Memo
From a Technical to a Tradeable Listing

This document provides a high-level overview of the steps to be taken for a technical listing on the DCSX to become tradeable. The issuer must comply with the [Requirements for Tradeable Listings](#).

This conversion is considered a new application, so the entity must complete and provide the application form to request the tradeability of their shares.

- **Fees:** An application fee will apply to this application. To be able to determine the application and annual fee, the issuer, thru its Listing Advisor, must provide the DCSX with the market capitalization ([fee schedule](#)).

- **KYC/compliance documents:** Besides the documents described on section 4.7 of the Requirements for Tradeable Listings, DCSX requires the issuer to provide the following:
  - Adapted Director(s) and where necessary Shareholder(s) resolutions confirming the change from technical to tradeable listing (approving the tradeability of the shares).
  - Sustaining KYC documents if there are any changes in the Directorship or structure of the company.

- **Information Memorandum (IM):**
  - Any listed entity seeking to become tradeable must provide the DCSX with an updated IM including all required information for tradeable listings. Please use the [template](#) for tradeable listings for guidance. Also, check the Appendix IV: Format of the Prospectus of Requirements for Tradeable Listings, to follow the required information.
  - The main update that needs to be made in the IM/Prospectus is the valuation of the shares and its substantiation. The IM/Prospectus must include a realistic valuation of the intended initial listing price. The amended IM must explain what the basis is for their valuation, is it purely the initial capitalization or is it based on a forward PE (3 years for instance) and a comparison with other entities' /competitors' PE ratio's. While DCSX will not and cannot "judge" the valuation, a clear valuation must be provided by the issuer.

Procedure:

1. **Approve application:** The DCSX will review the application under its regular process, and grant the approval if it complies with the Rules and Regulations of the Exchange. Once approved, the tradeable listing will be identified as "Trade Approved". When a listing is identified as "Trade Approved" it means that the process of Dematerialization of Shares and/or Deposit with the Custodian is still pending to be completed in order to actually start trading on the main market.

2. **Inform Custodian:** Once approved, the DCSX will inform the Custodian of the Exchange that the entity has been approved for trading in order for the Custodian to accept the transfer of the shares in the name of the Custodian.

3. **Deadline to transfer shares:** The listed entity must inform their shareholders of the deadline to transfer their shares to the Custodian (6 months) via formal letter and must also include this deadline in the amended prospectus.

4. **Transfer shares to Custodian:** In order to become tradeable on the DCSX, the shares of the listed entity must be transferred to an authorized Custodian of the DCSX into an account of a DCSX authorized Broker. In order to achieve this transfer, the following steps must be taken:

   4.1. Shareholders must open an account with an authorized Broker on the DCSX.
   4.2. Shareholders must complete a transfer form which must be delivered to the share registrar indicating the name of the Custodian and of the Broker that will hold the share(s) for them.
   4.3. Shareholders must provide their Broker with a copy of the transfer form as proof of the number of shares to be received in their (i.e. the Brokers') name.
   4.4. The Broker will be requested (mostly by the listed entity, unless agreed otherwise among parties) to send to the Custodian an overview of all shares that have been transferred to the Custodian for account of each Broker. This overview (Dematerialization and Securities Transfer Form) shall also include the request to the Custodian to accept all the shares on the form in bulk and allocate the shares as per the overview received from the registrar, and to thereafter inform each Broker and the DCSX.
   4.5. The DCSX will also execute a Dematerialization form to be sent to the Custodian, where the DCSX on its turn informs the Custodian of the maximum amount of

shares that have been approved for trading, and requests the Custodian to accept and dematerialize all legally transferred shares within that maximum.

4.6. The Custodian confirms to the DCSX and to the Brokers the total amount of shares it has received. If the shares are received in batches by the Custodian, it shall each time inform the DCSX of such amounts, until eventually the maximum amount has been confirmed as having been received.

4.7. The Brokers will reconcile the information received from their clients with the confirmation received from the Custodian, and confirm to the Custodian that all expected shares have been received. In case of a mismatch the Broker will work with the Custodian to sort this out.

4.8. The Broker will be requested by the listed entity to update the share registry showing all shares that have been transferred to the Custodian and to provide a copy to the DCSX through the LAD of the listed entity.

5. **Shares not transferred before the deadline:** Shareholders must transfer their shares within the 6 months after the approval of the listing; if not, the listing will return to technical status and the issuer must apply again following the regular process, including paying the applicable fees.

6. **Start trading:** Official trading of the shares can only start once the Custodian and the Brokers have reconciled with each other the number of shares for the investors, and have informed the DCSX. The DCSX must receive a confirmation report from the Custodian. The DCSX will then inform the public of the start date of trading by changing the status of the tradeable listing from "Trade Approved" to "Trading".

Please contact us at info@dcsx.cw or directly as per below for any additional practical questions you may have.