

CIRCULAR 16/2016

**REGISTERED ADVISORATES IN THE MERCADO ALTERNATIVO BURSÁTIL
(CONSOLIDATED TEXT)**

The companies that are intended for the Growth Companies and REITs segment of the Mercado Alternativo Bursátil shall offer to investors that are interested in them, appropriate and comprehensive information and, on the other hand, access to that segment and base its actions on it in accordance with a set of its own requirements specific to these segments, for all of which it is deemed necessary that they collaborate with a specialised advisor.

The Registered Advisors figure was introduced for these objectives. There are understood as specialised professionals that assist interested companies in assessing their suitability to be incorporated into the aforementioned segments, check that they meet the requirements to be admitted to the market and advise them in the complying with the relevant obligations and in the preparation and presentation of the required financial and business information.

Act 5/2015 of 27 April on Promoting Business Financing, has set out that in the regulations on multilateral trading systems that include the figure of Registered Advisor, these Advisors shall ensure that issuers properly comply, both from the formal and substantive perspective, with its reporting obligations to the governing body and investors.

This Circular contains the previous provision and specifies the actions of these Advisors, that they continue being a specialised channel of dialogue with companies and a means of facilitating their insertion and development in the new trading regime of their securities.

This Circular, approved by the BMESN Board of Directors, contains the regime of appointment and actions of these Advisors.

One. Status of Registered Advisors

The Registered Advisor status of companies with securities listed on the MAB segments that require it shall be based on the following data or characteristics:

1. Being legal entities.
2. Being subject to the supervision of the CNMV, the Bank of Spain or the ICAC; or

failing this, provide reports on its organisation and structure, management of conflict of interest, codes of conduct, managing relevant information, compliance with anti-money laundering regulations and any other aspect considered relevant by MAB bodies.

3. Appoint, as persons responsible for their actions as Registered Advisorate, at least two individuals who are qualified and have experience in the areas of activity specified in the following point, who must be connected to the company through an employment or commercial agreement (hereinafter, "responsible persons"). Additionally, the company must specify, where applicable, any other staff assisting them in their tasks as Registered Advisorate (hereinafter, "support staff").

The number of staff must be appropriate given the volume of this activity and the good repute, qualifications, experience and professional reputation of the responsible persons and support staff must be demonstrated, along with their relationship and connection with the Company.

4. Having experience, at least in the last three years, in advising companies on their actions in the securities market, both as regards the preparation and review of prospectuses and other financial information documentation and checking the requirements for admission to trading on organised trading markets and systems.

That experience may refer to various fields and modalities of business consulting, shall derive from transactions of volumes, complexity, frequency and relevance within the markets and systems to which they refer, with the performance of a relevant role and may be accredited through the experience of their responsible persons.

5. The entities shall indicate the relationships and connections that they themselves, their responsible persons and their support staff maintain with advisory companies and describe the procedures and mechanisms that they apply to resolve possible conflicts of interest and safeguard its independence as Registered Advisor of companies they advise.

Registered Advisers, their responsible persons and their support staff may not belong to the same group as the company that it intends to advise.

6. Separation of its activities as RA separate from any other tasks it may carry out in relation to the MAB, and shall provide a description of the procedures and mechanisms it applies for this purpose, particularly concerning preventing and dealing with any conflicts of interest which may arise given its nature as a member of the MAB or as a liquidity provider.

The entities shall describe the procedures and mechanisms that have been applying to safeguard that separation of activities between the different fields of activities and services they have been developing, simultaneously in organised trading markets and systems.

7. . Those entities or individuals on which the CNMV has imposed a sanction for failure to comply with their obligations as RA or which are unable to perform any of their duties cannot be Registered Advisers or be appointed responsible persons for these."

8. Entities shall provide documentation indicated in the Appendix of this Circular.

Two. Application, processing, resolution and registration of the status as Registered Advisor

Activities as Registered Advisors shall require the prior registration in the Register of Market Registered Advisors.

Entities interested in accessing the status of Registered Advisor shall indicate so to the General Manager of the MAB, who will give an account of such applications to the Coordination and Admissions Committee and the CNMV.

The General Manager shall review the documentation that interested entities submit, may obtain clarifications and additional documentation from them it deems necessary and submit the applications to the Coordination and Admission Committee that shall assess the data provided by interested entities.

The General Manager shall forward to the Board of Directors the proposed resolution of the Coordination and Admission Committee.

The Board of Directors must decide on the applications received within three months.

The Board of Directors shall reject the application of the interested entity to preserve the reputation and integrity of the Market regardless of whether this entity complies with the requirements indicated in the previous section.

