to shareholders before dealings commence;
  - (vii) the effect, if any, of any issue of further securities on the terms of the exercise of rights under options, warrants and convertible securities;
  - (viii) the results of any new issue of listed securities or of a public offering of existing securities;
  - (ix) details of changes in shareholdings notified to it under Part IX of the Act, including the date on which the information was disclosed to the issuer and the date on which the transaction was effected;
  - (x) changes in its directors, including appointments, resignations, removals or when any important functions or executive responsibilities of a director are changed, and the notification must state the effective date of the change or if it is with immediate effect, and, in the case of an appointment whether the position is executive or non-executive and the nature of any specific function or responsibility; and
  - (xi) any changes relating to the identity, name or location of the trustees or paying agents acting in respect to the issuer's securities.

### 2.2 Definition of "material change"

For the purposes of this Rule the definition of "material change" contained in the Act shall apply.

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## **Subsection 3: Treatment Of Holders Of Securities**

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### **3.1 Equality of treatment**

The issuer shall ensure equality of treatment for all holders of securities of the same class who are in the same position.

### **3.2 Communication with shareholders**

1. The issuer shall publish in at least one daily newspaper circulated widely in The Bahamas notice of its annual general meeting and shall notify the Exchange of this event not later than 24 hours after such publication.
2. The issuer must inform holders of securities of the holding of any other meetings which they are entitled to attend, and in the case of all meetings (including the annual general meeting), enable them to exercise their right to vote, where applicable.
3. The issuer must ensure that necessary facilities and information are available to enable holders of its securities to exercise their rights, in particular through the publication of notices and circulars concerning meetings that they are entitled to attend, new issues of shares and subscription arrangements, payment of interest, early repayment of debt securities, exercise of any conversion rights, exchange, subscription or renunciation rights or other matters affecting the rights of holders, and the designation of the agent through which dividends and other distributions and participation in new issues of securities are made available, unless the company provides those services itself.

### **3.3 Proxy forms**

A proxy form must be sent with the notice convening a meeting of holders of listed securities to each person entitled to vote at the meeting. The proxy form must provide for two-way voting (i.e. for and against) on all resolutions intended to be proposed, state that a shareholder is entitled to appoint a proxy of his own choice and provide on the form a space for insertion of the name of such proxy, and state that, if it is returned without an indication as to how the proxy shall vote on any particular matter, the proxy will exercise his discretion as to whether, and if so how, he votes.

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## **Subsection 4: Miscellaneous Obligations**

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### **4.1 Prior review of documents by the Exchange**

In addition to the specific requirements set out in the Rules, the issuer shall submit to the Exchange for review and approval before they are issued:

- (i) copies of drafts of any announcements, notices or advertisements relating to the issue of new or further securities or any announcements, notices or advertisements the subject matter of which may involve a change in or relate to or affect arrangements regarding trading in its listed securities;
- (ii) copies of drafts of any circulars and of any documents issued in connection with takeovers, mergers or demergers; and
- (iii) copies of drafts of the relevant documentation and the draft notice of any meeting concerning any proposed amendments to its memorandum and articles of association or other constitutive documents, or any deed or other instrument constituting debt securities.

#### 4.2 Filing of published documents

The issuer must forward to the Exchange two copies of all circulars, notices, reports, announcements of other documents at the same time as they are issued, and copies of all resolutions passed by the issuer in general meeting within 14 days after the relevant general meeting.

#### 4.3 Directors declarations

1. As soon as practicable after the appointment of a new director, but in any case within 14 days of his appointment, each new director must sign and lodge with the Exchange a declaration and undertaking in the form set out in Appendix 2 to Section 6.
2. If there are changes to any of the details set out in a director's declaration and undertaking lodged with the Exchange an issuer must ensure that such details are submitted to the Exchange as soon as practicable, and in any event not later than 14 days after such change.

#### 4.4 Further issues of securities

The issuer shall apply for the listing of any further securities that are of the same class as securities already listed, prior to their issue, and shall not issue such securities unless it has applied for the listing of those securities.

#### 4.5 Continuing compliance with conditions for listing

The issuer shall continue to comply with the conditions for listing as set out in section 6.

#### 4.6 Board decisions

The issuer shall notify the Exchange immediately after approval by or on behalf of its Board of:

- (i) any decision to declare, recommend or pay any dividend or to make any other distribution on its listed securities and the rate and amount of the dividend or distribution;
- (ii) any decision to withhold any dividend or interest repayment on listed securities;
- (iii) 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;
- (iv) any preliminary announcement of profits or losses for any year, half-year or other period;
- (v) any proposed change in the capital structure, including any redemption of its listed securities; and
- (vi) any decision to change the general character or nature of the business of the issuer or group.

#### 4.7 Changes to officers, auditors etc

The issuer shall notify the Exchange immediately of any changes in its secretary, auditors or registered address.

#### 4.8 Annual listing fees

An issuer must pay the annual listing fee as published by the Exchange from time to time.

#### **4.9 Sufficient operations**

The issuer shall maintain 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 of the issuer's securities.

