Digital Securities Exchange Manual

This reference guide addresses workflow for configuring standardized disclosure formats, templates, and funding round types in the NASD Digital Securities Exchange (DSE).

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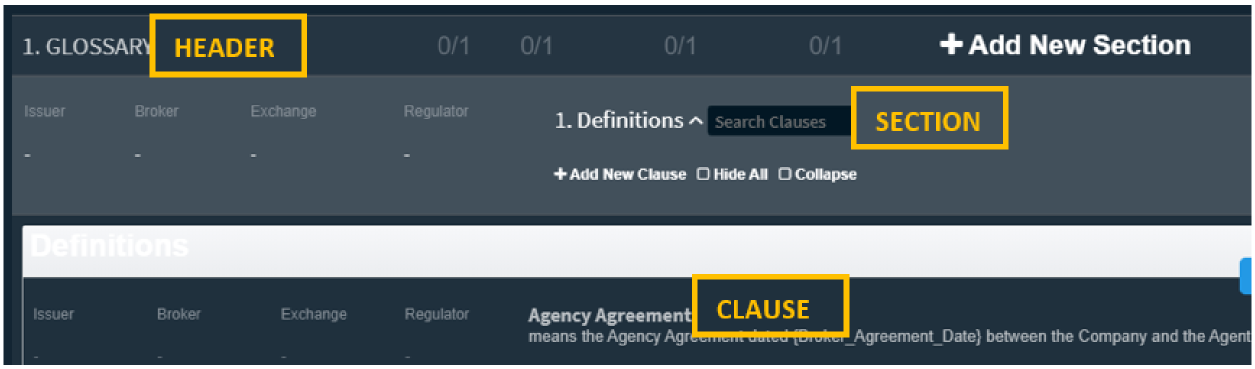
Configure Disclosure Templates and Formats

The Blockstation DSE allows you to pre-configure various disclosure documentation templates and formats that will be available to Issuers to help expedite the offering process.

Note that disclosure documentation is organized in a hierarchy of Headers, Sections, and Clauses:



In the Blockstation DSE, disclosure documentation is organized into Templates (groups of Headers, Sections and Clauses relevant to a given industry or company category, *e.g.*, real estate) and Formats (various ways of structuring disclosure documentation as required by a given jurisdiction, exemption and filing type, *e.g.*, USA Reg. D).

Configuring Templates and Formats is typically a once-and-done process; you may add additional formats and templates and clauses over time. When setting up your environment for the first time, the recommended order of operations is:

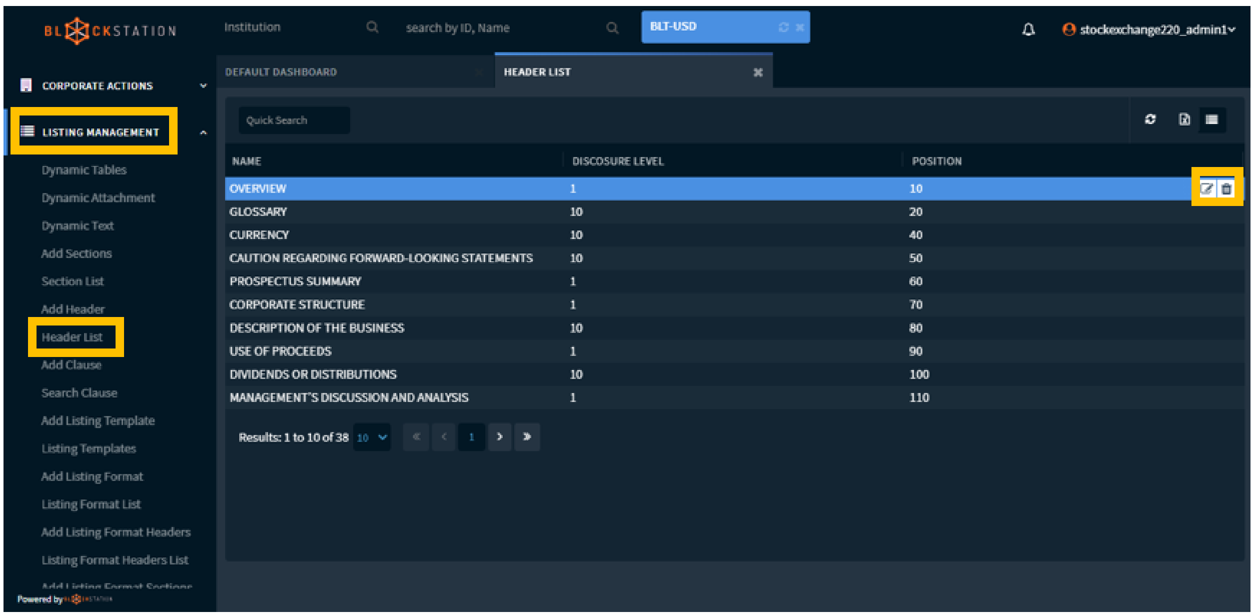
- Set Disclosure Content
  - [Add and Edit Disclosure Headers]
  - [Add and Edit Disclosure Sections]
  - [Add and Edit Disclosure Clauses]
- Set Disclosure Template
  - [Add Disclosure Template]
- Set Disclosure Format
  - [Add Disclosure Format]
  - [Add Disclosure Format Headers]
  - [Add Disclosure Format Sections]