The decision that the Board of Directors adopts with regard to the registration on the Register of Registered Advisors shall be made public and the CNMV will be informed.

The Register of Registered Advisors shall be public and accessible through the Market's website.

Three. Updating and maintaining the information on the Register of Registered

Advisors

The Registered Advisors that are registered in the said Register shall be obliged to inform the Market of those events, decisions and circumstances that affect the requirements which they would be required to satisfy as Advisors, pursuant to the provisions of the first section of this Circular and the remaining circumstances that are relevant for this purpose.

Regardless of the foregoing, before 30 June every year, Registered Advisors shall provide to the Market a declaration that updates compliance with the requirements to access Registered Advisor status. Furthermore, the Market shall obtain from Registered Advisors as much information it deems necessary regarding accreditation of the requirements for access to the status of Registered Advisor. It should also carry out the actions that are necessary to corroborate the information provided by Registered Advisors for that purpose.

Four. Appointing Registered Advisors

Each company with securities admitted to a segment of the MAB that requires it shall have at all times appointed a Registered Advisor that is registered on that Market's Register of that Registered Advisors.

The appointment effected on the occasion of the initial admission of securities to the said segment may be subsequently amended in the terms and conditions that the parties deem relevant.

These companies and the Registered Advisors may agree on the terms and conditions they deem most suitable to govern their reciprocal relationships and establish the suitable channels of communication between Registered Advisors and management bodies and management of the company. These relationships shall be framed within the scope of professional advisory services and shall include the duties and tasks indicated in the Market Regulations and in this Circular, with full respect of the provisions of the general market abuse regulations.

The agreements that issuers and their Registered Advisors reach shall detailed the obligations of issuers of making available to their RAs the information they require for proper compliance with the obligations attributed to them.

The MAB shall be responsible for registering and keeping updated the appointments and amendments of Registered Advisors that report on the companies obliged to it, checking for this purpose, that they meet the requirements contained in this Circular.

Five. Duties and tasks of Registered Advisors

A) General duties

Registered Advisors shall focus on overseeing that issuers properly fulfil, from a formal and substantive perspective, their duties to report to the governing body and investors. Their general functions are:

- a) Check that the issuer meets the requirements to be able to list its shares on the Market in accordance with the applicable legislation and advise it regarding decisions and agreements it should adopt for this purpose.
- b) Advise companies that have listed shares issued by it on the Market, in compliance with the obligations and responsibilities relevant to them through their participation in the Market and in the preparation and submission of the financial and corporate information required by it.

In carrying out these general functions, Registered Advisors must perform the following specific duties that are contained in the following sections of this rule:

B) Specific functions for the initial admission of securities to the Market

Check that the company meets the requirements that the regulations of the relevant Market segment stipulate for its admission to this segment.

In this phase, Registered Advisors are obliged to assist the company in the preparation of the prospectus or informational document on admission to the Market (DIIM). It shall also check that information that the company has prepared and will publish on the DIIM complies with the regulatory requirements and does not omit relevant data or cause confusion to investors.

In carrying out these specific functions, Registered Advisors shall analyse and assess:

1. The business model, sector and context in which the company works.

It shall provide a report certifying the analysis and assessment of the business model, sector and context.

2. The “due diligence” process, at least with legal and financial scope that is conducted by a third party for the purposes of admission to the Market.

It shall provide a report on the aforementioned process including a summary of the basic data on “due diligence”, as well as the opinion and main conclusions of the Advisor for the purposes of admission to the market.

It shall provide a report on the comfort letter, together with its assessment and a certificate from the auditor that prepared it, indicating its completion, scope and date.

3. The comfort letter from an auditor on the financial information provided by the

company in the DIIM..

It shall provide a report on the comfort letter, including a summary of the basic data on “due diligence”, as well as the opinion and main conclusions of the Advisor for the purposes of admission to the market.

4. The report by the issuer included in the DIIM on the working capital to carry out its activities during at least the twelve (12) months following the admission date.

It shall provide a report with its analysis and assessment of the information on which the report included in the DIIM is based, indicating whether it has been based on the opinion of an independent third party, that it shall identify.

5. The organisational structure that the company uses to comply with reporting obligations, including the existence, where applicable, of a suitable internal control system of financial information for compliance with reporting obligations established by the Market.

It shall provide a report of its analysis and assessment of the structure and the internal control system of financial information, including that of the procedures manuals prepared by the company in this regard.

6. The organisational structure and internal control system that the company uses to comply with reporting obligations established by the Market.

