



London
Stock Exchange

Admission and Disclosure Standards

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Glossary

The following terms have the following meanings when used in the **Standards** unless the context otherwise requires. For any defined terms not listed here, please refer to the Rules of the **London Stock Exchange**.

Admission and Disclosure Standards (Standards)	the Exchange's Admission and Disclosure Standards for securities admitted or seeking to be admitted to trading , as set out in this document, as amended from time to time.
admission/admitted or admission/admitted to trading or admission/admitted to trading on our markets	admission to trading on the Exchange's markets (other than AIM) and 'admitted' and 'traded' shall be construed accordingly. For the avoidance of doubt this does not include ' when issued dealings '.
AIM	the Exchange's market for smaller, growing companies. Securities admitted to AIM are not admitted to a regulated market .
applicant	an issuer that is proposing to apply, or is applying, for admission to trading of any of its securities .
application	an application made by an applicant .
block admission	an issuer may apply for a block admission of a specified number of securities if: (a) the securities are not allotted prior to admission; (b) no prospectus or listing particulars are required for the securities ; and (c) the application process can be made more efficient due to the frequent or irregular nature of allotments. Examples may include an employee share scheme or a regular savings scheme and the exercise of options.
bonus issue	issue of shares to existing shareholders, free of charge, in proportion to their holding.
business day	any day on which the Exchange is open for dealing.
capital reorganisation	reorganisation of a company's share capital resulting in a change in nominal value.
capitalisation issue	see "bonus issue".

capitalisation of reserves	distributing existing financial reserves to existing shareholders by issuing extra shares, free of charge, in proportion to their holding.
central counterparty	a body that assumes the risk for central counterparty transactions .
central counterparty security	a security designated by the Exchange and a central counterparty as eligible for central counterparty processing.
central counterparty transactions	an electronically matched order on the trading system in a central counterparty security .
central securities depository	an entity which operates a system enabling clients to hold, manage and transfer securities by book entry.
certificate representing shares	an instrument which confers a contractual right (other than an option) to acquire shares otherwise than by subscription.
class	securities , the rights attaching to which are, or will be, identical and which form a single issue (or series of issues).
compliance procedures	the compliance procedures as issued by the Exchange from time to time, setting out procedures for the Exchange when imposing sanctions on an issuer who has contravened the Standards and procedures for issuers in relation to appeals regarding the Exchange's application and interpretation of the Standards , contained herein.
conversions	conversion from one class of security to another (e.g. Preference to Ordinary).
competent authority	a competent authority for listing and approval of prospectuses in the relevant EEA member state. In the UK, this is the UKLA .
consolidations	where a company changes the structure of its share capital by reducing the number of shares it has in issue and increasing the nominal value and share price.
covered warrant	a listed security issued by a party other than the issuer or originator of the underlying asset, that gives the holder the right, but not the obligation, to buy or sell an underlying asset at a specified price during, or at the end of, a specified time period.
currency elections	distribution of cash to shareholders in proportion to their holdings, where holders have the option to elect for payment in alternative currencies.

debt securities	securities representing a loan from an investor to an issuer for which an issuer generally promises to pay a certain amount in excess of the nominal rate (usually deemed interest) on a specified date. For example debentures, debenture or loan stock, bonds and notes, whether secured or unsecured.
demergers	free distribution of stock in a subsidiary company or a holding in another company to existing shareholders.
depository bank	the bank who issues the depository receipts .
depository receipt (DR)	a transferable certificate that represents shares in a company and confers certain rights in respect of those shares, issued by a depository bank for the purposes of admission to trading .
Disclosure Rules and Transparency Rules (DTR)	The Disclosure Rules and Transparency Rules of the FSA , which can be found in the FSA Handbook
Dividend Re-Investment Program (DRIP)	cash dividend where holders have the option to reinvest the cash into existing shares of the company at the market price.
Dividend Re-Investment Scheme (DRIS)	cash dividend where holders have the option to reinvest the cash into new shares of the company at the market price or net asset value.
eligibility criteria	the requirements for eligibility and admission to be followed by issuers seeking admission to techMARK™ or techMARK™ mediscience as published by the Exchange and amended from time to time.
EEA	the European Economic Area. Includes all current EU member states plus Iceland, Liechtenstein and Norway.
enfranchisements	change of voting rights in a class of shares, normally by a conversion into a new class.
Equity Primary Markets Team	the Exchange's department responsible for managing relationships with the advisory community, including sponsors, law firms and accountants. They act as a central point of contact for any forthcoming transactions and address any questions on the Exchange's business development activities, information and statistics, regulatory updates and fee structure. The Equity Primary Markets Team can be contacted on +44 (0)20 7797 3429.
Exchange	London Stock Exchange plc, which trades as the "London Stock Exchange" including, where the context so permits, any committee, sub-committee, employee or officer to whom any function of the Exchange may, for the time, being be delegated.

Exchange Traded Commodities (ETCs)	listed securities (asset-backed bonds) that track a physical or future on a single commodity or basket of commodities, and can be traded in the same way as an ordinary share.
Exchange Traded Funds (ETFs)	listed funds that track the performance of an underlying index or basket and can be traded in the same way as an ordinary share.
'ex' date	when a stock or dividend is issued by a company it is based upon an "on register" or " record date ". However, to create a level playing field, when shares are traded on the Exchange , during a benefit event (e.g. a dividend payment) an 'ex' date is set. Before this 'ex' date, if the shares are sold, the buying party is entitled to the benefit. If the benefit is received by the selling party the selling party will be required to pass on the benefit to the buying party.
Form 1	the form to complete for formal application of admission of securities to trading. Form 1 can be found on our website at: www.londonstockexchange.com/mainmarket/usefuldocuments
freely negotiable	transferable securities shall be considered freely negotiable if they can be traded between the parties to a transaction, and subsequently transferred without restriction, and if all securities within the same class as the security in question are fungible.
FSA	Financial Services Authority.
investment entities	collective investment undertakings of the closed-end type as set out under Annex XV of European Commission Regulation EC/809/2004 implementing the Prospectus Directive .
issuer	any company or other legal person or undertaking (including a public sector issuer) any class of whose securities has been admitted or is, or is proposed to be, the subject of an application for admission to trading .
listed or listing	(i) for companies for which the UKLA is the home competent authority , listed is as defined under the Listing Rules . (ii) for other companies, listed is defined as admitted to listing in accordance with their securities regulator's rules and listing shall be construed accordingly.
Listed Structured Products	listed , cash settled, securitised derivatives issued by a party other than the issuer or originator of the underlying asset.
listing particulars	a document in such form and containing such information as may be specified in Listing Rules , including any supplementary listing particulars. Used by issuers seeking admission to PSM .
Listing Rules	the Listing Rules of the UKLA , which can be found in the FSA

