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Glossary

**Admission**: the admission of financial instruments to trading on **IPSX Prime** or the acceptance of an entity by **IPSX** as an **IPSX Member**, as the context requires.

**Admission Document**: the disclosures for admission to trading on **IPSX Wholesale** in the form laid out in Schedule One or Schedule Two, as the context requires, of the **IPSX Rules for Wholesale Issuers**.

**Admission Documentation**: the documents and information a prospective Issuer must prepare before its financial instruments may be approved for admission to trading as set out in Rule 2.2 of the **IPSX Rules for Prime Issuers** and as set out in Rule 2.2 of the **IPSX Rules for Wholesale Issuers**.

**Admission Standards**: as set out in Rule 1.1 to Rule 1.22 (inclusive) of the **IPSX Rules for Prime Issuers** or Rule 1.1 to Rule 1.25 (inclusive) of the **IPSX Rules for Wholesale Issuers**, as the context requires.

**Applicable Employee**: a person within an Issuer who is:

(i) a member of the administrative, management or supervisory body of that Issuer; or

(ii) a senior executive of that Issuer, who has power to take managerial decisions affecting the future developments and business prospects of the Issuer.

**Applicant**: an entity applying (or proposing to apply) to **IPSX** to become an **IPSX Member** or an Issuer as the context applies.

**Application Form for IPSX Prime Issuers**: initial application form, on **IPSX**’s website, to be submitted to commence the Issuer application process.

**Application Form for IPSX Wholesale Issuers**: initial application form, on **IPSX**’s website, to be submitted to commence the Issuer application process.

**Authorised Person**: as defined in the **FCA Handbook**.

**Broker**: an **IPSX Trading Member** that enters orders, in the auction period, or executes trades on its own behalf or on behalf of a client.

**Business Day**: a day (other than a Saturday, Sunday or Public Holidays in the UK) when **IPSX** is open for business.

**Cash settlement amount**: as defined in Rule 4.8.28 in Section 8 of Part IV or Rule 5.7.28 in Section 7 of Part V of the **IPSX Rules for Members**.

**Cash settlement notice**: an instruction issued by **IPSX** to a defaulting member in accordance with Rule 4.8.29 in Section 8 of Part IV or Rule 4.8.29 in Section 7 of Part V of the **IPSX Rules for Members** which sets out the cash settlement amount that **IPSX Trading Member** must pay to the counterparty in accordance with the instructions issued by **IPSX**.

**Class tests**: the tests set out in Schedule Four of the **IPSX Rules for Prime Issuers** (Class Tests), which are to be used to determine the percentage ratio when an Issuer enters into certain transactions outside of its ordinary course of business.

**Competent Authority**: an authority exercising functions referred to either in Part IV of **FSMA** or corresponding to those functions under the laws of an **EEA** state other than the UK.
Connected Persons: as defined in the FCA Handbook.

confidential information: as defined in the Confidentiality sub-section of the Important Information section of the IPSX Rules for Members.

Conflict of Interest: in the context of the IPSX Rules means a situation where an IPSX Member acts for one or more separate clients who have competing interests, or where an IPSX Member’s own interests conflict with those of one or more of its clients.

Cornerstone Investor: a substantial shareholder who is already invested in a Wholesale Issuer before it comes to the public market, and is a ‘controller’ as defined in the FCA Handbook.

CRD: Capital Requirements Directive No 2013/36/EU.

CRD credit institution: a credit institution as defined in the CRD.

Default Rules: the Rules set out in Section 9 of Part IV and Section 8 of Part V of the IPSX Rules for Members.

defaulting member: as defined in Rule 4.8.6 in Section 8 of Part IV and 5.7.6 in Section 7 of Part V of the IPSX Rules for Members.

designated professional body: as defined in the FCA Handbook.


disclosure obligations: as defined in the FCA Handbook.

EEA: European Economic Area.

EEA Competent Authority: an authority exercising functions corresponding to the functions referred to in Part IV of FSMA under the laws of an EEA state other than the UK.

EMS or Exchange Market Size: the minimum quantity of a Financial Instrument specified by the Exchange for which a Market Maker is obliged to provide a firm two-way price on a continuous basis on IPSX Prime, in accordance with Rule 4.5.1 in Part IV, or in which an IPSX Trading Member is obliged to quote in accordance with Rules 5.4.3.2 and 5.4.7 in Part V, of the IPSX Rules for Members.

ESMA: European Securities and Markets Authority.

EU legislation: the applicable laws, rules and regulations that are (i) interpreted and transposed by the United Kingdom government, or (ii) directly applicable throughout the European Union.

Exchange or International Property Securities Exchange or IPSX: IPSX (UK) Limited, a Recognised Investment Exchange dedicated to the trading of financial instruments in commercial real estate companies.

Family: in relation to any person his or her spouse or civil partner and any child where such child is under the age of eighteen years.

FCA or Financial Conduct Authority: the Financial Conduct Authority of the UK.

FCA Handbook: the handbook of rules and guidance published by the Financial Conduct Authority, as in force from time to time.
financial instrument or financial instruments: the financial instruments of an Applicant or an Issuer, of a class admitted to trading on IPSX or for which an application for Admission has been (or is proposed to be) made.

FSMA: the Financial Services and Markets Act 2000, as amended from time to time.

Gross rental income: the rent provided for under the relevant lease documentation net of value added tax and excluding any item(s) in respect of cost reimbursement.

investment firm: an investment firm as defined either in Part 4A of FSMA or in article 4.1(1) of MiFID.

IPSX Approved Valuer: a RICS Registered Company approved by IPSX. Part III of the IPSX Rules for Members sets out the requirements and process that a firm must follow to gain this status.

IPSX Disciplinary and Appeals Procedures: the disciplinary and appeals procedures issued by IPSX, as amended from time to time.

IPSX Fee Schedule: the schedule of IPSX fees payable by members and Issuers, on application and ongoing, as amended from time to time, and set out on the IPSX website.

IPSX Guide for Trading Members: the manual issued by IPSX providing further information on its trading services, as amended from time to time.

IPSX Lead Adviser: a firm which is authorised by IPSX and whose name is included on the list of IPSX Lead Advisers maintained by IPSX. An Issuer must appoint an IPSX Lead Adviser in relation to any application for Admission of financial instruments and in certain other circumstances.

IPSX Lead Adviser Declaration: a declaration to be made by the IPSX Lead Adviser in accordance with Schedule Three of IPSX Rules for Prime Issuers or Schedule Four of the IPSX Rules for Wholesale Issuers, as the context requires, which supports an Issuer’s application to have its financial instruments admitted to trading.

IPSX Market Maker: an IPSX Trading Member who is registered as a Market Maker for IPSX Prime.

IPSX Member or Member: a person admitted to membership of IPSX as an IPSX Lead Adviser and/or an IPSX Approved Valuer and/or an IPSX Trading Member.

IPSX Prime: the Exchange’s “Prime” market; a UK Regulated Market for the admission to trading of financial instruments of a Single Asset Issuer or a Multiple Asset Issuer.

