

Operation of the VSA Capital Aquis Apex Index (“the Index”)

1. Introduction

- a. This document sets out the construction and management of the Index.
- b. The Index represents the performance of companies quoted on the Apex Segment of the Aquis Growth Market (“**Apex Segment**”).
- c. The Index is a marketing tool. It is not prepared in accordance with the legal requirements designed for the production of a benchmark as outlined in the Benchmarks Regulation published by the Financial Conduct Authority. Further information is set out in the Appendix.

2. Eligible Securities

- a. All classes of ordinary shares quoted on the Apex Segment are eligible for inclusion in the Index. To be eligible for inclusion in the Apex Segment, companies listed on the Aquis Stock Exchange must meet the following criteria:
 - i. A minimum market capitalisation of £10 million
 - ii. At least 25% shares in public hands
 - iii. At least two market makers
 - iv. A minimum two years’ trading history
 - v. Adopted a recognised governance code, such as the QCA Code
- b. Constituents of the Index are weighted based on market capitalisation.
- c. A sterling denominated price must exist for a company to be included in the Index.
- d. New issues and companies graduating from the Access Segment to the Apex Segment will become eligible for inclusion in the Index at the next quarterly review of constituents as outlined below.

3. Periodic Review of Constituent Companies

- a. Apex segment constituents are determined by Aquis based on published criteria.
- b. VSA reviews the Index on a quarterly basis in March, June, September and December each year. The constituent reviews are based on data from the close of business on the Monday one week prior to the review effective date. Any constituent changes are implemented after the close of business on the following Friday.
- c. A security is included in the VSA Aquis Apex Index at the quarterly review if it joins the Apex Segment during the previous quarter. A security is removed at the quarterly review of the VSA Aquis Index if it leaves the Apex Segment during the previous quarter.
- d. New issues and companies graduating from the Access Segment are eligible for inclusion at each quarterly review if they meet the Index requirements.

4. Corporate Actions and Events

- a. A Corporate ‘Action’ is an action on shareholders with a prescribed ex date. The share price will be subject to an adjustment on the ex date. These include the following:
 - i. Capital Repayments
 - ii. Rights Issues/Entitlement Offers
 - iii. Stock Conversion
 - iv. Splits (sub-division) / Reverse splits (consolidation)
 - v. Scrip issues (Capitalisation or Bonus Issue)

- b. If a constituent ceases to have a firm quotation, or is subject to a takeover offer which has been declared wholly unconditional, or has in the opinion of VSA Capital ceased to be a viable constituent, it will be removed from the list of constituents.
- c. If the effect of a merger or takeover is that one constituent is absorbed by another constituent, the resulting company will remain a constituent of the index assuming it continues to be included in the Apex Segment.
- d. If a constituent company in the Index is taken over by a non-constituent company, the former constituent will be removed.
- e. If a constituent company is split so as to form two or more companies, then the resulting companies will be eligible for inclusion as Index constituents in the VSA Aquis Index provided they meet the eligibility criteria for the Apex Segment as defined by Aquis.

5. Price Calculation Method

- a. The Index will use actual Aquis Stock Exchange Official Closing Prices, or mid prices for securities, on a daily basis, displayed to two decimal points.
- b. The currency of calculation of the Index is calculated and disseminated in Sterling.
- c. The Index is calculated daily using the following formula:
 - i. Security market capitalisation/total market capitalisation of all securities in Index
 - ii. Multiplied by share price
 - iii. Rebased to 100 from 1 January 2021.
- d. The Index will not be calculated on UK Public Holidays and may close early on the business day prior to the Christmas and New Year Public Holidays.

Appendix

UK Benchmarks Regulation

The Benchmarks Regulation (“**BMR**”) aims to ensure benchmarks are robust and reliable, and to minimise conflicts of interest in benchmark-setting processes.

The BMR defines an index as a figure that is publicly available and is regularly determined, either by applying a formula or other calculation, or by making an assessment based on the value of one or more underlying assets/prices (including estimated prices, actual or estimated interest rates, quotes and committed quotes, or other values or surveys).

An index becomes a benchmark within the scope of the BMR where:

- it is used to determine the amount payable under a financial instrument or financial contract, or the value of a financial instrument
- it is used to measure the performance of an investment fund for the purpose of:
 - tracking the return
 - defining the asset allocation or a portfolio, or
 - computing the performance fees

How this affects you

You may be a **benchmark administrator** if you provide indices that are used in:

- financial instruments traded on trading venues or via systematic internalisers in the UK
- mortgage or consumer credit contracts, or
- investment funds

You may be a **supervised contributor** under the regulation if you are an authorised person and you:

- contribute input data that is not readily available to the administrator, and
- provide the input data for a benchmark determination

You may be a **benchmark user** and be subject to additional requirements if you are supervised under certain onshored EU regulations as specified in Article 3(1)(17) and you:

- issue a financial instrument that references an index
- determine the amount payable under a financial instrument or a mortgage or consumer credit contract by referencing an index
- are a party to a mortgage or consumer credit contract that references an index
- provide a borrowing rate calculated as a spread or mark-up over an index or a combination of indices and that is solely used as a reference in a consumer credit contract to which the creditor is a party
- measure the performance of an investment fund through an index either to track the return of the fund or to define its asset allocation

<https://www.fca.org.uk/markets/benchmarks/regulation>