	Handbook.
Main Market	the Exchange's principal market for companies from the UK and overseas. The Main Market is part of the Exchange's regulated market , and companies must meet the associated requirements set by EU Directives and Listing Rules as applicable.
Market Abuse Directive	Directive 2003/6/EC of the European Parliament and of the Council of 28 January 2003 on insider dealing and market manipulation (market abuse).
Market Operations	the Exchange's department responsible for dealing with applications for admission to trading. Market Operations can be contacted on +44 (0)20 7797 4310 or by email at: admissions@londonstockexchange.com
MiFID	the European Parliament and Council Directive on markets in financial instruments (No. 2004/39/EC).
MTF	a Multilateral Trading Facility, defined under Article 4(15) of MiFID , to which MTF securities are admitted .
MTF securities	securities that are admitted to trading on an MTF . MTF securities must: <ul style="list-style-type: none"> ○ be capable of being traded in a fair, orderly and efficient manner ○ in the case of transferable securities, be freely negotiable. ○ have a sufficient range of persons already holding the securities (or, where relevant, the underlying asset) or interested in dealing in it to bring about adequate forces of supply and demand; ○ not have significant limitations on the persons who may hold or deal in the securities, or the amounts of the securities which may be held.
new applicant	an applicant with no securities already admitted to trading .
nominated representatives	a representative from another organisation who may, at the issuer's discretion, be selected to act as the primary day-to-day contact point with the Exchange on regulatory matters.
offer for subscription	an invitation to the public by, or on behalf of, an issuer to subscribe for securities of the issuer not yet in issue or allotted (and may be in the form of an invitation to tender at or above a stated minimum price).
Official List	the list maintained by the FSA in accordance with section 74(1) of the Financial Services and Markets Act 2000.

open offer	offer to existing shareholders where they can buy new shares in the company in proportion to their existing holding, usually at a discount to the market price. Holders cannot trade in the open offer entitlement. Also known as “non-renounceable rights”.
order book	a facility operated by the Exchange for the electronic submission and automatic execution of orders in any order book security .
order book security	a security which the Exchange has admitted to trading on an order book .
order-driven trading service	a trading service based on an order book .
passport	the ability to make a public offer or admit to trading on a regulated market in any of the EEA member states with the production of a prospectus drawn up in accordance with the Prospectus Directive and approved in one member state.
prescribed market	a market which has been prescribed by Her Majesty’s Treasury in the Financial Services and Markets Act 2000 (Prescribed Markets and Qualifying Investments) Order 2001 (SI 2001/996).
prospectus	the document prepared in connection with an application for admission of securities to trading on an EEA regulated market or an offer of securities to the public in any EEA member state pursuant to the rules made by the relevant EEA competent authority .
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council.
Professional Securities Market (PSM)	the Exchange’s market for debt securities or depository receipts of any denomination, aimed at a professional investor audience. The Professional Securities Market is part of the Exchange’s Multilateral Trading Facility . Securities admitted to trading on the Professional Securities Market must be listed in accordance with Chapter 4 of the Listing Rules . The EEA competent authority for the PSM is the UKLA .
public offer	a public offer, as defined under Article 2(1)(d) of the Prospectus Directive .
public sector issuers	States and their regional and local authorities, state monopolies, state finance organisations, public international bodies and statutory bodies.

Recognised Investment Exchange	an organisation that is recognised by FSA as complying with the recognition requirements laid down in the Financial Services and Markets Act 2000 (Recognition Requirements for Investment Exchanges and Clearing Houses) Regulations 2001.
record date	the date on which a shareholder must be registered as the owner of shares in order to receive a dividend or other entitlement.
redenomination	the process of changing the currency on a financial security.
redemptions	repayment of a holding of a class of security.
Reference Data Service	the Exchange's Reference Data Service, designed to enable market participants to synchronise their trading database with that of the Exchange .
Regulated Information Service	a Regulated Information Service that is approved by the FSA as meeting the Criteria for Regulated Information Services and that is on the list of Regulated Information Services maintained by the FSA .
regulated market	a regulated market, as defined under Article 4(14) of MIFID .
return of capital/cash	distribution of cash normally resulting from the sale of an asset or securities or other transaction unrelated to retained earnings.
rights issue	offer to existing shareholders where they can buy new shares in the company in proportion to their existing holding usually at a discount to the market price. Holders also have the ability to trade in the rights.
RNS	the Regulated Information Service (as defined in the Handbook issued by the FSA) of the London Stock Exchange.
schemes of arrangement	a scheme of arrangement requiring shareholder approval under Part 26 of the Companies Act 2006.
scheme of reconstruction	a reconstruction under section 110 of the Insolvency Act 1986.
scrip dividend	distribution of a dividend to shareholders with an option to elect to receive new shares in the company based on a predetermined price instead of a cash payment.

securities	shares, certificates representing shares , units in a collective investment scheme (as defined in the Financial Services and Markets Act 2000), options to subscribe or purchase securities , treasury shares, specialist securities and other instruments specified in section C of Annex I of MiFID (“financial instruments”).
securities regulator	any regulator of financial services to which the issuer is bound to comply with its rules and regulations. This may or may not be the same as (or may be in addition to) its EEA competent authority .
settlement	the process of completing transactions through delivery of the securities together with any related rights and benefits, in return for payment.
Specialist Fund Market	<p>the Specialist Fund Market is the Exchange’s market for highly specialised investment entities that wish to target institutional, professional and highly knowledgeable investors. The Specialist Fund Market is part of the Exchange’s regulated market, and companies must meet the associated requirements set by EU Directives.</p> <p>The criteria for eligibility to the Specialist Fund Market is contained in the document “Specialist Fund Market: Guidance for Admission to Trading for New Applicants” which can be found at: www.londonstockexchange.com/specialistfundmarket</p>
specialist securities	debt securities , warrants and certificates representing debt securities which, because of their nature, are normally bought and traded by a limited number of investors who are particularly knowledgeable in investment matters. For the avoidance of doubt, “specialist securities” should not be construed as meaning securities that are admitted to the Specialist Fund Market .
stabilisation	a stabilisation may occur after a new issue in accordance with FSA rules. It will entail the stabilising manager buying shares in the market in order to counter selling pressure in the initial market. This stabilisation period must be fully disclosed by way of a daily notice and last for a maximum of 30 days.
Standards	see Admission and Disclosure Standards .
Stock Situation Analysis Team	the Stock Situation Analysis Team reviews corporate action timetables to minimise the effects of corporate actions on the trading and settlement systems. They publish Stock Situation Notices which detail individual stock events, and set ex dates for benefit events. In addition, they produce and

	publish on the Exchange's website the Dividend Procedure Timetable. The Stock Situation Analysis Team can be contacted on +44 (0)20 7797 3516 or +44 (0)20 7797 1579 or by email at: ssn@londonstockexchange.com
subdivision	whereby a company splits each ordinary share into more than one share, thereby increasing the number of shares in issue and decreasing the share price and nominal value.
substitution of issuer	replacing the name of one issuer of a debt security by another.
suspension of trading	any cessation of trading imposed by the Exchange , including a trading halt.
techMARK™	the specialist, international segment of the Main Market focussing on innovative technology companies.
techMARK mediscience™	the specialist, international segment of the Main Market focussing on innovative healthcare companies.
tender/ repurchase offers	offer made to existing holders to sell their shares at a set price.
trading system	the trading system operated by the Exchange .
transferable securities	transferable securities as defined under Article 4(1)(18) of MiFID .
UKLA	the competent authority for listing in the UK, namely the UK Listing Authority, which is part of the FSA .
when issued dealing	a period of conditional trading with deferred settlement wherein trades are pursuant to the securities listing or trading becoming effective.

Introduction

Overview

This document sets out the rules and responsibilities in relation to a company's **admission to trading** and ongoing disclosure obligations for companies seeking **admission**, or already **admitted**, to trading on our markets.