#### **4.10 Shares in public hands**

The issuer shall notify the Exchange immediately if it becomes aware that the proportion of any class of listed securities in the hands of the public has fallen below the level required by the Rules or other level agreed with the Exchange.

#### **4.11 Response to enquiries from the Exchange**

The issuer shall respond promptly to any enquiries made by the Exchange concerning unusual movements in the price or trading volume of its listed securities or any other matters raised by the Exchange 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 situation.

#### **4.12 Additional requirements and information**

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

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## **Subsection 5: Annual Report And Accounts, Preliminary Results And Interim Reporting**

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#### **5.1 Requirement to produce and distribute annual report and accounts**

An issuer must issue an independently audited annual report and accounts and send a copy of it to every holder of its securities (and the auditor's report thereon if not already incorporated into the annual report and accounts) not less than 21 days before the date of the issuer's annual general meeting (excluding the date when the report was mailed and the date of the meeting) and such report and accounts must be prepared no later than 120 days after the end of the financial period to which the accounts relate. In exceptional circumstances the Exchange may grant an extension to this time limit.

#### **5.2 Standards for annual reporting**

The annual report and accounts must:

- (i) have been prepared in accordance with the issuer's relevant applicable laws and with International Accounting Standards promulgated by the International Accounting Standards Committee for the contents of annual financial reports;
- (ii) be in consolidated form if the issuer has subsidiaries, unless the Exchange otherwise agrees (but the issuer's own accounts must also be published if they contain significant additional information);

- (iii) if they do not give a true and fair view of the state of affairs, profit or loss and cash flows of the group, they should provide additional and more detailed information; and
- (iv) be lodged with the Exchange on or before the same day as they are sent to shareholders.

### **5.3 Interim (quarterly) reports**

1. An issuer which has listed securities on the Exchange must prepare a report in a table format, on a group basis where relevant, on its activities and financial status in accordance with International Accounting Standards established for interim financial reporting for the periods ending three, six and nine months following its financial year end.
2. Where the interim report is not prepared on a basis consistent with that of the annual accounts, the interim report must include a statement of that fact and that, in the opinion of the issuer's directors, the interim report enables investors to make an informed assessment of the financial results and activities of the issuer or group, as the case may be, for the reporting period.
3. The interim report must be published within 90 days of the end of the period to which it relates, however, in exceptional circumstances the Exchange may grant an extension to this time limit.
4. To publish the interim report, the issuer must either:
  - (i) publish the entire interim report, as a paid advertisement, in at least one daily newspaper circulating generally in The Bahamas, within two days after the approval of the interim report by or on behalf of its Board; or
  - (ii) publish select extracts of the interim report as a paid advertisement, in at least one daily newspaper circulating generally in The Bahamas, within two days after the approval of the interim report by or on behalf of its Board. The advertisement must state that only extracts of the interim report are being published and that copies of the entire interim report are available to the public, free of charge, at the issuer's registered office in The Bahamas for a period of at least 30 days. Such extracts should not provide a distorted or unbalanced report of the financial condition of the issuer.
5. The issuer must also supply the Exchange with a copy of the interim report at a time no later than its publication.
6. The interim report shall contain at least the minimum components of an interim financial report as required by International Accounting Standards, including:
  - (i) a statement relating to any significant information that would enable investors to make an informed assessment of the trend of the activities and profit (or loss) of the issuer or group, as the case may be, together with an indication of any special factor which has influenced those activities and the profit (or loss) during the period in question;
  - (ii) any supplementary information which in the opinion of the directors of the issuer is necessary for a reasonable appreciation of the results of the interim reporting period; and
  - (iii) where the figures in the interim report have not been audited, a statement to that effect must be included, and where they have been audited, the report must be in accordance with International Accounting Standards established for auditing interim reports.

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## **Subsection 6: Share Registers And Certificates**

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1. A register of the holders of each class of securities that have been issued by the company must be maintained in electronic form or other form agreed with the Exchange. If applicable, the authority for such maintenance shall be given to the Exchange to facilitate prompt settlement of every trade.
2. The company shall facilitate the maintenance of all changes of information on each register, whether in respect of holdings of securities or registered holders or other necessary data for maintenance of a full record. If applicable, the issuer shall supply to the Exchange a certified extract from its board minutes authorising the Exchange to maintain a register on behalf of the issuer for each class of securities for which listing is applied for.
3. A company may appoint a Transfer Agent and Registrar to fulfil its obligations to its shareholders and the Exchange to facilitate transfers on its register and keeps records related thereto.
4. Such Transfer Agent and Registrar shall be an entity that in the opinion of the Exchange has adequate operational facilities and trained staff to meet the requirements of the trading and settlement system of the Exchange.
5. The Company shall ensure that it or its duly appointed Transfer Agent and Registrar keeps its register accurate and up-to-date and maintains records relating to registered ownership changes that will allow a backward audit trail of not less than 2 years.
6. The Company shall also ensure that its register of Members is updated within 2 days (48 hours) of receiving valid authorization in the form of:
  - (i) a signed share certificate and transfer form, where applicable;
  - (ii) a power of attorney executed by the beneficial owner or their authorized representative; or
  - (iii) an instruction from the Exchange following a duly authorized trade.