IPSX Principles for Members: the principles for IPSX Members set out in Part I of the IPSX Rules for Members.

IPSX Rules: the IPSX Rules for Members, IPSX Rules for Prime Issuers or the IPSX Rules for Wholesale Issuers as the context requires.

IPSX Rules for Members: the IPSX Rules for Lead Advisers, IPSX Approved Valuers and IPSX Trading Members as issued by the Exchange, as amended from time to time.

IPSX Rules for Prime Issuers: the rules for IPSX Prime Issuers issued by IPSX, as amended from time to time.
IPSX Rules for Wholesale Issuers: the rules for IPSX Wholesale Issuers issued by IPSX, as amended from time to time.

IPSX Trading Member: an entity that has applied for and been granted Trading Membership.

IPSX Trading Model: defines how the IPSX trading model is structured and includes operating hours.

IPSX Trading Platform: the electronic facilities and underlying systems for trading on the IPSX Market operated by IPSX.

IPSX Trading Rules for IPSX Prime: the rules set out in Part IV of the IPSX Rules for Members, as amended from time to time.

IPSX Trading Rules for IPSX Wholesale: the rules set out in Part V of the IPSX Rules for Members, as amended from time to time.

IPSX web portal: the system used by an Issuer, and its appointed IPSX Lead Adviser, to upload Issuer information as required by the IPSX Rules.

IPSX Wholesale: IPSX’s “wholesale” multilateral trading facility; an Exchange-Regulated Market for the Admission to trading of financial instruments of a Single Asset Issuer or a Multiple Asset Issuer.

IPSX Wholesale Rules: the IPSX Rules for Wholesale Issuers or the relevant IPSX Rules for Members as the context requires.

Issuer: a company established to own an underlying Single Commercial Property Asset or Multiple Commercial Property Asset which is, or is proposed to be, securitised and traded on IPSX.

Legal Entity Identifier or LEI: an LEI is a unique identifier for persons that are legal entities or structures including companies, charities and trusts as defined in ISO 17442.

mandatory quote period or MQP: the period on each Business Day during which a Market Maker on IPSX Prime must provide two-way prices for each financial instrument in which it is registered.

Market Maker: an IPSX Trading Member who is registered with IPSX to provide 2-way prices on IPSX Prime during the MQP in at least one financial instrument in accordance with Rule 4.3.4 in Part IV of the IPSX Rules for Members.

Market Notice: any notice issued by IPSX from time to time to IPSX Members generally or to any class of IPSX Members.

Market Regulation: the executive staff at IPSX responsible for the IPSX’s market surveillance, membership, listing and any other regulatory functions including monitoring the compliance of Issuers with their continuing obligations, and enforcing the IPSX Rules.

Market Rent: as defined in the Red Book.

Market Value: as defined in the Red Book and in respect of the underlying asset(s).

Guidance: where references are made to market value in respect of the financial instruments, the term has not been bolded in the text and does not refer to the above definition.
maximum spread: the maximum difference between the offer price and bid price of a Market Maker on IPSX Prime allowed by IPSX and as in force from time to time as set out in the IPSX Guide for Trading Members.

MiFID: Markets in Financial Instruments Directive 2014/65/EU.

MiFID Delegated Regulation: Commission Regulation (EU)2017/580 (Regulatory Technical Standard for the maintenance of relevant data relating to orders in financial instruments (RTS 24)).

Multilateral Trading Facility or MTF: as defined in the FCA Handbook.

Multiple Asset Issuer: an Issuer that is not a Single Asset Issuer and whose underlying assets meet the criteria set out in Rule 1.2 of the IPSX Rules for Prime Issuers or Rule 1.2 of the IPSX Rules for Wholesale Issuers as the context requires.

Multiple Commercial Property Asset: underlying real estate assets which are not Single Commercial Property Assets, and which are owned by a Multiple Asset Issuer.

negotiated trade: in relation to a financial instrument, a trade involving an IPSX Trading Member which is negotiated privately but is an on-Exchange trade.

normal market size or NMS: in relation to a financial instrument, the normal market size of a transaction in that financial instrument based on its average daily turnover (ADT).

on-Exchange trade: as defined in Rule 4.3.4 in Part IV and Rule 5.2.4 in Part V of the IPSX Rules for Members.

permitted activities: in relation to a Broker, as defined in Rule 4.2.4 in Part IV and Rule 5.2.4 in Part V of the IPSX Rules for Members, and in relation to a Market Maker on IPSX Prime, as defined in Rule 4.2.5 in Part IV of the IPSX Rules for Members.

portfolio trade: a transaction in five or more different financial instruments, where those financial instruments are grouped and traded as a single lot against a specific reference price.

PRA: the Prudential Regulation Authority of the UK.

Prime Applicant: an entity applying (or proposing to apply) to IPSX to become an IPSX Member or an Issuer as the context applies on IPSX Prime.

Prospectus: a document approved by the FCA pursuant to the provisions of Part VI of FSMA, or by another relevant EEA Competent Authority pursuant to the provisions of EU Legislation (including, where the context requires, any supplementary Prospectus or summary document).


Qualifying Institutional Investors: means the classes of person referred to in section 66 (7) FSMA.

Qualifying Market: the list of other markets on which an Applicant must be admitted to trading if they are to qualify for a Fast Track Admission on IPSX Wholesale. The list of Qualifying Markets for a Fast Track Admission can be found on the IPSX website.

Recognised Investment Exchange or RIE: as defined in the FCA Handbook.

**Red Book Valuation**: a valuer’s opinion of the value of a specified interest or interests in a property using the basis of value as defined in the Red Book, as at the date of valuation, given in writing in accordance with the minimum standards set out in the Red Book.

**Regulated Market**: as defined in the FCA Handbook.

**Regulatory Information Service**: as defined in the FCA Handbook.

**related party**:  
(i) a person who is (or was within the 12 months before the date of the transaction or arrangement) a **substantial shareholder**, being a person who is entitled to exercise, or to control the exercise of, 10% or more of the votes able to be cast on all or substantially all matters at general meetings of the **Issuer** (or of any company which is its subsidiary undertaking or parent undertaking or of a fellow subsidiary undertaking of its parent undertaking);

(ii) a person who is (or was within the 12 months before the date of the transaction or arrangement) a director or shadow director of the **Issuer** or of any other company which is (and, if he has ceased to be such, was while he was a director or shadow director of such other company) its subsidiary undertaking or parent undertaking or a fellow subsidiary undertaking of its parent undertaking;

(iii) a person exercising significant influence over the **Issuer**;

(iv) an associate of a **related party** referred to in (i), (ii) or (iii) above; an **IPSX Approved Valuer** appointed by the **Issuer** at the relevant time or who has been appointed by the **Issuer** at any time in the preceding two years; or any property manager appointed by an **Issuer** at the relevant time.

**Guidance**: IPSX acknowledges that some complex corporate group arrangements may produce anomalous results when the tests in this definition are applied. If an **Issuer** considers this to be the case, it may make an application to IPSX, via its **IPSX Lead Adviser**, for the related party Rule to be disapplied in the specific circumstances described in its application. IPSX may grant or refuse such application at its discretion.