Defined terms are in bold and definitions can be found in the Glossary.

References to times shall mean London time.

The rules may be supplemented by Guidance, which can be located directly below the rule, in italics. From time to time, the **Exchange** also issues separate guidance notes on specific issues which may affect certain companies. Such guidance notes supplement these rules.

The procedures relating to disciplinary and appeals matters are set out in the **Compliance Procedures**.

The rules for trading **securities** are set out in the "Rules of the London Stock Exchange".

Note: For ease of reference, in this section of this document the terms 'company' and 'companies' are used to refer to all **issuers of securities admitted to trading** on our markets.

Purpose and scope

The **Exchange** is a **Recognised Investment Exchange** under UK law. This means the **Exchange** must ensure that all **securities admitted to trading** on its markets, and all dealings in those **securities** are conducted in accordance with the primary and secondary market regulatory obligations set out in the **FSA's** sourcebook for **Recognised Investment Exchanges**. This requires minimum standards to be placed upon companies seeking to have their **securities admitted to trading**.

In developing the **Standards**, which are set out in this document, we have applied the following principles:

- to provide companies which meet the **admission** requirements with access to our markets
- to promote investor confidence in the markets we operate
- to maintain the quality and attractiveness of our markets to companies and investors
- to operate proper and orderly markets
- to minimise any overlap with the rules of an **issuer's EEA competent authority**.

The **Standards** apply to all **securities admitted to trading** on all the **Exchange's** markets other than **AIM**. The scope therefore includes:

- a UK company seeking **admission** to the **Main Market**;
- an overseas company seeking **admission** to the **Main Market**;
- an **issuer** seeking **admission** to the **Professional Securities Market (PSM)**;
- an **issuer** seeking **admission** to the **Specialist Fund Market (SFM)**;
- an **issuer** with a **prospectus** approved by an **EEA competent authority** seeking to **passport** to the UK for **admission** of its **securities** to a **regulated market** (with or without an **application** for the **Official List**);
- an issuer **listed** on an exchange outside the **EEA** which is seeking **admission to trading** only; and
- any other **securities admitted to our markets**, excluding **AIM securities**.

For many companies, a two-stage **admission** process will apply to companies who want to have their **securities admitted to trading** on our markets, which will involve the **securities** being admitted to **listing** by the issuer's **securities regulator** as well as **admitted to trading** by the **Exchange**.

We require **securities** that are **admitted to trading** on our markets to comply with the disclosure obligations of the companies' **securities regulator** to give investors dealing in those **securities** proper information for determining the current value of the **securities** and confidence that the market is well-regulated.

Where a transferable **security** (which has been **admitted to trading** on a **regulated market**) is **admitted to trading** on a **MTF** operated by the **Exchange**, without a request from the **issuer**, the **Exchange** does not require the **issuer** to demonstrate compliance with the initial, ongoing or ad hoc disclosure obligations set out in the **Standards**.

Admission to our markets

The route to admission

- *New applicants*

To join our markets (other than **AIM**), most companies need to show that they have met the minimum requirements of an **EEA competent authority**¹. Companies must also commit to comply with our **Standards**. However, we retain discretion and flexibility so that, in appropriate circumstances, some areas of the **Standards** can be tailored to reflect an individual company's needs. Derogation requests from these **Standards** should be made in writing and give sufficient time for the **Exchange** to consider the request.

¹ This requirement does not apply to companies that are **listed** on an exchange outside the **EEA** that are seeking 'Admission to Trading Only'. For our 'Admission to Trading Only' policy, please consult our website at: www.londonstockexchange.com/attonly

Companies applying for **admission** to our markets for the first time are encouraged to approach us at the earliest possible stage and, in any event, no later than the timetable outlined in the **Standards**. Initial contact should be made with the **Equity Primary Markets Team**.

Where a **prospectus** is required to be published prior to **admission to trading** by the **Exchange**, the rules governing the publication of a **prospectus** are those of the home **EEA competent authority** of the **issuer / applicant**. In the UK, the **competent authority** is the **UKLA**. A **prospectus** may also be required where a company is making an offer of its **transferable securities** to the public.

Companies applying to **admit to trading depositary receipts ('DR')** may wish to consider admitting the maximum number of **securities** which the **prospectus** or **listing particulars** allow, in order to prevent having to produce a **prospectus** whenever new **DRs** are created as part of the normal course of a **DR** programme.

Issuers seeking **admission** to the **Specialist Fund Market** should have regard to the document "Specialist Fund Market: Guidance for Admission to Trading for New Applicants" which is available on the **Exchange's** website. UK and non-UK domiciled **investment entities** are eligible to seek **admission** to this market.

Prior to **admission**, **new applicants** who are applying for **admission to trading** must submit the appropriate forms within the timeframe set out in the **Standards**. The **application** includes the company's agreement to be bound by the **Standards**, and all fields must be completed, including the proposed **settlement** solution for trading in the company's **securities**. The **Exchange** considers **applications** on each **business day**.

- *Further issues by companies already admitted*

Companies seeking to make further issues of **securities** already **admitted to trading** on our markets must assess whether either a **prospectus** or **listing particulars** is required. If a **prospectus** or **listing particulars** is required, it must be submitted to the relevant **EEA competent authority** for review and approval in accordance with its rules. For all further issues of **securities** to be **admitted to trading**, we will agree a timetable for **admission** with the company at an early stage.

- *Transfers from AIM*

A move from **AIM** to another of our markets will, in most cases, require the production of a **prospectus** in line with the rules governing the publication of **prospectuses** in the jurisdiction of the relevant home **EEA competent authority**.

For further information relating to transfers between **AIM** and our other markets, please contact the **Equity Primary Markets Team**.

- *Transfers from Main Market to PSM*

Issuers wishing to transfer from **Main Market** to **PSM** are required to do the following:

- Issue an announcement via a **Regulated Information Service** stating the **issuer's** intention to transfer to **PSM** at least 10 **business days** before the transfer is to take place.
- Send a letter to the **Market Operations** team and Listing Applications (**UKLA**) stating that the transfer from **Main Market** to **PSM** is to take place (details of **issuer** name, ISIN of relevant **security** and date from which the transfer is to be effective must be included).

Communication with the Exchange

Our relationship with companies is a matter of fundamental importance to us. This relationship helps to ensure that a high-quality service is provided to companies and that our markets operate efficiently.

New **applicants** are required to identify a contact within their organisation who will be responsible for communications with the **Exchange**, both during the initial **application** process and on an ongoing basis – this gives us a clear channel for communicating directly with the company.

The company contact should be one of the company's directors or senior employees and should be fully conversant with all the company's responsibilities relating to the trading of its **securities** on our markets. If the company would like to discuss its **application** with the **Exchange**, we would welcome the opportunity to meet the company prior to **admission**.

The company contact needs to be able to respond to requests and day-to-day market enquiries from us and, in particular, be available before our markets open each morning to resolve any issues which could impact on the market's orderly operation. In order to ease this potential burden on companies and to ensure that someone is available to answer questions, we encourage companies to appoint a **nominated representative** from another organisation in addition to the company contact to help cover the day-to-day enquiries. The **nominated representative** is normally the company's corporate broker, financial adviser, lawyer or accountant.