Add and Edit Disclosure Headers

The DSE comes pre-populated with standard disclosure Headers. Follow this procedure to edit existing disclosure headings (*e.g.*, Overview, Prospectus Summary, Currency, etc.) and, if needed, add new ones.

Edit Disclosure Header

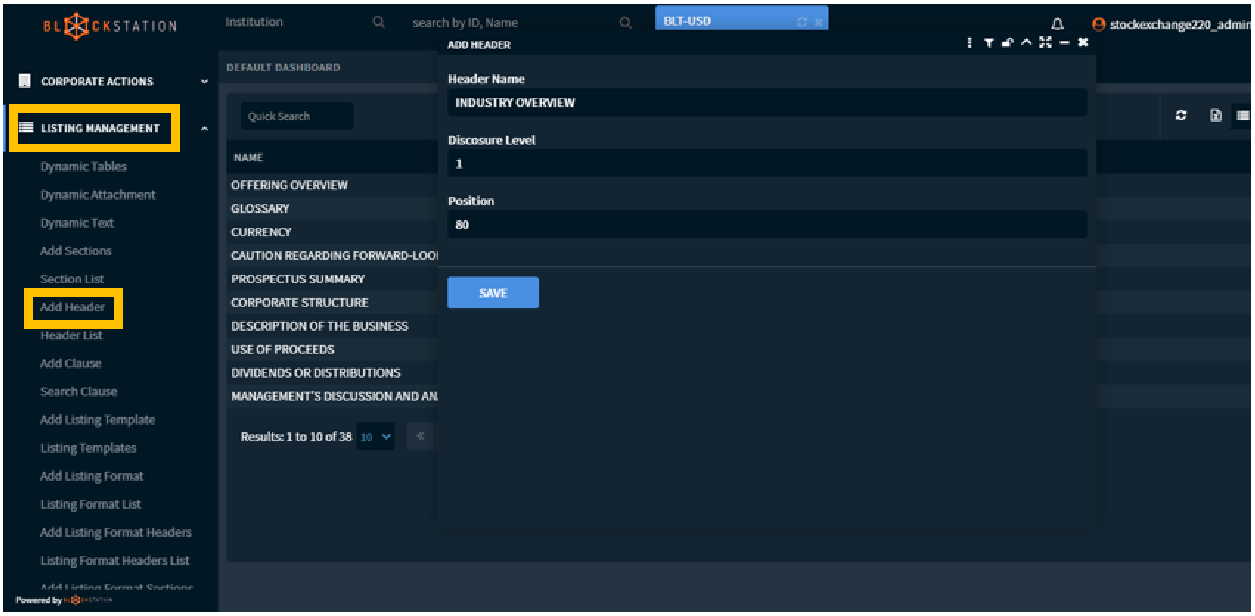
1) Header, navigate to **Listing Management** → **Header List**.
2) Hover your mouse over the desired header to reveal extra buttons on the right, and click **Edit** or **Delete** as appropriate. (You may also double-click to edit.)



3) If editing, make any desired changes and click **Update**.