It shall provide a report of its analysis and assessment of the organisational structure and the internal control system of the company.

7. The resources available to the Board of Directors and its members and the company’s directors to comply with obligations as a company of the MAB.

It shall provide a report with its analysis and assessment.

The reports mentioned in this section shall be submitted to the competent body in the Market, compiled in a single document or separately, without being subject to publication by the Market.

C) Specific functions once the company is admitted to the Market

After this admission, Registered Advisors are responsible for performing the actions indicated below, and for providing to the Market the reports and documents also detailed below:

1. Maintaining regular contact with the Company to advise it on compliance with the obligations imposed by the regulations.

Half-yearly, it shall provide a calendar of the periodic meetings held together with the participants of these meetings.

2. Review the information that the company prepares to submit to the MAB and verify that it complies with the requirements of content and timeframes established in the Market regulations. The Registered Advisor shall act with the required diligence for the information to be disseminated in the shortest timeframe possible after its generation.

To this end, the Registered Advisor shall check whether the relevant information to be published by the issuer is consistent with the rest of relevant information published and with the regular financial information; that the content of the report is clear and complete and it is expressed in a neutral manner, without bias or value judgements that prejudice or distort its scope and, when required, its nature and that the content of the information is quantified.

The Registered Advisor shall have access to the technical resources established by the Market for the issuer to submit the information for publication.

3. In relation to the regular financial information:

- Annual information:

Verify that the accounts and management report have been drawn up and signed by all directors and, in the event of the lack of signature by any of them, that the causes are identified and included. It must also be verified that the Audit Committee, when the company is obliged to have this Committee, has previously reported to the Board of Directors.

Should the auditor's report contain any qualified or adverse opinions or disclaimers of opinion, the Advisor shall check that the issuer publishes a relevant fact explaining the reasons for this and the steps to be taken and shall analyse whether the relevant fact that the issuer publishes adequately reflects the reasons of those circumstances, the steps to be taken and the time frame. Likewise, the Registered Advisorate shall monitor the evolution of the situation and its impact on the quality of the financial information.

Check that the company provides, together with its annual accounts, the corresponding management report and that it also separately provides information on its organisational structure and internal control system in order to comply with the reporting obligations established by the Market.

It shall provide a report, during the 15 days following the end of the period given to issuers to publish the annual financial information, that it has checked the existence of the agreement on the drawing up of accounts and the management report by the

Board of Directors and that this has been previously reported to by the Audit Committee, when the company is obliged to have this Committee.

- Half-yearly information:

Check that it was subject to a limited review by the auditor and that the Audit Committee has previously reported to the Board of Directors, when the company is obliged to have this Committee.

It shall provide a report, during the 15 days following the end of the period given to issuers to publish the half-yearly financial information, that it has checked the existence of the auditor's limited review and that the Audit Committee previously reported to the Board of Directors, when the company is obliged to have this Committee.

4. If the company had published a Business Plan, whether on the initial admission to the Market or subsequent to it, advise it on the information that the company should disseminate and the agreements it should adopt in the terms and conditions established in the Market regulations for such cases, especially regarding deviations in that Plan.

It shall provide a report on the advice provided that shall include, where applicable, the report on the advice about the necessary agreements of the Board.

5. It shall provide a report, during the first 15 days of the year, on its assessment of the availability and practice of these procedures and its knowledge by the persons affected by them

6. Attend the company's Shareholders Meetings and monitor the publicity of its content and agreements adopted.

It shall provide a summary report of its attendance and monitoring within fifteen (15) days following the meeting.

7. Annually assess the availability and practice of appropriate procedures which it should have in order to ensure that the following match:

1 The relevant information that is published on the Company's website and the information submitted to the Market.

2 The information that is disseminated in presentations with that reported to the Market.

3 The declarations made by company representatives to the media and information reported to the Market.

It shall provide information on its assessment of the availability and practice of these procedures and its knowledge by the persons affected by them.

8. The RA shall inform the Market when it ceases to act as advisor for a particular issuer and shall also explain the reasons.

9. Inform the Company about developments in MAB regulations.

10. With regard to the subsequent listings of securities on the Market, check that the company meets the requirements established for listings by the regulations for the corresponding Market segment; review the information collected and published by the issuer and, where appropriate, assist and collaborate with the issuer in preparing the Capital Increase Document, as well as check that this meets the applicable content, accuracy and quality requirements and does not omit relevant data or mislead the investors.

For these purposes, the Registered Advisorate must send the Market a report outlining the actions it has carried out in implementing the aforementioned duties relating to the subsequent listings of securities.