**related party transaction**: as defined in Rule 3.29 of the **IPSX Rules for Prime Issuers** and Rule 3.24 of the **IPSX Rules for Wholesale Issuers**.

**Requesting member**: as defined in Rule 4.8.6.1 in Section 8 of Part IV and Rule 5.7.6.1 in Section 7 of Part V of the **IPSX Rules for Members**.

**restricted period**: as defined in Rule 4.4.17 in Part IV of the **IPSX Rules for Members**.

**reverse takeover**: as defined in Rule 3.31 of the **IPSX Rules for Prime Issuers** and Rule 3.26 of the **IPSX Rules for Wholesale Issuers**.

**RICS**: Royal Institution of Chartered Surveyors.

**RICS Registered Company**: a property company which is regulated by the RICS.

**RICS Registered Valuer**: a RICS regulated and qualified registered valuer, who is certified to produce Red Book Valuations.

RNS Statement: means a statement published via a Regulatory Information Service.

settlement direction: as defined in Rule 4.8.17 in Section 8 of Part IV and Rule 5.7.17 in Section 7 of Part V of the IPSX Rules for Members.

settlement direction notice: as defined in Rule 4.8.15 in Section 8 of Part IV and Rule 5.7.15 in Section 7 of Part V of the IPSX Rules for Members.

settlement direction request: as defined in Rule 4.8.6.1 in Section 8 of Part IV and Rule 5.7.6.1 in Section 7 of Part V of the IPSX Rules for Members.

significant transaction: as defined in Rule 3.24 of the IPSX Rules for Prime Issuers and Rule 3.21 of the IPSX Rules for Wholesale Issuers.

Single Asset Issuer: an Issuer that owns an underlying Single Commercial Property Asset in its Totality.

Single Commercial Property Asset: underlying real estate asset having a commercial purpose and which:

(i) occupies a single geographic location or postal address; or

(ii) comprises a single building or a group of co-located buildings.

Guidance: IPSX expects that an underlying Single Commercial Property Asset should be of institutional grade (i.e. each property will generally have a Market Value in excess of £50m for IPSX Prime Issuers and £100m for IPSX Wholesale Issuers). Should an Applicant have any doubts as to this criterion, it should contact Market Regulation.

Special Assumption: as described in the Red Book.

standard settlement: the standard settlement timetable of the settlement system on which a trade is settled.

substantial shareholder/shareholdings: has the meaning given to it in the definition of related party.

tick size: as set out in the IPSX Guide for Trading Members.

Totality:

(i) the entirety of a registered title relating to the underlying asset; and

(ii) in the case of a Single Commercial Property Asset, the physical whole of the relevant property.

trade report: a report in respect of an on-Exchange trade containing the information specified in Section 5 of Part IV and Section 5 of Part V of the IPSX Rules for Members.

trade reporting period: the period each day when the IPSX Trading Platform will accept trade reports (normally between 08:30 and 16:30 each Business Day. Any changes to these hours will be communicated by way of a Market Notice).
trading account: the electronic account which an IPSX Trading Member must open in order to access the IPSX Trading Platform, each of which has a unique user ID.

Trading Membership: IPSX Membership allowing a person to participate as an IPSX Trading Member and enter into trades on the IPSX Market, including a Market Maker or a Broker.

UK MAR: Market Abuse Regulation (Regulation 596/2014), as applied in the UK.

UK MiFIR: Markets in Financial Instruments Regulation (EU) 600/2014, as applied in the UK.

UK Regulated Market: a Regulated Market which is operated by a Recognised Investment Exchange but not an overseas investment exchange within the meaning of section 313(1) of FSMA.


Wholesale Applicant: an entity applying (or proposing to apply) to IPSX to become an IPSX Member or an Issuer as the context applies on IPSX Wholesale.
Introduction

These IPSX Rules are part of a body of rules and procedures which set out the procedures and rules and obligations for Applicants seeking Admission to IPSX, and the responsibilities and continuing obligations of Issuers.

Terms in bold have the meanings set out in the Glossary at the front of this document.

Interpretation

In interpreting this document, references to Schedules and Rules are to (respectively) Schedules to and Rules of this document unless otherwise specified. References within a Schedule to paragraphs are to paragraphs of that Schedule (unless otherwise specified).
Background

- The **International Property Securities Exchange** is a Recognised Investment Exchange under UK law. The **Exchange** has a responsibility to ensure that **financial instruments** are admitted to trading on **IPSX** in accordance with the **Financial Conduct Authority**’s sourcebook for Recognised Investment Exchanges, and that trading in those **financial instruments** on **IPSX** is conducted in accordance therewith.

- The **Exchange** operates a **Regulated Market, IPSX Prime**. This means that **Admission** requires:
  - the publication of a **Prospectus**, unless the Applicant is exempt from such requirement under an applicable provision of FSMA or **EU legislation**; and
  - satisfaction of the relevant requirements of the **IPSX Rules for Prime Issuers**.

- **IPSX** must ensure that business conducted by means of its facilities is conducted in an orderly manner, so as to afford proper protection to investors. In addition, **IPSX** must ensure that it has transparent and non-discretionary rules and procedures to provide for fair and orderly trading and to establish objective criteria for the efficient execution of orders.

- The **IPSX Rules for Prime Issuers** have the objective of:
  - setting the **Admission Standards** for potential **Issuers** seeking **Admission** to **IPSX**;
  - affording proper investor protection and promoting investor confidence in **IPSX**; and
  - protecting and maintaining **IPSX**’s high standards of market integrity.

- The rules for trading in **financial instruments** are set out in the **IPSX Rules for Members**.

- The rules for **IPSX Lead Advisers** are set out in Part I and Part II of the **IPSX Rules for Members**.

- The rules for **IPSX Approved Valuers** are set out in Part I and Part III of the **IPSX Rules for Members**.

- The procedures in relation to disciplinary and appeals matters are set out in the **IPSX Disciplinary and Appeals Procedures** as amended from time to time.

- This document contains both rules and guidance. Guidance is clearly marked as such and appears in italic text.

**IPSX Market Regulation** welcomes early engagement with parties considering seeking **Admission** to **IPSX**, particularly where there is any doubt as to satisfaction of the relevant **Admission Standards** and/or any other requirements set out in these **Rules**. **Market Regulation** aims to respond to queries within five **Business Days**, although a potential **Applicant** may be required to provide further information before a final response can be issued.

Amendments to the IPSX Rules

**IPSX** may amend the **IPSX Rules** from time to time by **Market Notice** and in accordance with responsibilities placed on it as an **RIE**, with effect from the time stated in the **Market Notice** or, if no
such time is stated, with immediate effect, and subject to any conditions as may be stated in the Market Notice. Amendments may include changes that increase and/or extend the scope or effect of any Rule, guidance or other provision of the IPSX Rules. IPSX will amend the IPSX Rules in accordance with the IPSX Rule-Making Procedures, which generally require consultation before making any proposed changes.