Add New Disclosure Header

4) In the left menu, navigate to **Listing Management** → **Add Header**.
5) Fill in the Header name as it will appear in disclosure documentation. Note: the number entered in the **Position** indicates the order in which this header will appear relative to the others (*e.g.*, a header in position 1 will appear first, a header in position 2 will appear second, etc.)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CURRENCY
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PROSPECTUS SUMMARY
CORPORATE STRUCTURE
DESCRIPTION OF THE BUSINESS
USE OF PROCEEDS
DIVIDENDS OR DISTRIBUTIONS
MANAGEMENT'S DISCUSSION AND AN
Results: 1 to 10 of 38
10
Dynamic Tables
Dynamic Attachment
Dynamic Text
Add Sections
Section List
Add Header
Header List
Add Clause
Search Clause
Add Listing Template
Listing Templates
Add Listing Format
Listing Format List
Add Listing Format Headers
Listing Format Headers List
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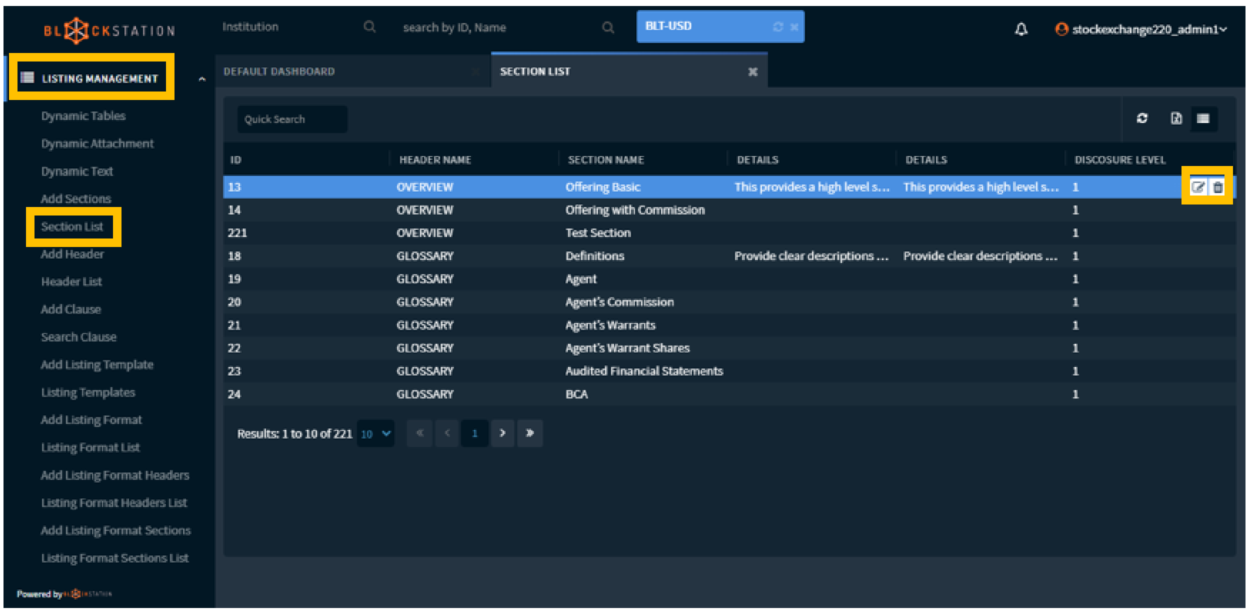
6) Click **Save**.

Add and Edit Disclosure Sections

The DSE comes pre-populated with standard disclosure Sections. Follow this procedure to edit existing disclosure Sections (*e.g.*, Offering Basic, Definitions, Risk Factors, etc.) and, if needed, add new ones.

Edit Disclosure Section

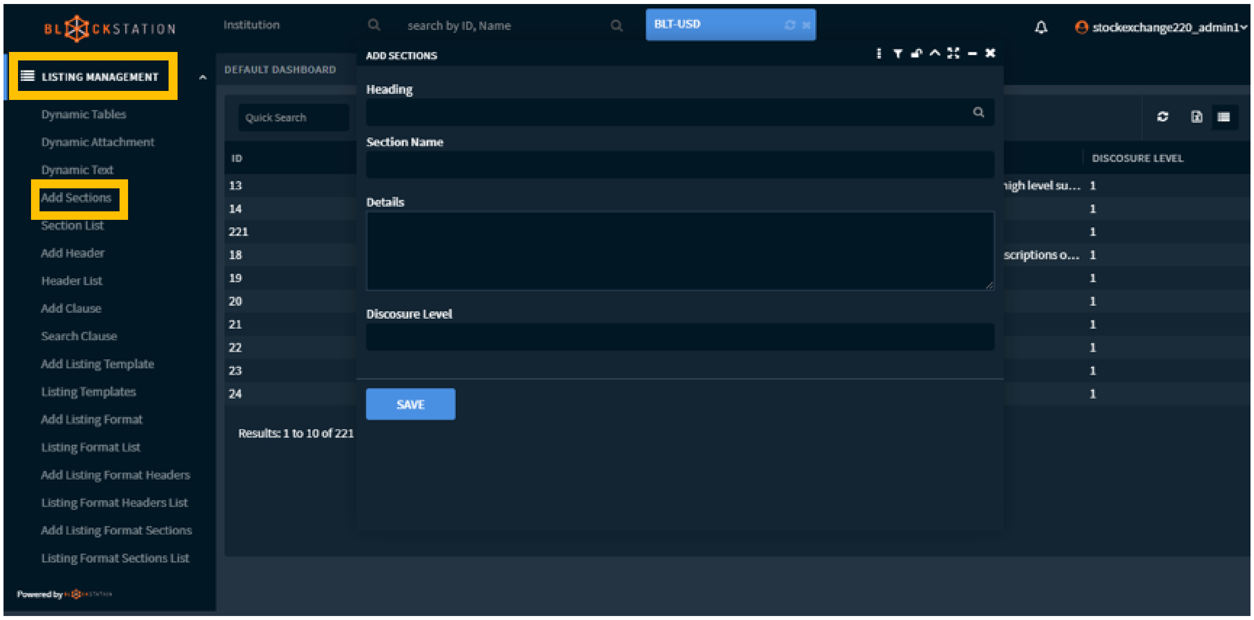
1) To edit or delete a Section, navigate to **Listing Management** → **Section List**.
2) Hover your mouse over the desired header to reveal extra buttons on the right, and click **Edit** or **Delete** as appropriate.