D) Other functions of Registered Advisors

1. In relation to the actions of the company within the Market, the RA shall advise it about the events that may affect compliance with the obligations that the company has assumed on being admitted to same, and about the best manner of dealing with these events and avoiding failure to comply with these obligations.

2. When it becomes apparent that on being admitted to the Market, the company may be unable to comply with the obligations assumed, and if this situation cannot be resolved through specialist advice, the company shall notify the Mercado Alternativo Bursátil in writing of the events which may give rise to this breach.

3. Be continuously accessible to manage, handle and answer any queries or requests for information from the Market regarding the company's situation, its performance, the level of compliance with its obligations and any other information the Market deems relevant concerning the company's actions on the Market.

4. Review the resolutions for delisting from trading on the Market to verify that in the event it is not supported by all shareholders, they are accompanied by the price at which the company offers the purchase of its shares to shareholders that vote against this delisting; and that this price is justified by the issuer in accordance with the criteria set out in the regulations applicable to public takeover bids for those situations of delisting from trading.

The RA shall provide a report on the review of the resolutions and checks conducted.

To conduct the duties previously indicated, the RA:

- Shall sign declarations that the MAB regulations generally establish upon the admission of securities to the Market or in relation to the information required by companies with securities it lists.
- In particular, it shall submit to the Market the relevant reports indicated in the previous sections, that verify the details of the activities that have been performed in executing their duties.
- It shall be up-to-date with the payment of applicable duties.

Six. Failure to comply with the requirements and duties of Registered Advisors

The failure of RAs to comply with the requirements applicable to them and with the duties that they must perform may give rise to the adoption by the Market bodies of any of the following actions:

- a) A written warning, aimed at prompting corrective action to remedy the non-compliance by Registered Advisors.
- b) A public notice issued by the Market through its information distribution channels, disclosing the existence of the default.
- c) Suspension of the possibility of being appointed RA by new issuers. This measure shall not affect the previous appointments effected, such that it can continue acting as a Registered Advisor in relation to such issuances.
- d) De-registration of the entity from the Register of Registered Advisors.

Measures a) and b) above may be adopted by the General Manager or the Supervisory Committee.

Measures c) and d) shall be agreed by the Board of Directors after reporting to the Coordination and Admission Committee and holding audience with the interested party, and its adoption shall be reported on the same day to the CNMV and published on the Market's website.

Seven. Application and replacement of previous Circulars

This Circular shall be applicable from 1 August 2016, from which time it shall replace

and repeal the previous Circular 8/2016, of 5 February, on Registered Advisorates in the Mercado Alternativo Bursátil, and section 3 of Circular 13/2016.

The provisions included in section four of this Circular shall be applicable to the appointments of Registered Advisors effective on 5 February 2016, from 31 July 2016.

Madrid, 26 July 2016

THE SECRETARY

Ignacio Olivares Blanco

The English translation is for the convenience of English-speaking readers. However, only the Spanish text has any legal value. Consequently, the translation may not be relied upon to sustain any legal claim, nor should it be used as the basis of any legal opinion. Bolsas y Mercados Españoles, Sistemas de Negociación, S.A., expressly disclaims all liability for any inaccuracy herein.

APPENDIX

DOCUMENTATION TO BE PROVIDED IN REGISTERED ADVISOR APPLICATIONS OF THE MAB

Formal application to obtain the status of Registered Advisor of the MAB, duly signed by the legal representative of the applicant, accompanied by documentation certifying:

1. For a legal entity

1.1. Legal documentation (except if the applicant is a member of a stock exchange, or entity subject to the supervision of the CNMV, the Bank of Spain or the ICAC).

- a.** Deed granting powers to the signatory of the application. Original and copy collation and kept on file.
- b.** Deed of incorporation of the applicant company. Original and copy collation and kept on file. In the event that the articles of association of the said deed have been subject to amendment, a copy of the existing Articles of Association of the applicant shall be provided together with certification from the Secretary of the Board of Directors confirming it.
- c.** Certification from the Commercial Registry certifying that the company exists and is not involved in any bankruptcy, settlement or dissolution.
- d.** Certification from the Commercial Registry certifying persons with the status of manager of the applicant.

1.2 Financial-accounting documentation (except if the applicant is a member of a stock exchange or entity subject to the supervision of the CNMV, the Bank of Spain or the ICAC).