IPSX has also set up an Advisory Group to discuss both its primary and secondary market activities. The Advisory Group meets on an ad hoc basis and it is based on Chatham House Rules. The IPSX Advisory Group will comprise of senior representatives of Issuers, IPSX Lead Advisers, IPSX Approved Valuers and IPSX Trading Members. It may also comprise experienced market practitioners who are not direct members or users of IPSX. IPSX Members are also able to directly communicate with IPSX and provide feedback.

IPSX may also seek to launch new products and services that require a new and/or amended regulatory framework.

Important information

Limitation of liability

IPSX shall not be liable to you or any other party in damages for any act or failure to act in the performance of its regulatory functions unless it is demonstrated that the act or failure to act was in bad faith.

Confidentiality

Subject to the following provisions, information and documents relating to an IPSX Member provided to IPSX by that IPSX Member or otherwise obtained in accordance with the IPSX Rules will be treated as confidential ("confidential information"). Information will not be confidential information if it is already in the public domain, unless that is the case due to a breach by IPSX of these confidentiality provisions.

Confidential information will be used by IPSX in the performance of its regulatory functions.
IPSX may disclose **confidential information** to any party:

- where required for the performance of IPSX’s regulatory functions and in accordance with the **IPSX Rules** (including in relation to any matter arising out of, or in connection with, the default of an **IPSX Member**);

- with the written consent of the **IPSX Member** to whom the **confidential information** relates;

- to the **FCA** or an **EEA Competent Authority** or elsewhere;

- if and to the extent required by applicable law or regulation;
  
  – as required in connection with the pursuit or defence of any proceedings, including court proceedings; or  

  – to co-operate with an alternative reporting or execution venue (including another **RIE**) when an **IPSX Member** has affected a trade on that alternative venue or to a clearing house which clears and/or settles **on-Exchange** trades, to the extent required.
1. Admission criteria

Single Asset Issuers and Multiple Asset Issuers

1.1 IPSX will only consider Admission of a company that meets the definition of a Single Asset Issuer or, by exception, a Multiple Asset Issuer or a Single Asset Issuer owning only part of an underlying asset.

Guidance:

IPSX is not a market for property development companies. An Issuer may be admitted to IPSX if property development forms an ancillary part of its business, as determined by IPSX at its discretion.

Market Regulation welcomes early engagement with parties considering seeking Admission to IPSX, particularly where there is any doubt as to satisfaction of the relevant Admission Standards and/or any other requirements set out in the IPSX Rules for Prime Issuers.

1.2 A Multiple Asset Issuer is an Issuer that does not meet the definition of Single Asset Issuer and whose underlying real estate assets show a sufficient degree of commonality in order to be eligible for admission, in addition to:

   a) being owned in their Totality;

   b) comprising commercial real estate assets only; and

   c) having an aggregate Market Value in excess of £50 million.

Guidance:

IPSX Prime is primarily designed for Single Asset Issuers. Commonality of assets may be demonstrated by factors such as:

   i. type/sector
   ii. tenant;
   iii. geographic location;
   iv. common financial performance; or
   v. master lease

Incorporation

1.3 An Applicant must conform with the laws and regulations of its place of incorporation, be duly incorporated, and operate in conformity with its constitution.

1.4 An Applicant must be satisfied that its Admission and any proposed issue of financial instruments will comply with applicable law and regulation.
Class of financial instruments

1.5 An application for Admission of any class of financial instruments must:

1.5.1 relate to all financial instruments of that class, issued or proposed to be issued; or

1.5.2 if financial instruments of that class are already admitted to trading on IPSX, relate to all further financial instruments of that class, issued or proposed to be issued.

Pre-emption rights

1.6 The financial instruments to which an application for Admission relates must benefit from pre-emption rights on an issue of new shares for cash. An Applicant must be satisfied that conferring pre-emption rights on shareholders is not incompatible with the laws and regulations of its place of incorporation.

Transferable financial instruments

1.7 The financial instruments to which an application for Admission relates must be transferable financial instruments and freely negotiable in accordance with UK MiFIR.

Guidance:

IPSX will only consider an application for Admission in relation to financial instruments that are fully paid.

Transferable financial instruments are freely negotiable if they can be traded between IPSX Members and subsequently transferred without restriction and provided all financial instruments within the same class as the financial instrument in question are fungible.

Transferable financial instruments which are subject to a restriction on transfer will not be considered as freely negotiable unless IPSX determines that the restriction is not likely to have an adverse impact on IPSX Prime.

Publication of an approved Prospectus or Admission Document

1.8 Prior to Admission to IPSX Prime, an Applicant must have published a Prospectus or the IPSX Lead Adviser must have provided IPSX with written confirmation that the Applicant is exempt from the requirement to do so under an applicable provision of FSMA or EU Legislation. The Prospectus must include the information required by the Prospectus Rules and the FCA. In addition to providing IPSX with the Prospectus, and as part of an applicant’s formal application to IPSX for admission to trading, the applicant must provide to IPSX the information set out in Schedule One (Core Issuer Information Requirements).
Appointment and retention of an IPSX Approved Valuer

1.9 An **Applicant** must appoint and retain an **IPSX Approved Valuer**. A list of **IPSX Approved Valuers** can be found on the **IPSX** website.

Reservation of the Exchange’s discretion

1.10 **IPSX** has discretion to impose additional conditions to **Admission**.

1.11 **IPSX** reserves the right to refuse an application for **Admission** even if an **Applicant** appears to satisfy all of the criteria set out in the **IPSX Rules for Prime Issuers**.

*Guidance:*

There is no exhaustive list of grounds for refusal of an application for **Admission**. However, **IPSX** will generally refuse an application if it considers the granting of the application could have an adverse effect on the reputation of **IPSX** or the integrity of its markets, or where it suspects bad faith, fraud or wilful or material non-disclosure.

Application Fees

1.12 An **Applicant** must have paid the appropriate application fees as set out in the **IPSX Fee Schedule**. The **IPSX Fee Schedule** is available on the **IPSX** website.

Admission to the Exchange

1.13 **Admission** will become effective when the **IPSX**'s decision to admit the **financial instruments** to trading has been announced by **IPSX** via a **Regulatory Information Service**.

Settlement

1.14 **IPSX** requires that **financial instruments** admitted to **IPSX** be eligible for electronic settlement in the central security depositary operated by Euroclear UK & Ireland Limited.

*Guidance:*

**IPSX** may consider other central security depositaries on a case by case basis. In agreeing to admit **financial instruments** to trading on **IPSX**, **Issuers** acknowledge the legal register will be made available for public inspection.
Appointment of an IPSX Lead Adviser

1.15 An Applicant seeking Admission to IPSX must appoint an IPSX Lead Adviser. The IPSX Lead Adviser is responsible for assessing whether or not an Applicant satisfies all of the Admission Standards for Admission to IPSX. A list of IPSX Lead Advisers can be found on IPSX’s website.

1.16 In the event of a proposed further issue of financial instruments of a class already admitted to IPSX, an Issuer is required to appoint an IPSX Lead Adviser to provide guidance as to the application of the IPSX Rules for Prime Issuers in connection with the proposed issue.