3) If editing, make any desired changes and click **Update**.

Add New Disclosure Section

4) In the left menu, navigate to **Listing Management** → **Add Sections**.
5) Select the section's parent header from the **Heading** drop-down.
6) Fill in the **Section Name** and **Details** (description) of this section.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LISTING MANAGEMENT
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Dynamic Attachment
Dynamic Text
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Section List
Add Header
Header List
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Add Listing Format Headers
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7) Click **Save**.

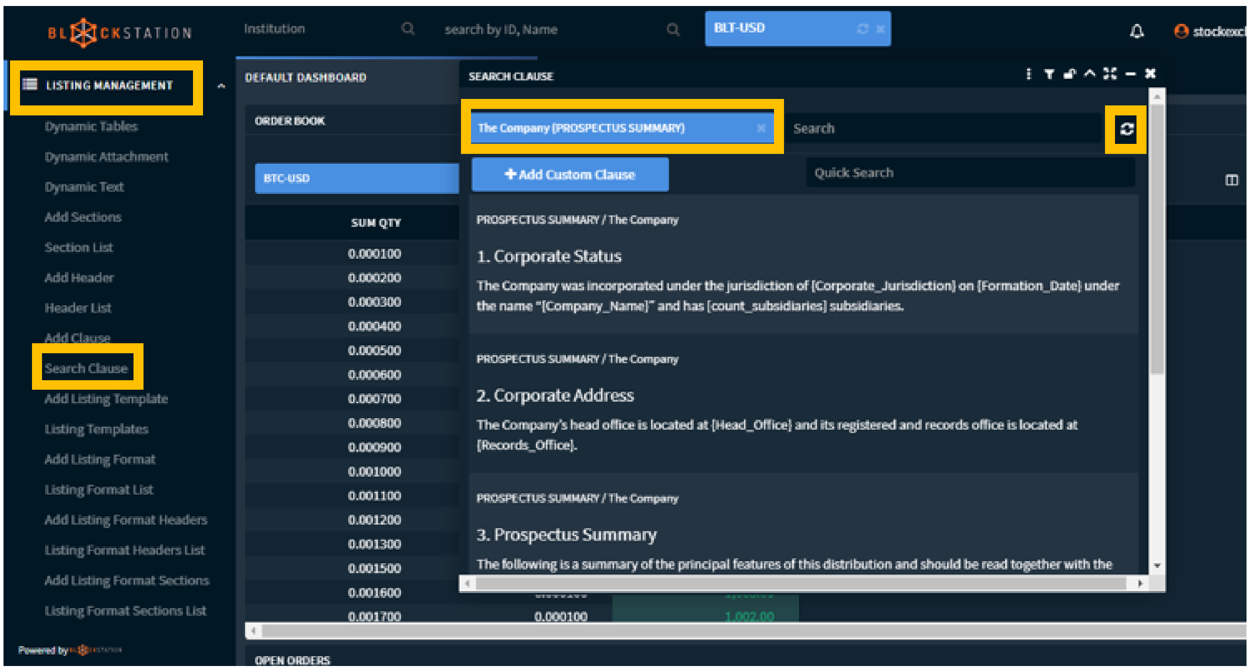
Add and Edit Disclosure Clauses

The DSE comes pre-populated with standard disclosure Clauses. Follow this procedure to edit existing disclosure Clauses (*e.g.*, Use of Proceeds, Definition of Agent, Financials Summary, etc.) and, if needed, add new ones.

Stock exchange must contact Blockstation to add or edit a clause template.

Edit Disclosure Clause

1) Navigate to **Listing Management** → **Search Clause**.
2) Select the parent section from the **Section** drop-down and click **Refresh**.