After admission

Continuing obligations

The **Exchange** has a responsibility to ensure that it operates proper and orderly markets. In order to achieve this, it is essential that companies on our markets publish price-sensitive information on a timely basis and in accordance with the rules

of their **securities regulator**, which impose a general obligation on companies whose **securities** are **admitted to trading** on a **regulated market** or **prescribed market** to release information of this type. The timely publication of information benefits companies by allowing the market in their **securities** to function properly and benefits investors by ensuring that all participants are operating on an equal basis. Where such information is published on an internet site, the company must provide details of the internet address to the **Stock Situation Analysis Team**.

The **Standards** relating to disclosure of information to the **Exchange** are outlined in 'Continuing Obligations' and include a requirement for an **issuer** to inform the **Exchange** of the timetable for any corporate action affecting the rights of existing shareholders.

Enforcement

It is vital that compliance with the **Standards** is enforced for the benefit of all companies and the market as a whole. Compliance with the **Standards** is important to ensure that we continue to operate high-quality and orderly markets and that there is suitable protection for all market participants, including companies and investors.

As far as possible, when a breach is detected, action is taken on a timely basis. In particular, we are able to suspend trading in a company's **securities** and, in extreme circumstances, to cancel the right of a company's **securities** to be traded. We can also censure a company (privately or publicly) or issue a fine, if it has breached our **Standards**. The procedures relating to disciplinary and appeals matters are set out in the **Compliance Procedures**.

Fees

The **admission** fee is calculated in accordance with the **Exchange's** scale of fees as set out in the document "Fees for issuers". This publication, as updated from time to time, can be found on our website at www.londonstockexchange.com/feescalculator.

Admission and Disclosure Standards

Admission

Conditions

- 1.1 An **application** for **admission to trading** of any **class** of **securities** must:
- (a) relate to all **securities** of that **class**, issued or proposed to be issued;
or
 - (b) if **securities** of that **class** are already **admitted to trading** on the **Exchange's** markets, relate to all further **securities** of that **class**, issued or proposed to be issued.

Guidance to Rule:

*For UK incorporated **issuers** that are subject to the **Listing Rules**, an **application** for **admission to trading** of any **class** of **securities** must relate only to **securities** which are **listed** or proposed to be **listed** or equivalent.*

- 1.2 An **issuer** must be in compliance with the requirements of:
- (a) any **securities regulator** by which it is regulated; and /or
 - (b) any stock exchange on which it has **securities** admitted to trading.
- 1.3 In the case of **transferable securities**, all such **securities** must be **freely negotiable**.
- 1.4 **Securities** that are **admitted to trading** on any **regulated market** operated by the **Exchange** must be capable of being traded in a fair, orderly and efficient manner.
- 1.5 The **Exchange** may refuse an **application** for the **admission to trading** of **securities** if it considers that:
- (a) the **applicant's** situation is such that **admission** of the **securities** may be detrimental to the orderly operation of the **Exchange's** markets or to the integrity of such markets; or
 - (b) the **applicant** does not or will not comply with the **Standards** or with any special condition imposed upon the **applicant** by the **Exchange**
- 1.6 **Issuers** must confirm that they meet the criteria and requirements of the market to which they are applying.

Guidance to Rule:

Issuers are required to tick the relevant box on **Form 1** to indicate the market to which they are seeking **admission**.

In addition to 1.5, as per our obligations under **MiFID** Article 40(1), the **Exchange** has the right to refuse an **application** for the **admission to trading** of **securities** to a certain market or segment if it considers that the **securities** are better suited to another of the **Exchange's** markets or segments.

Settlement

- 1.7 To be **admitted to trading**, **securities** must be eligible for electronic **settlement**. The **issuer** must inform the **Exchange** at the time of **application** of the chosen **settlement** mechanism and if **settlement** restrictions will apply to any **securities** to be considered for **admission**.

Guidance to Rule:

The **Exchange** requires that an appropriate **settlement** solution is in place, dependent upon the trading platform on which the **securities** are to be traded. Accepted **central security depositaries** include Euroclear UK & Ireland, Euroclear Bank, Depository Trust Clearing Corporation (DTCC) or Monte Titoli S.p.A.. Other **central securities depositaries** will be considered on a case-by-case basis.

Issuers should note that certain of the **Exchange's** trading platforms have trades cleared by **central counterparties**. In these cases, the **securities** have to be eligible for the **central counterparty** as well as the central **securities** depository. In addition, the **central counterparties** may restrict where **settlement** can occur.

Communication

- 1.8 An **issuer** must identify a contact within their organisation who will be responsible for communications between the **Exchange** and the **issuer**, and the **Exchange** must be notified in writing of any changes thereafter. An **issuer** may also wish to use a **nominated representative**.

Guidance to Rule:

The contact should be fully conversant with the **issuer's** responsibilities under these **Standards** and will be either a director or senior employee of the **issuer** in a position to act as the **Exchange's** point of contact. At the **issuer's** discretion, a **nominated representative** from another organisation may also be selected to act as the primary day-to-day contact point with the **Exchange** on regulatory matters. Details of the **issuer's** contact and any

***nominated representative** must be provided to the **Exchange** at the time of the **application** for **admission to trading** and the **Exchange** must be notified in writing of any changes thereafter.*

- 1.9 An **issuer** must ensure that all information provided in connection with the **application** for **admission to trading** is in all respects accurate, complete and not misleading. An **issuer** must be open, honest and co-operative in all dealings with the **Exchange**.

Admission process

- 1.10 An **issuer** proposing to admit **securities** that will be the subject of an **application** for **admission to trading** must agree the timetable for the **admission to trading** of those **securities** in advance with **Market Operations**.
- 1.11 The **issuer** must contact the **Exchange** no later than ten **business days** before the **application** is to be considered.

Application

Provisional application

- 2.1 To ensure the **Exchange** can properly consider any **application** for **admission to trading** the **issuer** must:
- For new **issuers**, submit the **Form 1** and a draft copy of the **prospectus** to the **Market Operations** team by no later than 12:00 at least ten **business days** prior to the day on which the **issuer** is requesting that the **Exchange** consider the **application** for **admission to trading**.
 - The submission of **Form 1** shall be provisional. Formal **application** will only be deemed to be made when a **prospectus** relating to the **securities** to be **admitted to trading** has been approved.
 - The final **application** form and supporting documentation must be submitted in accordance with 2.4.

Guidance to Rule:

Admission of securities becomes effective only when the decision of the **Exchange** to admit the **securities** to trading has been announced by the **Exchange** via an **RNS** announcement. (Should **RNS** suffer an outage; a notice will be made available at the **Exchange's** ground floor reception).

Except where otherwise agreed by the **Exchange**, **applications** for **admission to trading** are considered on **business days** between the hours of 09:00 and 17:30.

The **Exchange** will not, except in exceptional circumstances, admit **securities** to trading until each of the documents and items listed in 2.4 have been lodged with the **Exchange** (marked for the attention of **Market Operations**) in so far as they are relevant. All documents submitted to the **Exchange** must be written in English and submitted electronically.

An invoice for the **admission** fee will be raised on **admission**. The **admission** fee is calculated in accordance with the **Exchange's** scale of fees (see 3.14). Payment of the **admission** fee must be received no later than 30 days after the date of this invoice.