Guidance:

The responsibilities of an IPSX Lead Adviser are set out in Part I and Part II of the IPSX Rules for Members.

Appointment of an IPSX Market Maker

1.17 A Prime Applicant seeking Admission to IPSX must have in place an agreement with at least one IPSX Market Maker to register in the Applicant’s financial instrument upon admission to trading. This must be confirmed to IPSX at least 48 hours prior to the expected Admission date.

Guidance:

As set out in Rule 4.2.15 of the IPSX Trading Rules, de-registration and re-registration requirements as an IPSX Market Maker in a financial instrument would also apply.

Minimum free float

1.18 A Prime Applicant seeking Admission to IPSX must have distributed to the public in the UK or one or more EEA states at least 25% of the shares for which application for Admission to IPSX has been made, unless another amount is agreed with Market Regulation.

Guidance:

As part of its application for Admission, a Prime Applicant must confirm to IPSX the number of financial instruments that will be held in public hands in the UK or one or more EEA states on Admission.

Shares are not held in public hands if they are held directly or indirectly by:

- a director of the Prime Applicant or of any of its subsidiary undertakings or person connected with such a director;
- any person who under any agreement has a right to nominate a person to the board of directors of the Prime Applicant;
- any person or persons in the same group or persons acting in concert (as defined in the City Code on Takeovers and Mergers) who have an interest in 5% or more of the financial instruments of the relevant class; or
- subject to a lock-up period of more than 180 days.

Market Regulation may consider a smaller percentage of shares held in public hands upon request. In doing so, Market Regulation will consider the overall number of financial instruments of the Issuer of the same class that are or will on Admission be in issue, the number and type of investors and the expected market value of such financial instruments that will be held by the public in the UK or one or more EEA states on Admission.

Corporate governance

1.19 An Applicant seeking Admission to IPSX must specify the corporate governance arrangements which the Applicant has decided to apply.

1.20 IPSX takes a “comply or explain” approach – Issuers are required to either comply with their chosen corporate governance arrangements or explain its non-compliance in its annual report and accounts.

Guidance:

IPSX encourages Applicants to apply the highest corporate governance standards or code commensurate with their expected size and complexity. Smaller Issuers may choose to comply with the corporate governance principles detailed in Schedule Five (IPSX Corporate Governance Principles) while larger, more complex Issuers should consider applying The UK Corporate Governance Code or the Corporate Governance Guidelines for Small and Mid-Size Quoted Companies published by the Quoted Companies Alliance.

Leverage

1.21 An Applicant seeking Admission to IPSX, and which intends to deploy leverage, must have a low loan to value ratio at the expected date of Admission.

Guidance:

As at the date of this document, the maximum loan to value ratio, as set by IPSX, is 40%. Any review of, or change to, the ratio will be communicated by a Market Notice.

Lock-ins

1.22 An Applicant seeking Admission to IPSX must ensure that all related parties and Applicable Employees as at the date of Admission agree to a restricted period during which they will not dispose of any interest in its financial instruments for one year from the date of Admission.
2. Admission to Trading Process

New Applicants

2.1 All Applicants must first complete and submit an Application Form for IPSX Issuers.

2.2 Once an Applicant has been advised their application can progress to submission of application information to the IPSX web portal, they must submit their draft Admission Documentation (comprising the Prospectus, the draft Red Book Valuation and any other supporting documents associated with the Prospectus). This submission must be made to IPSX via their IPSX Lead Adviser, using the IPSX web portal or other method expressly requested by Market Regulation and pay the applicable fee (as set out in the IPSX Fee Schedule). The timing of this submission must be either:

2.2.1 at the same time that the first draft of the Prospectus is submitted to a Competent Authority for approval; or

2.2.2 if no Prospectus is required in connection with Admission, at least ten Business Days before the expected date of Admission.

Guidance:

IPSX Prime: Where a Prospectus forms part of the Admission Documentation, the draft Prospectus must be the same as the first draft Prospectus submitted to the FCA.

If no Prospectus is prepared in connection with Admission:

- the IPSX Lead Adviser must provide written confirmation to this effect; and
- the IPSX Lead Adviser must provide the Admission Documentation
- the draft Red Book Valuation should be submitted as a standalone document via the Exchange web portal. The draft Red Book Valuation should be substantially complete when it is submitted to IPSX. The Red Book Valuation must be prepared in accordance with the Red Book and Schedule Two (Red Book Valuation Requirements).

IPSX will review an Applicant’s application in order to form a view on the eligibility of the Applicant and its compliance with the relevant Admission Standards. IPSX does not expect to comment on the draft Admission Documentation, except insofar as a particular disclosure is relevant to eligibility and/or compliance with the relevant Admission Standards.

2.3 IPSX’s turnaround time for the first submission of an application for Admission is ten Business Days, and five Business Days for any subsequent submission(s).

Guidance:

IPSX’s turnaround timetable mirrors that of the FCA and may be subject to amendment from time to time. For an Applicant whose competent authority is an EEA Competent Authority, the IPSX Lead Adviser is advised to contact Market Regulation to discuss the turnaround timetable. Where no Prospectus is required, the turnaround time will be five Business Days.
2.4 At least 48 hours before the expected date of Admission, the final form Admission Documentation, including the final Red Book Valuation, must be submitted to IPSX by email to regulation@ipsx.com.

Guidance:

Where this Rule could cause timetable difficulties, IPSX may be prepared to accept a virtually complete Prospectus subject to final changes being approved by the FCA.

Additional requirements

2.5 At least ten Business Days before the expected date of Admission, and in addition to satisfying the requirements of Rules 2.1 and 2.2, the IPSX Lead Adviser must provide the information specified in Part A and Part B of Schedule One (Core Issuer Information Requirements) for and on behalf of the Applicant, as well as any other documentation or information requested by IPSX.

2.6 At least 48 hours before the expected date and time of Admission, and in addition to satisfying the requirements of Rule 2.4, the IPSX Lead Adviser must submit its IPSX Lead Adviser Declaration (as set out in Schedule Three) to IPSX by email to regulation@ipsx.com.

2.7 At least 48 hours before the expected date and time of Admission, an Issuer must satisfy the requirement of Rule 1.17 of the IPSX Rules for Prime Issuers.

Further Issue of financial instruments

2.8 Where Admission is being sought for a further issue of financial instruments of a class already admitted to IPSX, at least ten Business Days prior to the expected date of Admission, the information set out in Part B of Schedule One (Core Issuer Information Requirements) must be submitted to IPSX by email to regulation@ipsx.com and the vetting fee paid (as set out in the IPSX Fee Schedule).

2.9 If the Issuer is required by FSMA to issue a new Prospectus in connection with the further issue or Admission, the Prospectus must be submitted, via their IPSX Lead Adviser, to IPSX by email to regulation@ipsx.com, together with the information requirements set out in Rule 2.8.

2.10 The Exchange turnaround time for the first submission of the information set out in Rule 2.8 and Rule 2.9 (as applicable) is five Business Days, and three Business Days for any subsequent submission(s).