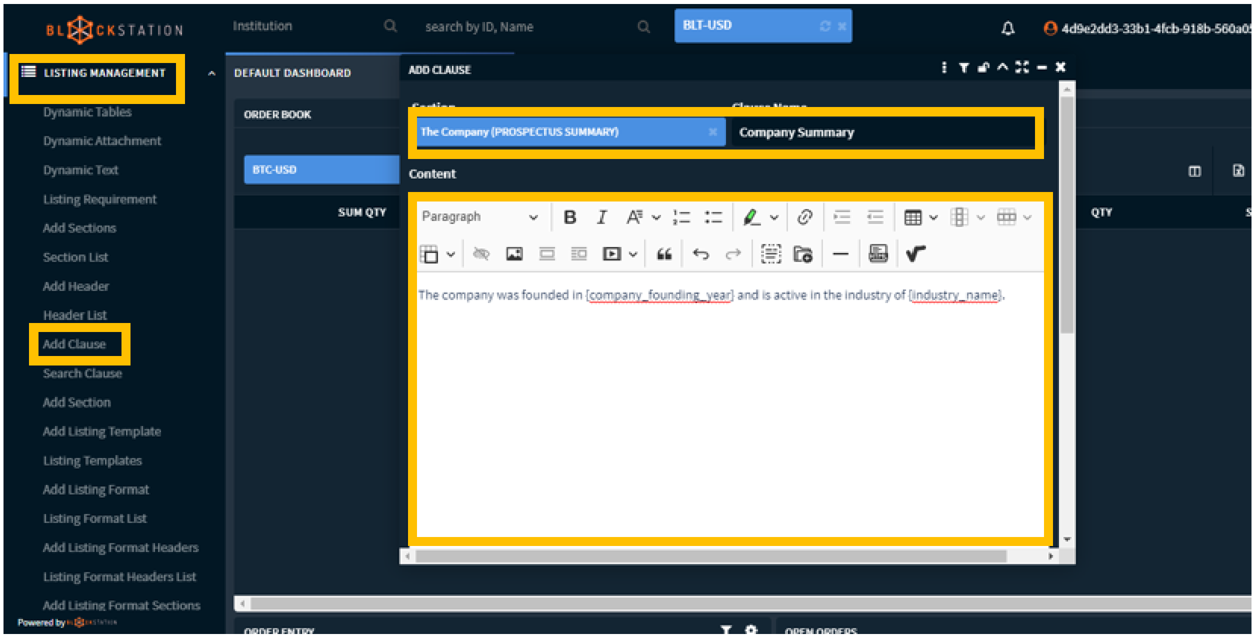


3) A list of all the clauses under that section appears. (You may type the name of a desired clause in the Search or Quick Search fields to narrow the results.) **Double-click the desired clause name** to open the edit window.
    a) You may also click **Add Custom Clause** to open the Add Clause window with the section already selected.
4) Make desired edits and click **Update**.

Add New Disclosure Clause

5) In the left menu, navigate to **Listing Management** → **Add Clause**.
6) Select the parent section from the **Section** drop-down.
7) Enter the **Clause Name**.

8) Enter the **Clause Content**. (See Add Disclosure Dynamic Content for details on using smart tags that will auto-populate key disclosure information without requiring double-entry from the Issuer.)



9) Enter the **Position**.

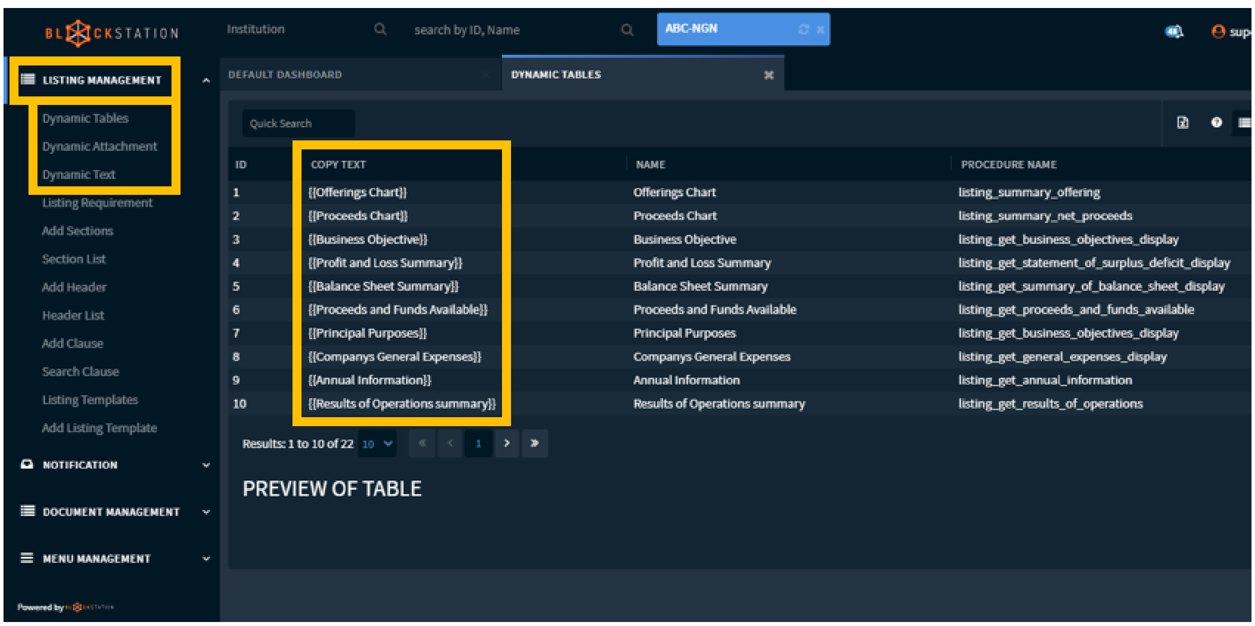
10) Click **Save**.