- 2.2 When further issues of **securities** are allotted of the same **class** as **securities** already **admitted to trading** on our markets, **issuers** must assess whether a **prospectus** or **listing particulars** is required. If applicable, these must be submitted to the relevant **EEA competent authority** for review and approval in accordance with its rules. **Application** for **admission** of such further **securities** must be made at the same time as the **application** for **listing**, but no later than 48 hours before the **application** is to be considered.

2.3 If a request for **when issued dealing** is to be considered:

- A provisional “**when issued dealing application form**” (which can be found at the **Exchange’s** website: www.londonstockexchange.com/mainmarket/usefuldocuments) must be received with the provisional **Form 1**.
- The final “**when issued dealing application form**” must be submitted (with a draft **stabilisation** notice if appropriate) at least two **business days** prior to the day on which the **issuer** is requesting that the **Exchange** consider the **application for when issued dealing**.

Guidance to Rule:

*The **Exchange** reserves the right to refuse **when issued dealing**.*

*Where applicable, we reserve the right to only allow unconditional dealing when confirmation has been received that **admission to trading** on a **regulated market** and/or **listing** is effective.*

Documents

Before admission

2.4 Except as set out in paragraphs 2.1, 2.2, 2.3 or 2.7, or as otherwise agreed by the **Exchange**, the following documents must be submitted to the **Market Operations** team by no later than 12:00 at least two **business days** prior to the day on which the **issuer** is requesting that the **Exchange** consider the **application for admission to trading**:

2.4.1 **Issuers** not covered by 2.4.2 or 2.4.3 below:

- an **application for admission to trading** on the finalised **Form 1** issued by the **Exchange** signed by a duly authorised officer of the **issuer**; and
- an electronic copy of any **prospectus, listing particulars, passport**, circular, announcement or other document relating to the issue, together with copies of any notice of meeting referred to in such documents; and
- written confirmation of the number of **securities** to be allotted or issued pursuant to the board resolution should be provided and must be received by the **Exchange** no later than 16:30 on the day before **admission** is expected to become effective. By prior arrangement this may be extended 07:00 on the day of **admission**. The **applicant** should keep a copy of the resolution on its records for six years; and
- a copy of the **Regulated Information Service** announcement relating to the **admission**.

Guidance to Rule:

For issuers for whom the EEA competent authority is the FSA:

If the FSA has considered an application for listing and the securities the subject of the application are not all allotted and admitted following the initial allotment of the securities (for example, under an offer for subscription), further allotments of securities may be admitted if, before 4pm on the day before admission is sought, the Market Operations team has been informed and the FSA has been provided with the information required under Listing Rule 3.3.4 A R.

2.4.2 Issuers of covered warrants and Listed Structured Products:

- a finalised **Form 1**, a pricing supplement, indicative price and a completed trading form (depending on the number of products being launched simultaneously) and any additional forms, as appropriate. If products are to be launched under a new **prospectus** then it must also be provided. The relevant form(s) are available at:
www.londonstockexchange.com/mainmarket/usefuldocuments

2.4.3 Issuers of ETFs or ETCs or similar products:

- a finalised **Form 1**, a static data form and Pricing Supplement. If products are to be launched under a new **prospectus**, then it must also be provided. For **ETFs**, written confirmation must be provided that the **ETF** is **listed** by an **EEA competent authority**. The relevant form(s) are available at:
www.londonstockexchange.com/mainmarket/usefuldocuments

After admission

- 2.5 Where relevant, a statement of the number of **securities** which were, in fact, issued and, where different from the number which were the subject of the **application**, the aggregate number of **securities** of that **class** in issue must be lodged with the **Exchange** (marked for the attention of **Market Operations**) as soon as it becomes available.

techMARK™ and techMARK mediscience™

- 2.6 An **issuer** may also seek **admission** to **techMARK™** or **techMARK mediscience™**. The process and criteria for such **applications** are set out in the relevant **Eligibility Criteria**, which is updated from time to time and is available from our website (www.londonstockexchange.com/techMARK)

Block admission

- 2.7 Where an **issuer** admits **securities** that will not be allotted prior to **admission** and that do not require a **prospectus** or **listing particulars**, the **issuer** may make an **application** for a **block admission**. These **admissions** may be pursuant to employee share schemes or the exercise of options.

Guidance to Rule:

*Where an **issuer** wishes to admit **securities** on a regular basis, they may make an **application** for a **block admission**. **Block admissions** will usually be for the reasons stated in rule 2.7 but the Exchange will consider requests for other reasons. The Exchange will monitor the correct usage of this facility and the number of **block admission applications** per **issuer**.*

Issuance programmes

- 2.8 Where **specialist securities** or **certificates representing shares** are issued under an issuance programme, an **applicant** must submit a subsequent **application** for **admission to trading** in the case of an increase in the maximum number of **securities** which may be in issue and **listed** at any one time under an issuance programme.

If the **Exchange** approves the **application**, it will **admit to trading** all **securities** which may be issued under the programme within 12 months after the publication of the **prospectus** or **listing particulars**, subject to the **Exchange** receiving:

- (a) advice of the final terms of each issue;
 - (b) electronic copies of any supplementary **prospectus** or **listing particulars**; and
 - (c) confirmation that the **securities** in question have been issued.
- 2.9 The final terms of each issue which is intended to be **admitted to trading** must be submitted in writing to the **Exchange** as soon as possible after they have been agreed and in any event no later than 14:00 on the day before **admission** is required to become effective. The final terms may be submitted by the **issuer** or its **nominated representative**.

Continuing obligations

General

- 3.1 In order for its **securities** to be **admitted to trading** and to remain on the **Exchange's markets**, **issuers** must be in compliance with:
- (a) the requirements of any **securities regulator** by which it is regulated; and/or
 - (b) the requirements of any stock exchange on which it has **securities** admitted to trading, and
 - (c) the provisions set out in the **Standards**, including any modification to the application of the **Standards** which has been notified via our website.
- 3.2 **Issuers** must notify the **Exchange** without delay of any change of status of the information provided under 2.1-2.2, in respect of the **listing** or **admission to trading** (or cancellation from trading) of the **issuer's securities** on any other exchange or trading platform, where such **admission** or cancellation is at the application or agreement of the **issuer**.
- 3.2A An **issuer** admitted to trading on the **Main Market** that wishes to transfer between listing categories pursuant to **FSA Listing Rule 5.4A** must notify **Market Operations** of its intention to transfer listing category. Such notification must be made as early as possible and no later than 3 **business days** before the transfer is due to take place.
The notification should include: details of the **issuer**, the relevant **security** and the change in listing category sought; an explanation of why the **issuer** is seeking to transfer; the date on which the **issuer** wishes the transfer to take effect and contact details of the person the **Exchange** should liaise with in relation to the transfer.
- 3.3 The **Exchange** may make additions to, dispense with or modify the application of the **Standards** (either unconditionally or subject to conditions) in such cases and by reference to such circumstances as it considers appropriate.
- 3.4 **Issuers** and their **nominated representatives** must provide to the **Exchange** any information or explanation that the **Exchange** may reasonably require for the purpose of verifying whether the **Standards** are being or have been complied with or which relates to the integrity or orderly operation of the **Exchange's** markets.

