

# Beansprout Company Code key features



The Beansprout Company™ Code supersedes this summary at all times.

# Company

**UK or EU/EEA plc**

**£50k capital fully paid**

**3-6 Directors**

**Have a sector specific investment policy**

**Less than 6 months old before Admission**

**Transaction within 24 months after Admission**

**Have a Financial Adviser until completion of Transaction**

**Return capital to shareholders if no Transaction achieved**

# Director

**Minimum shareholding £5k**

**Either ex or current listed PLC or SME director, Accountant, Lawyer, Investment Professional**

**No salary or consultancy fees**

**Accountable for the use of share proceeds**

**Complies with the regulations of:**

- Companies Act
- Financial Services and Market Act
- UKLA/FCA Listing, disclosure and transparency, and corporate governance rules
- LSE/UKLA Admission rules and ongoing obligations
- Panel of Take over and Mergers
- Market Abuse Rules

# Share Proceeds

## Permitted

- Identification and valuation of target assets
- Payment for Financial Adviser, Legal and Accounting services in relation to the prospectus and admission
- Regulatory fees
- Reasonable administrative costs and out of pocket expenses in pursuing the Transaction.

## Prohibited

- Directors remuneration
- Connected parties payments
- Acquisition or lease any fixed assets or equipment.

# Options

**Restricted to Founder Directors and Financial Adviser**

**Maximum 15% of total shares in issue**

**Maximum 5% per person**

**Price is same or greater than the share issue price**

**Directors Options lock in 6 months after transaction**

**Expires after permitted transaction is completed:**

**36 months if Director continues with the new business**

**12 months if a Director leaves the company**

**12 months for Financial Adviser**

**If no transaction, expires 3 months after a Director leaves the company**

# Subscriptions

- **Fundraising time limit 3 months**
- **Minimum fund raise £700k or 30m shares**
- **Maximum fund raise £3.125m or 125m shares**

# Shareholders

- **75 individuals minimum**
- **Minimum subscription £1k or 50k shares**
- **Investment clubs or platforms members aggregate minimum is £5k**
- **Must notify directors promptly if owning more than 3% of the enlarged capital**
- **Approval required for the Transaction**
- **Must be consulted on Company winding up if no Transaction completed within 24 months**

# Permitted Transaction

- **Approved by majority shareholders**
- **If not within policy, approved by the Financial Adviser and 66% of shareholders**
- **Shareholders connected to the Transaction excluded from voting**
- **Resulting Operating company deemed suitable by the market regulators**
- **Completed within 24 months of Admission**
- **Can be funded through raising further equity capital after Admission**
- **£125k loan can be provided to the target Asset subject to prior TSRC approval and public announcement**
- **At least one Beansprout Director remains on the board for twelve months**



# Permitted Transactions

- **Business Acquisition**
- **Asset Acquisition**
- **Reversed Take Over (RTO)**
- **Leveraged Acquisition or RTO**

# Costs estimates

## **One off Prospectus and Admission costs: £75k**

- Company Formation and directors due diligence
- Beansprout Company Prospectus and Admission to the market
- UKLA fees
- LSE fee
- Receiving agents fee

## **Fundraising commission on Admission: 10%**

## **Annual Standard Listing costs: £60k**

- Annual Financial Adviser
- Registrars
- LSE
- UKLA
- Regulatory information services
- Auditors
- Company Secretary

## **Transaction costs: relative to size and complexity of the transaction**

- Financial Adviser
- Legal Adviser
- Accountant s fee
- Competent Persons/Experts reports
- Fundraising commission