Add Disclosure Dynamic Content

The Blockstation DSE enables stock exchanges to use dynamic content tags in disclosure Clauses that automatically pull the relevant data (such as attachments, tables or text) from an Issuer's application into the completed disclosure document. For example, the smart tag "{{Companys General Expenses}}" in a clause will automatically display a table showing the Issuer's general expenses as entered in the DSE.

Follow this procedure to identify the relevant smart content tag to copy and paste into the Clause editor.

1) In the left menu, click **Listing Management** and any of **Dynamic Tables**, **Dynamic Attachment**, or **Dynamic Text**.
2) The new tab displays the attachments/data referenced by the smart tag. Identify the desired attachment/data and click tag in the left **Copy Text** column. The text is now copied to your clipboard and may be pasted into the Clause editor.

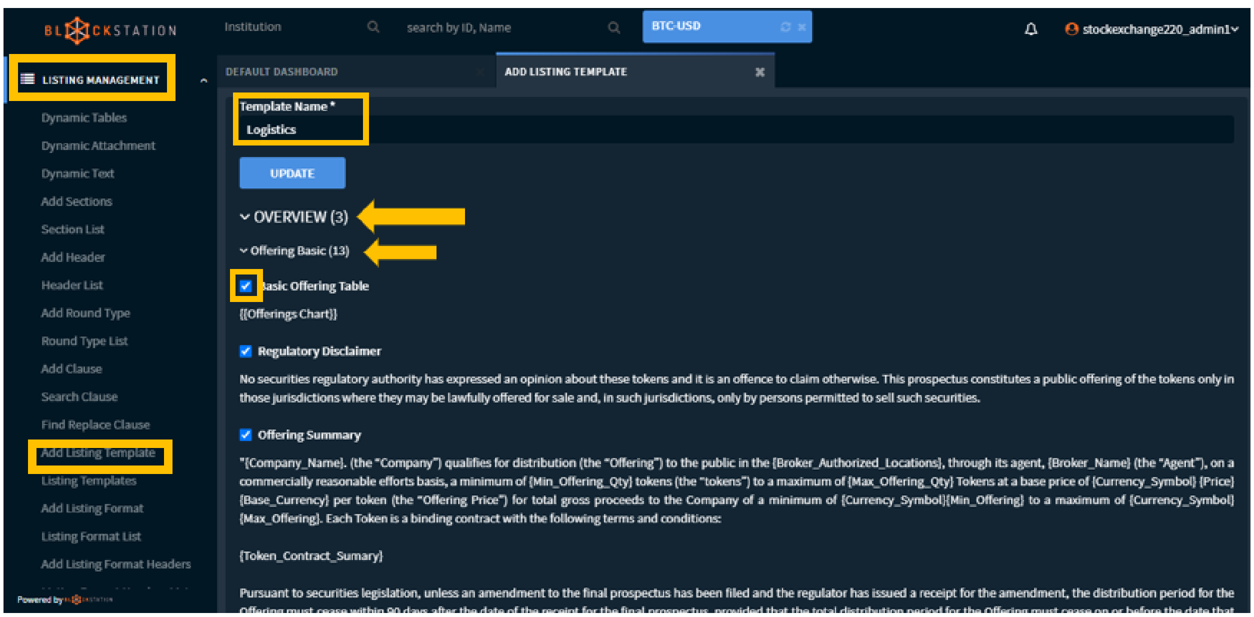


Add Disclosure Template

In the Blockstation DSE, disclosure documentation is organized into Templates (groups of Headers, Sections and Clauses relevant to a given industry or company category) and Formats (various ways of structuring disclosure documentation as required by a given jurisdiction exemption or filing type, *e.g.*, real estate.)

Follow this procedure to create a Template that may be selected by Issuers to streamline their disclosure process.

1) In the left menu, navigate to **Listing Management** → **Add Listing Template**.
2) Enter the **Template Name** and click **Save**.
3) The template Headers now display. Click each Header to expand and view its child Sections. Click each Section to display its child Clauses.
4) Check the box beside a clause to include it in the template.