Guidance to Rule:

*Where an issuer has a website where it regularly publishes company information, they should inform the **Stock Situation Analysis Team** of the website address.*

Timetable for corporate actions

- 3.5 An **issuer** must contact the **Stock Situation Analysis Team** in advance of any announcement of the timetable for any proposed action affecting the rights of existing holders of its **securities** traded on our markets. Except in the case of a dividend timetable notification (which are subject to rule 3.8), the reference to 'in advance' means that the **Exchange** should receive the proposed timetable by no later than 09:00 on the day before the proposed announcement.

3.5 - 3.9 do not apply to **issuers** of **depository receipts** or **specialist securities**. **Issuers** of **depository receipts** must observe their obligations under 3.10.

- 3.6 The Exchange may require amendments to the timetable, as and when considered necessary. The **Stock Situation Analysis Team** will liaise with the **issuer** and its advisors as appropriate.

A timetable which has not been cleared in advance with the **Stock Situation Analysis Team** but which has been announced to the market, may be subject to change if required by the **Stock Situation Analysis Team**. If this situation occurs a further correcting announcement must be made to the market.

- 3.7 Any proposed amendments to a timetable, including amendment to the publication details of any announcement, must be immediately notified to the **Stock Situation Analysis Team**.

Guidance to Rules:

*Rules 3.5 – 3.7 relate to proposed timetables for all corporate actions for **securities admitted to trading** on the **Exchange's** markets, for example:*

- *Corporate actions where an **ex date** is required (dividends, **scrip dividends**, **DRIPs**, **DRISs**, dividend **currency elections**, **open offers**, **rights issues**, **bonus issues**, **capitalisation issues**, **return of capital/cash**, **demergers**, **enfranchisements**).*
- *Other events for which clearance of timetables is required are:*
 - ***tender/repurchase offers**,*
 - ***consolidations, subdivision**,*
 - ***capital reorganisations**,*
 - ***schemes of arrangement/ schemes of reconstruction**,*

- some types of **conversions/redemptions**, or
- any other corporate event which could affect the rights of existing holders of **securities admitted to trading on our markets**.

3.8 Where applicable, dividend payments must follow the procedures set out in the guidance below:

Guidance to Rule:

*A dividend timetable which follows the guidelines set by the Dividend Procedure Timetable, published on the **Exchange's** website at www.londonstockexchange.com/mainmarket/usefuldocuments, need not be notified to the **Exchange** in advance, provided the announcement of the dividend includes:*

- *the amount of the dividend (should state whether the dividend is net or gross); and*
- *the record and payment dates; and*
- *the availability of any **scrip dividend, DRIP or dividend currency option**; and*
- *publish the election date.*

*Dividends outside of the guidelines detailed in the Dividend Procedure Timetable must be agreed by the **Stock Situation Analysis Team** in advance of the announcement of the dividend. The **Scrip Dividend and DRIP** documentation must also be lodged with the **Stock Situation Analysis Team**.*

*The term 'dividend' includes all interest payments for **debt securities** (excluding **specialist securities**). An announcement is not required for interest payments, but the **Exchange** must receive notification of any payment no later than seven **business days** prior to the **record date**. This notification must include:*

- *the appropriate net or gross amount; and*
- *the record and payment dates; and*
- *any conversion period details.*

*Where fixed payment details are available, the **issuer** may use one timetable to inform the **Exchange** of all future payments, providing any subsequent amendments are notified to the **Exchange** immediately.*

*When an issuer publishes details of future interest payments, they must notify the **Stock Situation Analysis team**.*

Timetable for open offer

3.9 The timetable for an **open offer** must ensure that valid claims through the market can be promptly satisfied and must comply with the following:

- the open offer must remain open for acceptance for at least 10 **business days**. For the purposes of calculating the period of 10 **business days**, the first **business day** is the date on which the offer is first open for acceptance. The **business days** must also exclude the 'ex' date;
- where possible, the **open offer record date** should be the **business day** before the expected 'ex' date. A **record date** preceding the 'ex' date by more than three **business days** will only be approved in exceptional circumstances; and
- the announcement by an **issuer** of an **open offer** should take place by 07:15 on the proposed 'ex' date.

As per 3.5 and 3.6, an **issuer** must contact the **Stock Situation Analysis Team** in advance of any announcement of the timetable for any **open offer**. The reference to 'in advance' means that the **Exchange** should receive the proposed timetable by no later than 09:00 on the day before the proposed announcement. The **Exchange** may require amendments to the timetable, as and when considered necessary. The **Stock Situation Analysis Team** will liaise with the **issuer** and its advisors as appropriate.

A timetable which has not been cleared in advance with the **Stock Situation Analysis Team** but which has been announced to the market, may be subject to change if required by the **Stock Situation Analysis Team**. If this situation occurs a further correcting announcement must be made to the market.

Continuing obligations for depositary receipt issuers

Timetable for corporate actions for Depositary Receipts

- 3.10 An **issuer** or its **depository bank** should contact the **Stock Situation Analysis Team** in advance of any announcement of a timetable for any proposed action affecting the rights of existing holders of its **securities** traded on our markets. The reference to "in advance" means that the **Exchange** should receive the proposed announcement by no later than 9:00 on the day before the proposed announcement.

The **Exchange** may require amendments to the timetable, as and when considered necessary. The **Stock Situation Analysis Team** will liaise with the **issuer** or **depository bank** as appropriate.

Any proposed amendments to an agreed timetable, including amendment to the published details of any announcement, should immediately be notified to the **Stock Situation Analysis Team**.

3.10 and related guidance must be adhered to by an **issuer** or its **depository bank** unless otherwise specifically agreed with, and confirmed by, the **Exchange**.

Guidance to Rule:

3.10 relates to proposed timetables for all corporate actions for **securities admitted to trading** on the **Exchange's** markets, for example: corporate actions where an '**ex date**' is required (**bonus issues**, stock distributions, **rights issues**, **demergers** /spin offs).

Issuers will have regard to their domestic regulatory requirements and should discuss possible conflicts between those and **the Standards** with **Stock Situation Analysis Team** in advance, as **issuers** deem necessary.

Wherever possible the **record date** should be announced in advance and the '**ex**' **date** for any of the above corporate actions will be determined by the **Exchange**, dependent on the information received and the type of the corporate action proposed.

Other events for which clearance of timetables is required are:

- stock splits,
- **tender/repurchase offers**,
- **capital reorganisations**,
- or any other corporate action which could affect the rights of existing holders of **securities admitted to trading** on our markets.

Dividends

Dividends for **depository receipts** should be notified to the **Stock Situation Analysis Team** by 09:00 at least three **business days** prior to the dividend **record date**, to allow the **depository receipt** to be marked Ex Dividend in the normal way, two **business days** prior to the **record date**.

In most circumstances the dividend **record date** for the **depository receipt** will be in line with that of the underlying security. In the event of late notification of the **record date** for the underlying security, or where notice is not received three days prior to the **record date**, the **depository bank** will be required to set a separate **record date** for the **depository receipt** to allow the security to be marked Ex Dividend in line with the above timetable.

Dividend notifications for **depository receipts** should include the following details, where available:

- name of company declaring dividend
- ISIN or CUSIP number
- whether dividend is an approximate or final rate
- amount of the dividend (should state whether the dividend is net or gross and include both rates (if available))
- **record date**
- payment dates
- any relevant fees or tax charges
- name of **depository bank** announcing dividend (including contact details).