2.11 At least 48 hours before the expected date and time of Admission, and in addition to satisfying the requirements of Rule 2.4, the IPSX Lead Adviser must submit its IPSX Lead Adviser Declaration (as set out in Schedule Three) to IPSX by email to regulation@ipsx.com.

2.12 At least 48 hours before the expected date and time of Admission, an Issuer must satisfy the requirement of Rule 1.17 of the IPSX Rules for Prime Issuers.
3. **Continuing Obligations**

3.1 **Issuers** must comply on an ongoing basis with the:

3.1.1 Relevant requirements of the *Disclosure Guidance and Transparency Rules*;

3.1.2 disclosure obligations; and

3.1.3 **IPSX Rules for Prime Issuers** (as applicable) on an ongoing basis,

and must have in place systems and controls (including policies and procedures as required by law, rules and regulations) to enable them to do so.

3.2 Any information provided directly to **IPSX** must be complete and accurate at the time of submission.

3.3 **Issuers** shall provide an annual written confirmation to **IPSX** that they have complied with their obligations under the *Disclosure Guidance and Transparency Rules* and the disclosure obligations in relation to the dissemination of information.

### IPSX fees

3.4 **Issuers** shall pay to **IPSX** all applicable fees as set out in the **IPSX Fee Schedule**.

### Suspension by the Exchange

3.5 **IPSX** may suspend trading in an **Issuer**’s financial instruments where it considers that:

3.5.1 an **Issuer** has failed to comply with the **IPSX Rules for Prime Issuers**, unless a suspension of trading is, in **IPSX**’s sole opinion, likely to cause significant damage to the interests of investors or the orderly functioning of **IPSX**; or

3.5.2 it is unable to satisfy the requirements placed on a Recognised Investment Exchange to maintain an orderly market in respect of an **Issuer**’s financial instruments.

3.6 A suspension will become effective when **IPSX** issues a Market Notice to that effect.

### Cancellation by the Exchange

3.7 **Issuers** must comply with the provisions of Rule 1.1 of the **IPSX Rules for Prime Issuers**. If, for any reason, an **Issuer** no longer satisfies the definition of a **Single Asset Issuer** or **Multiple Asset Issuer** (as applicable), **IPSX** will cancel the Admission of such **Issuer**’s financial instruments.
Guidance:

Cancellation of the Admission of an Issuer’s financial instruments due to an Issuer’s failure to satisfy the definition of a Single Asset Issuer will not prevent an Issuer from seeking admission to trading on other Recognised Investment Exchanges. The Issuer should take reasonable steps to offer investors continuity in the ability to trade its financial instruments.

3.8 In order for an Issuer to cancel Admission of its financial instruments, the Issuer must notify IPSX at least ten Business Days prior to the intended date of cancellation.

3.9 Cancellation of the Admission of an Issuer’s financial instruments shall be conditional upon:

3.9.1 the Issuer sending an explanatory circular to shareholders; and

3.9.2 obtaining consent to the cancellation from 90% of votes cast (in person or by proxy) from those shareholders entitled to vote.

Compliance and appeals

3.10 If an Issuer has contravened the IPSX Rules for Prime Issuers, one or more of the following actions may occur:

3.10.1 censure of the Issuer and, in addition, likely publication of the censure;

3.10.2 a fine;

3.10.3 cancellation of the right of the Issuer to be traded on IPSX; and/or

3.10.4 a report of any significant breaches being sent to the FCA in accordance IPSX’s regulatory obligations.

3.11 IPSX will follow the relevant procedures set out in the IPSX Disciplinary and Appeals Procedures. Issuers must co-operate fully with IPSX in relation to any investigation into a breach or alleged breach of the IPSX Rules for Prime Issuers.

Retention of an IPSX Approved Valuer

3.12 An Issuer must retain an IPSX Approved Valuer at all times.

3.13 An Issuer is required to change its IPSX Approved Valuer after a period not longer than every five years.

3.14 If, for any reason, the IPSX Approved Valuer resigns or otherwise stops acting for the Issuer, the Issuer must notify IPSX as soon as possible and the notification must include:

3.14.1 the reason why the IPSX Approved Valuer has ceased to act; and

3.14.2 the name of the Issuer’s new IPSX Approved Valuer, if known.
Guidance:

The Issuer must seek to appoint a replacement IPSX Approved Valuer as soon as possible. If no replacement has been appointed by the time the next annual or half-yearly Red Book Valuation is due or in any other circumstance where a Red Book Valuation is required, IPSX will suspend trading in the Issuer’s financial instruments. If no replacement of an IPSX Approved Valuer is appointed within twenty Business Days of such suspension, IPSX will cancel the Admission of the Issuer’s financial instruments. Following such a cancellation the Issuer would have to re-apply for Admission before on-Exchange trading could recommence.

Retention of an IPSX Market Maker

3.15 An Issuer on IPSX Prime must seek to retain at least one IPSX Market Maker in its financial instrument at all times.

3.16 If, for any reason the IPSX Market Maker de-registers from the Issuer’s financial instrument and where that IPSX Market Maker was the only IPSX Market Maker in that financial instrument, the Issuer will use reasonable endeavours to try and identify and enter into an agreement with another IPSX Market Maker to register in the Issuer’s financial instrument. The Issuer will have:

3.16.1 60 calendar days to identify and enter into an agreement with an IPSX Market Maker to register in the Issuer’s financial instrument while the financial instrument will still be available for trading. After the initial 60 calendar days;

3.16.2 if the Issuer is unable to identify and enter into an agreement with an IPSX Market Maker to register in the Issuer’s financial instrument then Market Regulation will remove the financial instrument from trading as set out in Rule 4.6.3 of the IPSX Rules for Members.

Guidance:

In order to protect the interests of investors or preserve the orderly functioning of the IPSX Market, IPSX may exercise its powers under Rule 3.5.2 to suspend a financial instrument, if it is concerned there is insufficient liquidity arising from the absence of a Market Maker.
Periodic valuation reporting - Annual valuation report

3.17 An Issuer must obtain, at least annually, a Red Book Valuation and make public the executive summary of such report. The Red Book Valuation must be prepared:

3.17.1 by an IPSX Approved Valuer;
3.17.2 in accordance with the Red Book; and
3.17.3 in accordance with Schedule Two (Red Book Valuation Requirements).

3.18 The executive summary must be made public within four months after the end of the Issuer’s financial year and in any event no later than the publication of an Issuer’s annual financial report.

3.19 An Issuer must ensure that the executive summary of its annual Red Book Valuation remains publicly available on a website for at least five years.

Periodic valuation reporting - Half-yearly valuation report

3.20 An Issuer must obtain a half-yearly Red Book Valuation in respect of the first six months of each financial year and make public the executive summary of such report.

3.21 The half-yearly Red Book Valuation must be prepared:

3.21.1 by an IPSX Approved Valuer;
3.21.2 in accordance with the Red Book; and
3.21.3 in accordance with Schedule Two (Red Book Valuation Requirements).

