

# **The Nomad – The Regulatory and Corporate Adviser**

**Mike Stirzaker**

**AJM Conference**

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# Agenda

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1. Overview of the Nomad Role
2. The Nomad Role for AIM Admission
3. Interface with Other Advisers
4. Nomad Role after Admission
5. Selecting and Appointing a Nomad
6. RFC as Nomad

# Overview of the Nomad Role

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- AIM Rules require companies to retain a Nomad
- Nomads act as “Prefects” for the LSE
  - ◆ combined policeman and adviser role
  - ◆ guide our clients and ensure they comply with the AIM Rules
  - ◆ maintain the integrity and reputation of AIM
  - ◆ act with due skill and care
- Different Philosophy to Regulation
  - ◆ less rules based
  - ◆ more emphasis on threat of Nomad sanction
- LSE / AIM controls quality of Nomads
  - ◆ comprehensive initial accreditation process
  - ◆ signed undertakings from Nomads
  - ◆ monitoring - ability to remove a Nomad’s accreditation
- Process Manager

# The Nomad Role for AIM Admission

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In the Admission application, the Nomad must declare that:

***“...having made due and careful enquiry, all relevant requirements of the AIM Rules have been complied with”***

- Due diligence process
- Admission Document & other disclosures
- Sign off as to sufficiency of working capital
- Lock-in arrangements

and also declare that:

***“we are satisfied that the applicant and its securities are appropriate to be admitted to AIM”***

- Nomad judgment
- No set criteria

and:

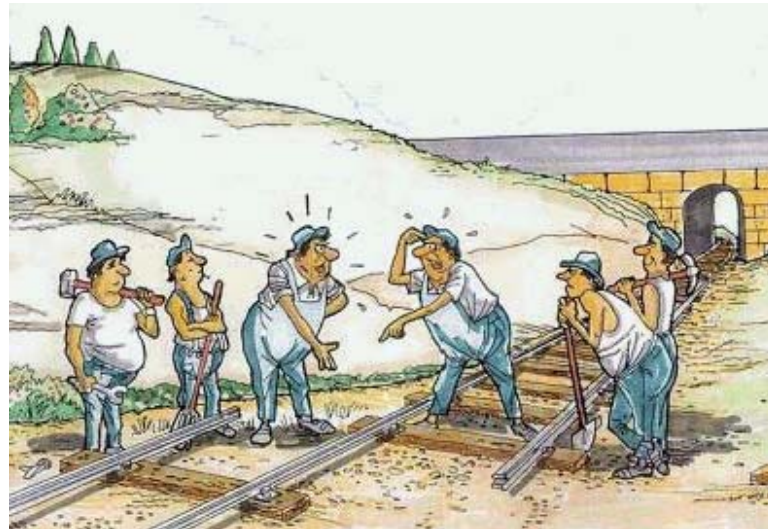
***“the directors of the applicant have received advice and guidance as to the nature of their responsibilities and obligations to ensure compliance ... with the AIM Rules...”***

- Coaching (with signed acknowledgment from directors)

# Interface with Other Advisers

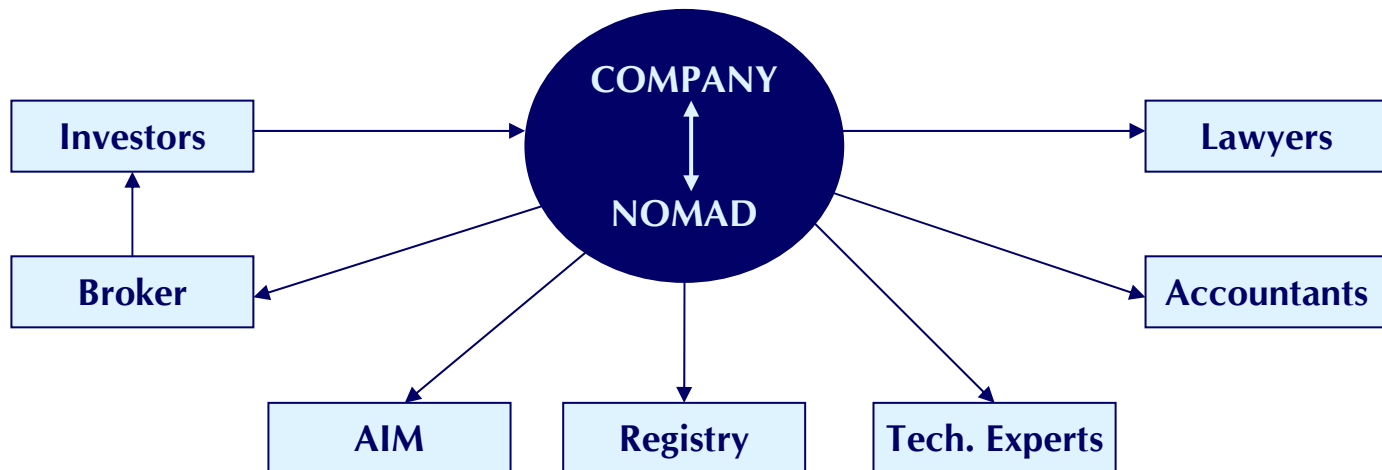
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- The Nomad also acts as “project manager” for Admission
  - ◆ ensuring all parts of the process are done properly and on time
- Deciding what’s really necessary
  - ◆ getting an appropriate balance between commercial and legal requirements
  - ◆ deciding who does what



# Interface with Other Advisers (cont.)

- Process Management role generally encompasses:
  - ◆ driving the process and timetable
  - ◆ guiding the company and directors
  - ◆ helping select an appropriate broker
  - ◆ helping appoint and coordinate other advisers and share registry
    - “tight” engagement letters / scopes of work are crucial
  - ◆ liaising with AIM
  - ◆ cost management



# Nomad Role after Admission

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- Nomad warrants it will be *“available at all times to advise and guide the directors ... to ensure compliance by the issuer on an ongoing basis with the AIM Rules”*.
  - ◆ Continuous disclosure obligations (extra considerations for dual listings)
  - ◆ Approve announcements prior to release
  - ◆ Corporate governance - monitoring and guidance
  - ◆ Substantial transactions
- Immediately notify LSE / AIM if we cease to be company's Nomad

# Selecting and Appointing a Nomad

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- Currently 75 registered Nomads - most based in London
- Some brokers also act as Nomads
  - ◆ roles are very different
  - ◆ positives and negatives of combining them
- Nomad should know your business or type of business, and/or know the directors
- Detailed engagement letter
  - ◆ obligations of Nomad and company
  - ◆ fees

# RFC as Nomad

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- First Australian Nomad - April 2002
- Acts for 3 AIM listed companies
  - ◆ Consolidated Minerals, Albidon and Eurogold
- Specialist understanding of resource assets and industry
- Can provide ongoing value adding advice
- Strong links with London mining investment community
- Pro-active manager of listing process
  - ◆ reducing duplication of work, and
  - ◆ reducing overall costs
- Executives are in Australia
  - ◆ for face to face advice from real practitioners
  - ◆ better utilisation and management of other Australian advisers

# Contact Details

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## **SYDNEY**

Level 14

19-31 Pitt Street

Sydney NSW 2000

T. +61 2 9250 0000

F. +61 2 9250 0001

E. [rfcsydney@rfc.com.au](mailto:rfcsydney@rfc.com.au)

## **PERTH**

Level 8

250 St George's Terrace

Perth WA 6000

T. +61 8 9480 2500

F. +61 8 9480 2511

E. [rfcperth@rfc.com.au](mailto:rfcperth@rfc.com.au)