- a.** Provision of activity report.
- b.** Description of the shareholding structure of the applicant, indicating the most significant shareholders and those individuals that hold the status of shareholders of the applicant.
- c.** Identification of the auditor of accounts appointed by the applicant.
- d.** Copy of the audited accounts of the company corresponding to the financial year in which the status of Registered Advisor is requested. In the event the

corresponding audit report is not submitted by the said date, a copy of the latest audited accounts of the company shall be provided.

1.3 Insurance

All applying entities, regardless of their legal nature or status, shall provide a certification accrediting that it has taken out a civil liability insurance policy, issued by the relevant insurer, determining the coverage that shall include at least those activities associated with exercising the function of Registered Advisor. The amount shall exceed €300,000. In the case of entities subject to the supervision of the CNMV or the Bank of Spain, they may be exempt from providing this policy if the entity's capital adequately covers the risk of its activity.

2. Accreditation of being an entity subject to the supervision of the CNMV, the Bank of Spain or the ICAC).

The applying entity shall provide documents accrediting that it is subject to the supervision of the CNMV, the Bank of Spain or the ICAC). Otherwise, alternatively, it shall inform the Market about:

2.1 Internal procedures for managing privileged information to which it has access.

2.2 Report on technical, material and human resources for exercising its functions.

2.3 Internal procedures for the relationship with the media.

2.4 Internal procedures for complying with obligations related to anti-money laundering regulations.

3. Appoint persons who are qualified and have experience in being responsible for their actions as Registered Advisor ("responsible persons") and specify, where appropriate, any other staff who assist in their tasks as Registered Advisor ("support staff")

3.1. Employment or commercial documentation

- a) Statement that it has the legally required documents regarding the salaried staff of the applicant and those that refer to persons who provide their services as self-employed persons.
- b) Certification demonstrating the existence of a contract between the Company and the responsible persons, as well as the main characteristics of their relationship and

connection for the purposes of carrying out their duties in terms of acting as Registered Advisor. This same certification must be provided for any contracts between the Company and support staff.

- c) Curricula report of the responsible persons, as well as the support staff.
- d) Authorisation by the responsible persons and the support staff of the applicant in order for the MAB to carry out, for itself or for third parties, checks of the conditions declared in their respective curricula, and the experience declared by the applicant.

3.2 Formal declaration of good repute of the responsible persons and the support staff (unless the applicant is an ESI or credit institution and the appointed persons are directors of same)

4. Have experience in advising companies

4.1. Formal declaration on the truthfulness of advice it has provided to third-party entities itself and through its responsible persons.

4.2. Detailed description of the activities carried out, at least in the last three (3) years, both by the applying entity and its responsible persons, that enables the identification of the specific transaction, its economic importance and the specific activities performed that demonstrate the performance of a principal role. To this end, and inclusive of but not limited to these activities, the following shall be included:

- a) Assisting, consulting, preparing, submitting legal, financial and business information regarding financial transactions (admission to trading, purchase, sale or merger of companies traded on markets, public offerings, IPOs, takeover bids, delisting from trading or the like) in the field of the securities market.
- b) Assisting and advising entities in their relationships with securities market regulatory bodies.
- c) Financial advice to companies engaging in financial transactions, particularly those conducted in the context of the securities market.

5. Certification accrediting that neither the Company or its responsible persons have been sanctioned by the CNMV for failure to comply with their obligations as Registered Advisor or for other infringements the sanction of which includes the disqualification from performing any of its functions.

6. Indication of the relationships and connections that the Company, its responsible persons and its support staff maintain with the companies and safeguarding their independence.

6.1. Commitment of the Company, its responsible persons and its support staff to not advise companies that are part of the same group as the Registered Advisor and

informing the MAB of any possible relationship or link with companies being advised.

6.2. Internal Code of Conduct or any other regulations on professional conduct applied by the applicant, to which the responsible persons and support staff are subject. It must also provide a declaration from the Company's responsible persons and support staff, in which they declare that they are aware of its content, and understand and accept it.

7. Separation of activities and prevention of conflicts of interest

7.1. Declaration of the activities that the Company or its responsible persons perform or plan to perform on behalf of entities for whom it is going to act as Registered Advisor.

7.2. Declaration of the activities that the Company or its responsible persons perform or plan to perform regarding other entities for the said entities to acquire the status of Registered Advisor or liquidity provider for the Growth Companies and REITs segments of the MAB.

7.3. Procedures used by the applicant to identify and correct possible conflicts of interest that exist or which could occur.

8. Updating and maintaining information

Commitment of the applicant to annually update the requirements applicable to it as regards these Advisors and inform the MAB of any events, decisions or circumstances that affect same, pursuant to the provisions of this Circular, and the remaining circumstances that are relevant to these effects.