3.22 The half-yearly Red Book Valuation must be made public as soon as possible, but no later than 60 calendar days after the end of the period to which the report relates and, in any event, no later than the publication of an Issuer’s half-yearly financial report.

3.23 An Issuer must ensure that the executive summary of its half-yearly Red Book Valuation remains publicly available on a website for at least five years.
Disclosure of information to a Regulatory Information Service

3.24 In addition to notifications required by the disclosure obligations and the Disclosure Guidance and Transparency Rules, an Issuer must notify to a Regulatory Information Service:

3.24.1 the resignation, dismissal or appointment of any director of the Issuer;
3.24.2 any change in its accounting date, registered office address or legal name;
3.24.3 any change to the IPSX Approved Valuer;
3.24.4 any proposed or actual change in an Issuer’s capital structure or issued share capital; and
3.24.5 details of all resolutions passed at general meetings of the Issuer.

Appointment of an IPSX Lead Adviser

3.25 An Issuer must appoint an IPSX Lead Adviser in the event that the Issuer may:

3.25.1 enter into a transaction which due to its size or nature could amount to a significant transaction, related party transaction or reverse takeover;
3.25.2 have its Admission to IPSX cancelled;
3.25.3 issue further financial instruments of the same class as the financial instruments already admitted to IPSX; and/or
3.25.4 be in severe financial difficulty, including in relation to any capital requirement necessary for the maintenance of a material part of its underlying assets.
Significant transaction

3.26 A **significant transaction** is any transaction outside the ordinary course of an **Issuer’s** business where any percentage ratio is 10% or more in any of the **class tests**.

3.27 When calculating the percentage ratio for the purposes of **Rules 3.26, 3.29 and 3.31**, the **Issuer** should apply the **class tests**.

3.28 An **Issuer** must notify a **Regulatory Information Service** of the information set out below as soon as possible after the terms of any **significant transaction** are agreed:

(a) a description of the transaction, including the name of the other party;
(b) a description of the assets the subject of the transaction;
(c) the value of the assets the subject of the transaction as determined and reported on by an **IPSX Approved Valuer** and the extent to which such assets are leveraged;
(d) the **gross rental income** attributable to the assets the subject of the transaction;
(e) the amount, nature and value of the consideration;
(f) the reasons for the transaction and the expected effect of the transaction on the **Issuer**;
and
(g) for a disposal, the application of the sale proceeds.

Related party transaction

3.29 A **related party transaction** is a transaction between an **Issuer** and a **related party** where any percentage ratio is 5% or more in any of the **class tests**.

3.30 Where an **Issuer** wishes to enter into a **related party transaction**, it must:

3.30.1 send an explanatory circular to shareholders;

3.30.2 obtain consent to the transaction by procuring the consent of the holders of not less than 90% of votes cast (in person or by proxy) from those shareholders entitled to vote;

3.30.3 ensure that any agreement that effects such transaction is conditional on such shareholder approval being obtained.

Any voting rights held by the **related party** in question must be disregarded for the purposes of the general meeting at which shareholder approval is sought.
Reverse takeover

3.31 A reverse takeover is a transaction effected by way of a direct acquisition by an Issuer of a business, a company or assets:

3.31.1 where any percentage ratio is 100% or more in any of the class tests; or

3.31.2 which in substance results in a fundamental change in the business or in a change in board or voting control of the Issuer.

3.32 Where an Issuer wishes to enter into a reverse takeover, it must:

3.32.1 send an explanatory circular to its shareholders; and

3.32.2 obtain their prior approval in a general meeting for the transaction which constitutes the reverse takeover; and

3.32.3 ensure that any agreement that effects such transaction is conditional on that shareholder approval being obtained; and

3.32.4 notify to a Regulatory Information Service, as soon as possible after the terms of a notifiable transaction are agreed.

3.33 IPSX will generally suspend the Issuer’s financial instruments when a reverse takeover is announced or where details of the reverse takeover have leaked.

3.34 Upon shareholder approval of the reverse takeover, IPSX will remove the financial instrument of the Issuer. A new Issuer application for Admission would be required for the newly formed company as defined in the IPSX Rules for Prime Issuers.

Corporate governance

3.35 The board of an Issuer must specify the corporate governance arrangements which the Issuer has decided to apply.

HM Land Registry

3.36 An Issuer’s applications and submissions to the UK Land Registry must be filed in accordance with HM Land Registry guidelines and up to date at all times.
### Schedule One – Core Issuer Information Requirements

#### Part A - Information requirements for Issue of Securities

All **Applicants** are required to provide **IPSX** with the following information:

<table>
<thead>
<tr>
<th>Information to be supplied</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Issuer Details</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Issuer</strong> institution name</td>
<td>On Admission</td>
</tr>
<tr>
<td><strong>Issuer</strong> institution country of incorporation</td>
<td>On Admission</td>
</tr>
<tr>
<td><strong>Issuer</strong> institution registered address and, if different, its trading address</td>
<td>On Admission</td>
</tr>
<tr>
<td>Brief description of the business, including a description of the underlying <strong>Single Commercial Property Asset</strong> or the <strong>Multiple Commercial Property Asset</strong></td>
<td>On Admission</td>
</tr>
<tr>
<td>Sector</td>
<td>On Admission</td>
</tr>
<tr>
<td>Full names and functions of its <strong>Issuer</strong> directors</td>
<td>On Admission, and when Directors change</td>
</tr>
<tr>
<td>Full names of significant shareholders as anticipated at the date of Admission</td>
<td>On Admission, and when significant shareholders change</td>
</tr>
<tr>
<td>Financial reporting dates (fiscal year end)</td>
<td>On Admission</td>
</tr>
<tr>
<td>Financial reports</td>
<td>On Admission, and when subsequently published</td>
</tr>
<tr>
<td>Name of the <strong>IPSX Lead Adviser</strong> and the <strong>IPSX Approved Valuer</strong></td>
<td>On Admission, and if there is a change</td>
</tr>
<tr>
<td>Name of the <strong>IPSX Market Maker</strong></td>
<td>On Admission, and if there is a change</td>
</tr>
<tr>
<td>An explanation of the corporate governance standards the <strong>Issuer</strong> has decided to apply</td>
<td>On Admission, and if there is a change</td>
</tr>
<tr>
<td>Completed <strong>IPSX Lead Adviser Declaration</strong> in respect of the <strong>Issuer</strong> in the format specified in Annex Four in these Rules</td>
<td>On Admission</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Information to be supplied</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Instrument Details</strong></td>
<td></td>
</tr>
<tr>
<td>Number and type of financial instruments</td>
<td>On Admission</td>
</tr>
<tr>
<td>Capital to be raised on Admission, i.e. the expected market capitalisation</td>
<td>On Admission</td>
</tr>
<tr>
<td>Number and percentage of financial instruments that will be in public hands in the UK or one or more <strong>EEA states</strong> on Admission</td>
<td>On Admission</td>
</tr>
<tr>
<td>Expected date of Admission</td>
<td>On Admission</td>
</tr>
<tr>
<td>Expected yield at Admission</td>
<td>Pre-Admission</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Information to be supplied</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Property Details</strong></td>
<td></td>
</tr>
<tr>
<td>Property name</td>
<td>On Admission</td>
</tr>
<tr>
<td>Property type</td>
<td>On Admission</td>
</tr>
<tr>
<td>Unit of measurement</td>
<td>On Admission</td>
</tr>
<tr>
<td>Net internal area</td>
<td>On Admission</td>
</tr>
<tr>
<td>Valuation reports</td>
<td>On Admission and six-monthly thereafter</td>
</tr>
</tbody>
</table>
Part B - Information requirements for further Issues of Securities