Amendments to constitution

- 3.11 If an **issuer** of **transferable securities** that have been **admitted to trading** on a **regulated market** (or are the subject of an **application** for **admission to trading** on a **regulated market**) proposes to amend its constitution it must communicate the draft amendment to: (a) the **FSA**; and (b) the **regulated market** on which its **securities** have been **admitted to trading**².

In order to fulfil part (b) of this obligation, **issuers** should email details of the amendments to our **Market Operations** team:

admissions@londonstockexchange.com

The communication must be effected without delay but at the latest on the date of calling the general meeting which is to vote on, or be informed of, the amendment.

Guidance to Rule:

*The document should be sent to us when the **issuer** is satisfied it is ready to do so and this should form a part of its communications plan.*

***Issuers** may also choose to make an announcement to the market, via a **Regulated Information Service**, including any draft amendment.*

ETFs

- 3.12 **Issuers** of **ETFs** for whom the **UKLA** is not the **listing** authority:

(i) must comply with the **listing** rules of the **EEA** state in which they are **listed**;

(ii) must notify a **Regulated Information Service** as soon as possible of all circulars, notices, reports (as required by the **listing** rules of the **EEA** state in which they are **listed**), at the same time as any such documents are issued;

Unless the full text of the document is provided to the **Regulated Information Service**, the notification must set out where copies of the relevant document can be obtained.

(iii) must appoint a registrar in the UK if: (a) there are 200 or more holders resident in the UK; or (b) 10% of more of the equity securities are held by persons resident in the UK.

² DTR 6.1.2

(iv) must notify a **Regulated Information Service** on a daily basis of the number of outstanding shares and the Net Asset Value per share.

*In relation to sub-paragraph (iii) above, an **issuer** should also consider the requirements of any settlement venue for a UK registrar.*

Guidance to Rule for issuers of ETFs for whom the UKLA is not the listing authority:

*An issuer must consider its obligations under the **Disclosure and Transparency Rules**. For example, the **Market Abuse Directive** will apply to **ETFs** traded on a **regulated market** and **FSA DTR 1** and **DTR 2** will apply to **ETFs admitted to trading** on a **regulated market** in the UK, even if **UKLA** is not the **listing** authority.*

*An **issuer** must also obtain fund recognition from the **FSA** and adhere to the continuing obligations contained within the **UCITS Directives**³.*

Settlement

3.13 The **Exchange** requires that the **securities** continue to be eligible for electronic **settlement**, as set out in the Guidance to Rule 1.7.

Fees

3.14 An **issuer** with **securities admitted to trading** shall pay to the **Exchange** all applicable charges set out in the document “Fees for issuers”. This publication, as updated from time to time, can be found on our website: www.londonstockexchange.com/mainmarket/usefuldocuments

Suspension

3.15 The **Exchange** will suspend the **admission** to and trading of any **securities** on its markets if a **listing** of such **securities** is suspended.

3.16 The **Exchange** may suspend trading of such **securities** with effect from such time as it may determine, and in such circumstances as it thinks fit where the ability of the **Exchange** to ensure the orderly operation of its markets is, or may be, jeopardised, even if only temporarily.

^{3 1} Council Directives 85/611/EEC and 85/611/EEC, as amended.

- 3.17 Any request by an **issuer** to suspend trading of its **securities** must be confirmed to the **Exchange** in writing by the **issuer** or its **nominated representative**.
- 3.18 Where trading has been suspended, the **Exchange** may impose such conditions as it considers appropriate prior to resumption of trading.
- 3.19 An **issuer** must continue to comply with the **Standards**, even when **admission** of its **securities** to trading is suspended, unless the **Exchange** otherwise agrees.

Cancellation

- 3.20 An **issuer** that wishes the **Exchange** to cancel the right of any of its **securities** to be traded must advise the **Exchange** in writing, not later than **20 business days** before the date it intends trading in its **securities** to be discontinued. An **issuer** is also required to announce the intended cancellation of any of its **securities** through a **Regulated Information Service**. If agreed, the **Exchange** will announce the intention to cancel individual **securities** through the **Reference Data Service** and the intention to cancel issuers through a **Regulated Information Service**.
- 3.21 Cancellation will only be effective subject to the **issuer** complying with any legal or regulatory obligation and providing the **Exchange** with appropriate confirmation. Cancellation will only be effective once all outstanding subscriptions, charges, fees or other sums due to the **Exchange** have been paid in full.

Compliance and Appeals

- 3.22 Where the **Exchange** considers that an **issuer** has contravened the **Standards** and considers it appropriate to impose any sanction as set out in paragraph 3.23, it will follow the procedure set out in the **Compliance Procedures**.
- 3.23 If an **issuer** has contravened the **Standards**, one or more of the following actions may result:
- a) censure of the **issuer** and, in addition, publication of such censure;
 - b) a fine;
 - c) an order that the **issuer** make restitution to any **person** (when the **issuer** has profited from a breach of the **Exchange's** rules at that **person's** expense);
 - d) cancellation of the right of the **issuer** to have its **securities**, or any **class** of its **securities**, traded on the **Exchange's** markets.

- 3.24 An **issuer** may appeal against a decision of the **Exchange** in relation to the application and interpretation of the **Standards**. The procedures for such appeals are set out in the Compliance Procedures.

Compliance Procedures

Disciplinary process

Where the **Exchange** believes there has been a breach of the **Standards** by an **issuer**, the **Exchange** may commence disciplinary action against such **issuer**. The **Exchange** may issue a warning notice and/or refer disciplinary matters to either the Executive Panel or the Disciplinary Committee. In appropriate cases (including where a greater sanction than the Executive Panel is authorised to impose is deemed appropriate by the Executive Panel), the Executive Panel may refer the case to the Disciplinary Committee.

There are a number of factors which the **Exchange** takes into account when considering what disciplinary action to take in relation to a rule breach. These are set out below:

- The seriousness, size and nature of the rule breach
- How the rule breach came to light
- The actual or potential market impact of the rule breach, and any likely repercussions
- The general compliance history of the **issuer**, and specific history regarding the rule breach in question
- Consistent and fair application of the rules (any precedents of previous similar rule breaches)
- The responsiveness and conduct of the **issuer** in relation to the matter under investigation.

The **Exchange's** approach to regulation is aimed at maintaining the integrity, orderliness, transparency and good reputation of its markets and changing **issuers'** behaviour in those markets where necessary. The **Exchange** will investigate the facts of each case, seeking to understand why the rule breach occurred and will assess whether any remedial action the **issuer** has taken is adequate to prevent similar future occurrences.

The Executive Panel is a panel comprised of appropriately experienced senior members of the **Exchange's** staff. The procedures followed by the Executive Panel are set out in rules C200 to C290. Any final decision of the Executive Panel (other than a decision to refer a matter to the Disciplinary Committee) may be appealed to the Appeals Committee. There is no appeal on interim decisions.

The Disciplinary Committee is drawn from a pool of appropriately experienced (non-**Exchange**) persons and its procedures are set out in rules C300 to C390. The Disciplinary Committee may impose a wider range of sanctions than the Executive Panel and has discretion to publicise its findings. Any final decision of the Disciplinary Committee may be appealed to the Appeals Committee. There is no appeal on interim decisions.