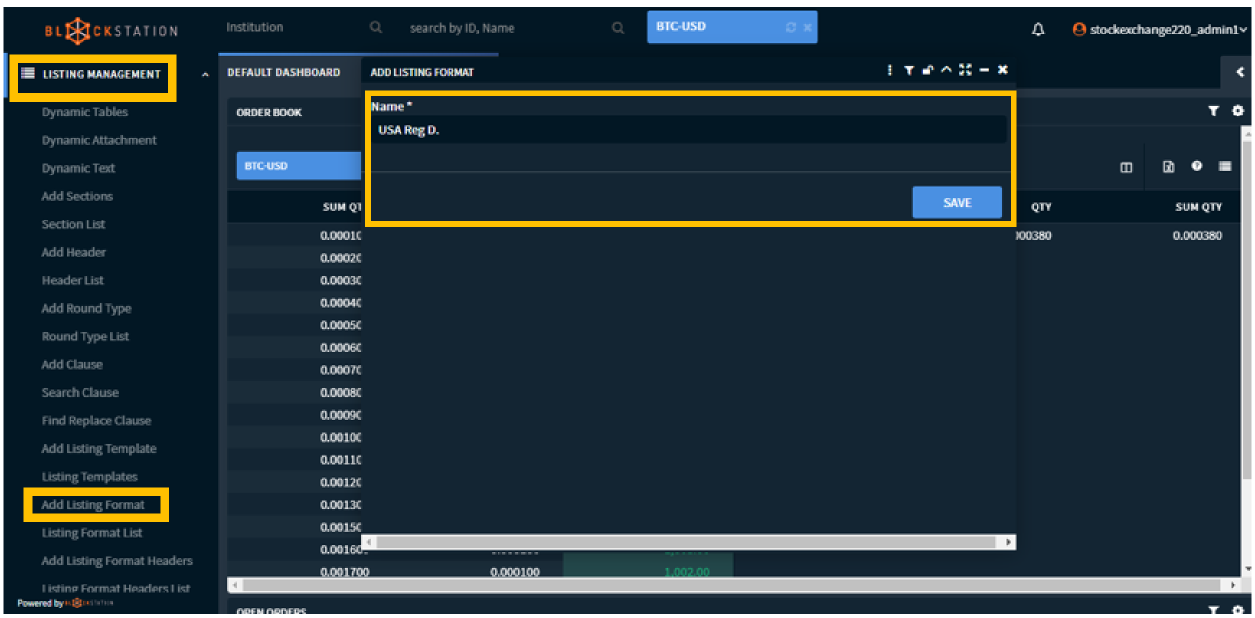
5) Click **Save** at the bottom of each group of clauses to set that selection.
6) If desired, change the name of the template and click Update.
7) The template is now set and will be available to Issuers in the Disclosure wizard. To revise this template in the future, navigate to **Listing Management** → **Listing Templates**.

Add Disclosure Format

In the Blockstation DSE, disclosure documentation is organized into Templates (groups of Headers, Sections and Clauses relevant to a given industry or company category) and Formats (various ways of structuring and organizing disclosure documentation as required by a given jurisdiction or raise type, *e.g.*, USA Reg. D).

Follow this procedure to create a Format that may be selected by Issuers to streamline their disclosure process.

1) Once the desired disclosure Headers, Sections, Clauses and Templates have been set, navigate to **Listing Management** → **Add Listing Format**.
2) Enter the **Name**, and click **Save**.