All Applicants seeking Admission for a further issue of financial instruments of a class already admitted to IPSX are required to provide IPSX with the following information:

a) **Issuer** institution name;
b) the number and type of financial instruments;
c) the capital to be raised on Admission;
d) the number and percentage of financial instruments not in public hands following Admission;
e) the number and percentage of financial instruments that will be in public hands in the UK or one or more EEA states on Admission;
f) the full names of significant shareholders before and after the date of Admission; and
g) the expected date of Admission.
Schedule Two – Red Book Valuation Requirements

The Executive Summary of the Red Book Valuation must include:

A. the bases of valuations;

B. a Strengths, Weaknesses, Opportunities and Threats (“SWOT”) analysis;

C. a responsibility statement; and

D. a statement of covenant strength.

A. The bases of valuations must be prepared in accordance with the Red Book and are as follows:

(i) Market Rent;
(ii) Market Value;
(iii) Market Value under the Special Assumption of vacant possession;
(iv) Special Assumptions related to any projected values; and
(v) insurance reinstatement cost.

All measurements contained within the Red Book Valuations must be in accordance with accepted market practice, which should be either the International Property Measurement Standards or the RICS Code of Measuring Practice, 6th Edition.

B. The SWOT analysis should capture the key factors, included in the valuation, that could impact on future valuations, including impact of internal and external factors which could impact the value of the physical asset(s), further development, and income.

C. The responsibility statement must be given by the IPSX Approved Valuer confirming that it has complied with:

- The current edition of the RICS Valuation – Global Standards & UK National Supplement (as appropriate)
- RICS Global Professional and Ethical Standards
- the RICS Professional Standards and Guidance, Global: Conflicts of Interest and any further RICS guidance on conflicts of interest for the specific market (i.e. the UK) in carrying out its services.
D. All **Red Book Valuations** produced by **Issuers** admitted to trading on **IPSX** must include Statement of Tenant Covenant Strength. **All Red Book Valuations** must contain a report on the covenant strength of the tenants. The report shall include (unless not applicable due to asset type or class, when alternate is appropriate):

<table>
<thead>
<tr>
<th></th>
<th>Previous reporting period</th>
<th>Current reporting period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of tenants</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Number of leases</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Market Rent (£/sq. ft)</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Headline Estimated Rental Value</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Rental income (%) by valuer’s Risk Perception of tenants</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Total Gross Income</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Total Net Income</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Unexpired Lease Term (years to break and years to lease expiry)</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Tenant Use by Rent</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Top 10 Tenants by rent (%) and value</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Each tenant to be identified by Valuer’s Risk Perception. Where there are less than ten tenants, or the disclosures are commercially sensitive, the Exchange may accept an aggregated figure.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Initial Yield</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Equivalent Yield</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Reversionary Yield</td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>

Where applicable, the Statement of Tenant Covenant Strength should include Credit Rating Agency (CRA) ratings of the underlying tenants. Examples of acceptable CRAs include those authorised by the **Financial Conduct Authority (FCA)** or the European Securities and Markets Authority (ESMA).
Schedule Three - IPSX Lead Adviser Declaration

The declaration made by the **IPSX Lead Adviser** must be in the following terms.

I [insert name of authorised individual], duly authorised on behalf of [name of IPSX Lead Adviser], declare that in the reasonable opinion of [IPSX Lead Adviser], having made due and careful enquiry:

- the Applicant has satisfied all of the applicable requirements set out in the **IPSX Rules for Prime Issuers**; and
- the directors of the Applicant have established procedures which enable the Applicant to comply with the **IPSX Rules for Prime Issuers**.
Schedule Four – Class Tests

This Schedule sets out the following class tests:

A. the Market Value test;
B. the gross rental income test;
C. the consideration test.

A. The Market Value test

The market value test is calculated by dividing the market value of the assets the subject of the transaction by the market value of the Issuer's underlying Single Commercial Property Asset or Multiple Commercial Property Asset.

B. The gross rental income test

The gross rental income test is calculated by dividing the gross rental income attributable to the underlying assets the subject of the transaction by the gross rental income of the Issuer.

C. The consideration test

1. The consideration test is calculated by taking the consideration for the transaction as a percentage of the aggregate market value of all the financial instruments (excluding treasury shares, if any such shares are in issue) of the Issuer.

2. For the purposes of paragraph 1:
   a. the consideration is the amount paid to the contracting party;
   b. if all or part of the consideration is in the form of financial instruments to be traded on a market, the consideration attributable to those financial instruments is the aggregate market value of those financial instruments; and
   c. if deferred consideration is or may be payable or receivable by the Issuer in the future, the consideration is the maximum total consideration payable or receivable under the agreement.

3. For the purposes of paragraph 2(b), the figures used to determine consideration consisting of:
   a. financial instruments of a class already traded on IPSX, must be the aggregate market value of all those financial instruments on the last Business Day before the announcement; and
   b. a new class of financial instruments for which an application for Admission to IPSX will be made, must be the expected aggregate market value of all those financial instruments.

4. For the purposes of paragraph 1, the figure used to determine market capitalisation is the aggregate market value of all the financial instruments (excluding treasury shares, if any such shares are in issue) of the Issuer at the close of business on the last Business Day before the announcement.
Anomalous results

Guidance: If a calculation under any of the class tests produces an anomalous result or if a calculation is inappropriate to the activities of the Issuer, IPSX may modify the relevant Rule to substitute other relevant indicators of size, including industry specific tests.

Adjustments to figures

Guidance: Where an Issuer wishes to make adjustments to the figures used in calculating the class tests pursuant to the guidance above in relation to anomalous results, they should discuss this with IPSX before the class tests crystallise.
Schedule Five – IPSX Corporate Governance Principles

- The chairman should be independent.
- A majority of the board should be independent of the property management company and the IPSX Approved Valuer.
- Directors should be submitted for re-election at regular intervals.
- The board should have a policy on tenure, which is disclosed in the annual report.
- The board should aim to have a balance of skills, experience, length of service and knowledge of the Issuer and the underlying Single Commercial Property Asset or Multiple Commercial Property Asset.
- The board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors.
- Directors’ remuneration should reflect their duties, responsibilities and the value of their time spent.
- The independent directors should take the lead in the appointment of new directors and the process should be disclosed in the annual report.
- Directors should be offered relevant training on their general responsibilities as Directors as well as the responsibilities of an Issuer.
- The board should monitor and evaluate the level of services provided by the property management company.
- The board should meet on at least a quarterly basis with additional meetings as and when required.