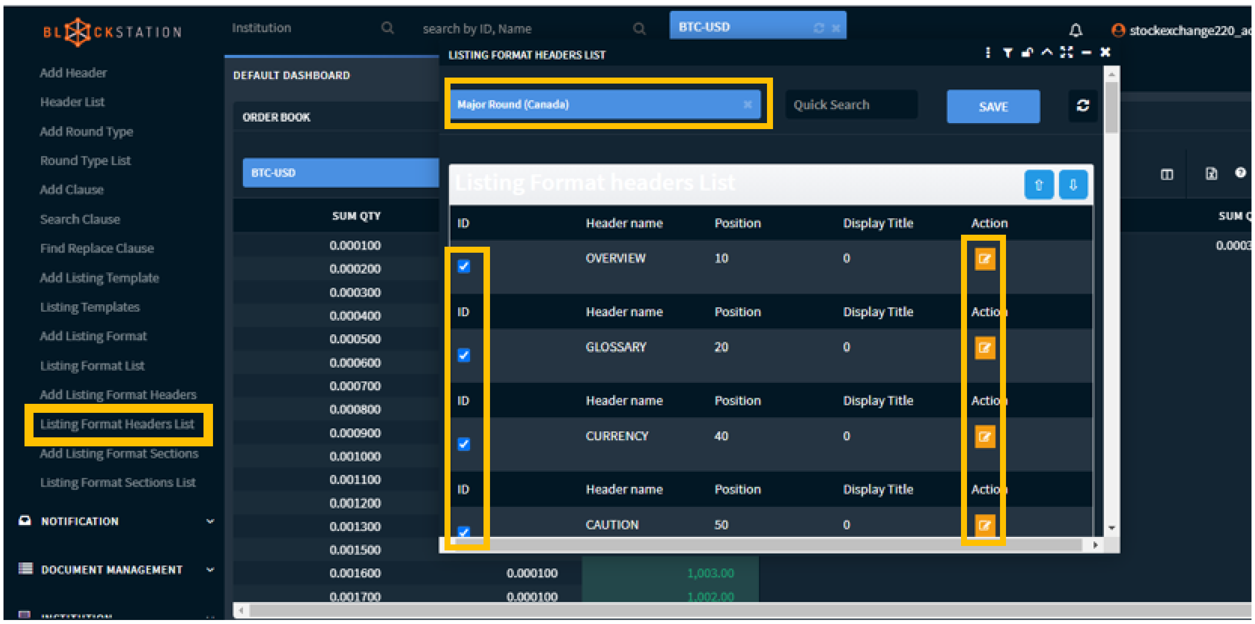


3) To modify the name, in the left menu, navigate to **Listing Management** → **Listing Format List**.
4) Hover your mouse over the desired format to reveal additional buttons on the right, and click **Edit**.
5) Modify the **Name** and click **Update**.

Add Disclosure Format Headers/Sections

Follow this procedure to select the disclosure Headers that will appear in a disclosure format, as well as set the Header order and appearance.

1) In the left menu, navigate to **Listing Management** → **Listing Format Headers List/ Listing Format Sections List**.
2) Select a Format from the **Listing Format** drop-down.
3) Check off all relevant Headers/Sections.
4) To modify the order and appearance of the Headers, hover your mouse over the desired Header to reveal additional buttons on the right, and click **Edit**.



5) In the new window that opens, you will be able to modify the Position field and check a box for whether or not the name of the Header itself will display in the completed disclosure documentation. Click **Save**.

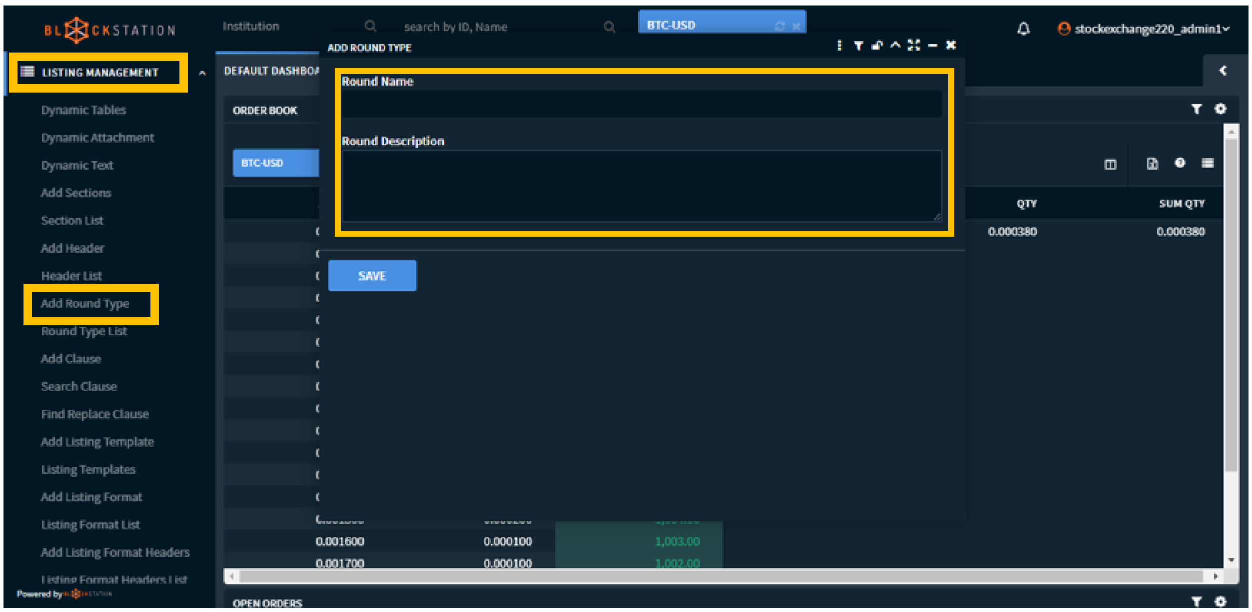
   Note:

   When setting the Header/Section position, best practice is to number by 10s (*i.e.*, first is 10, second is 20, *etc.*). This permits the Issuer to add custom Headers and to insert them easily between default Headers by using numbers 1-9.
6) In the main Listing Format Headers List window, when satisfied, click **Save**.

Add and Edit Funding Round

Follow this procedure to add funding round types (*e.g.*, Seed Funding, Series A, etc.) from which Issuers can select when completing their disclosure documentation.

1) In the left menu, navigate to **Listing Management** → **Add Round Type**.
2) Enter the **Round Name** and **Round Description**. These will be visible to Issuers in the Disclosure wizard.



3) Click **Save**.
4) To edit Round Type data, navigate to **Listing Management** → **Round Type List**.
5) Hover your mouse over the desired Round Type to reveal additional buttons on the right, and click **Edit**.
6) Make any desired changes and click **Update**.