The Appeals Committee is also drawn from a pool of appropriately experienced (non-**Exchange**) persons and hears appeals against the findings of both the Executive Panel and the Disciplinary Committee. The procedures followed by the Appeals Committee are set out in rules C400 to C490. The Appeals Committee may uphold, quash or vary any decision it is asked to consider. The Appeals Committee decision is final.

The table below summarises the disciplinary process operated by the **Exchange**.

Process	Normal use	Constitution	Appellate body
Warning Notices	<ul style="list-style-type: none"> • Rule breaches 	(no hearing)	
Executive Panel	<ul style="list-style-type: none"> • Disciplinary matters 	Senior Exchange staff	Appeals Committee
Disciplinary Committee	<ul style="list-style-type: none"> • Disciplinary matters 	Appropriately experienced (non- Exchange) persons	Appeals Committee
Appeals Committee	<ul style="list-style-type: none"> • Disciplinary appeals against Executive Panel findings • Disciplinary appeals against Disciplinary Committee findings 	Appropriately experienced (non- Exchange) persons	binding

The table below summarises the sanctions available to the **Exchange** for any breach of the **Standards**.

Process	Available sanctions	Appellate body
Warning Notices	<ul style="list-style-type: none"> • May stipulate corrective action required • Formal record of action for issuer's case history 	
Executive Panel ¹	One of: <ul style="list-style-type: none"> • Private censure • Fine up to £50,000 per breach • Referral to Disciplinary Committee 	Appeals Committee
Disciplinary Committee ²	One or more of: <ul style="list-style-type: none"> • Private censure • Public censure • Unlimited fine • Restitution • cancellation of the right of the issuer to have its securities, or any class of its securities, traded on the Exchange's markets 	Appeals Committee
Appeals Committee ²	Executive Panel referrals: <ul style="list-style-type: none"> • Any sanction available to the Executive Panel Disciplinary Committee referrals: <ul style="list-style-type: none"> • Any sanction available to the Disciplinary Committee 	binding

¹ Findings of the Executive Panel in respect of breaches of the **Standards** by **issuers** are published anonymously by the Exchange from time to time.

² Disclosure of findings is at the discretion of the Committee hearing the case (subject to rule C020) in accordance with the **Standards**. Matters subject to appeal will not be published before the appeal is completed.

Non-disciplinary appeal process

In the first instance, appeals against decisions of the **Exchange** are heard by the Executive Panel. The Executive Panel may uphold, quash or vary any decision it is asked to consider. There is no appeal on the **Exchange's** decision to refer a matter to the Executive Panel or the Disciplinary Committee.

Appeals against the findings of the Executive Panel, and referrals from the Executive Panel are heard by the Appeals Committee. The Appeals Committee may uphold, quash or vary any decision it is asked to consider. The Appeals Committee decision is binding.

The table below summarises the non-disciplinary process operated by the **Exchange**.

Process	Normal use	Constitution	Appellate body
Executive Panel	<ul style="list-style-type: none"> All non-disciplinary appeals (in the first instance) 	Senior Exchange staff	Appeals Committee
Appeals Committee	<ul style="list-style-type: none"> Appeals against Executive Panel findings in non-disciplinary matters 	Appropriately experienced (non- Exchange) persons	binding

The table below summarises the sanctions available to the **Exchange** for any breach of the **Standards**.

Process	Sanction	Appellate body
Executive Panel	One of: <ul style="list-style-type: none"> Uphold decision Quash decision Vary decision 	Appeals Committee
Appeals Committee	One of: <ul style="list-style-type: none"> Uphold decision Quash decision Vary decision 	binding

Process and Procedures

Burden of proof [C010]

C010 The burden of proof shall be on the **Exchange**. The **Exchange**, the Executive Panel, the Disciplinary Committee or the Appeals Committee (as

appropriate) shall not find an allegation proved unless it is satisfied on the balance of probabilities.

Market guidance [C020]

C020 The **Exchange** reserves the right to publish, without disclosing the identity of any party concerned, in part, in summary or in full, the findings of the Executive Panel, Disciplinary Committee or Appeals Committee where the **Exchange** believes that to do so would be of assistance to the market.

Warning Notices

Function of Warning Notices [C080-C081]

C080 The **Exchange** may issue a **warning notice** to an **issuer** for a breach of the rules.

C081 A **warning notice** forms part of an **issuer's** formal compliance record.

Executive Panel

Role [C200-C201]

C200 The Executive Panel shall, when acting as a tribunal of first instance, hear and determine charges against an **issuer** in respect of a breach of the **Standards**.

C201 The Executive Panel shall, when acting as an appellate tribunal, hear and determine appeals by an appellant against a decision of the **Exchange**.

Disciplinary Powers [C205-C206]

C205 Where the Executive Panel acting as a tribunal of first instance finds an allegation proven on the balance of probabilities, the Executive Panel may:

C205.1 issue a written warning (a private censure); or

C205.2 impose a fine of up to £50,000 for each breach; or

C205.3 refer the case to the Disciplinary Committee for hearing.

- C206 The Executive Panel may grant a consent order in respect of any settlement within its powers that may be negotiated between the **Exchange** and an **issuer** in relation to any disciplinary action taken by the **Exchange**.

Appeal powers [C207]

- C207 The Executive Panel may, when acting as an appellate tribunal, uphold, quash or vary (in accordance with the **Standards**) any decision by the **Exchange** which can be appealed under the **Standards**, or refer the matter to the Appeals Committee for further consideration.

Membership [C210-C216]

- C210 Members of the Executive Panel shall be appropriately experienced senior members of the **Exchange's** staff.
- C211 The Executive Panel appointed pursuant to a referral or an appeal shall have between three and five members (including the Chairman) and shall have a quorum of three.
- C212 No member of the **Exchange's** staff who has been involved in the investigation or prosecution of the charge(s) in a disciplinary case shall be appointed to the Executive Panel considering that disciplinary case.
- C213 No member of the **Exchange's** staff who has been involved in a decision by the **Exchange** which is the subject of an appeal to the Executive Panel shall be appointed to the Executive Panel considering an appeal against that decision.
- C214 The names of the members of the Executive Panel will be disclosed to the **issuer**.
- C215 Each Executive Panel hearing a case shall appoint one of its members to be the Chairman.
- C216 A party may object to the membership of the Executive Panel on the grounds of conflict of interest or breach of rules C212 or C213. Such objection must be notified in writing, promptly, and prior to the hearing of the case, to the **Exchange**. If the Executive Panel upholds the objection, it will take appropriate action to address the objection. The decision of the Executive Panel under this rule is an interim decision and cannot be appealed separately from an appeal against the final decision of the Executive Panel under rule C280.

Confidentiality [C220]

C220 Other than as set out in the **Standards**, and other than as between a party and its advisers, each party shall keep confidential any matters relating to any proceedings save where disclosure is permitted or required by law.

Mode of referral when acting as a tribunal of first instance [C230-C233]

- C230 Proceedings before the Executive Panel shall be commenced by the **Exchange** submitting a statement of case to the **issuer**. The statement of case shall set out the charge(s) and all material facts taken into account and shall have attached to it copies of all documents relevant to the charge(s).
- C231 The **issuer** may, within five **business days** (or such other period agreed between the parties) of receipt of the statement of case, submit to the **Exchange** a statement of response setting out all material facts and having attached to it copies of all documents relied upon.
- C232 The Chairman of the Executive Panel may vary the period referred to in rule C231 at the request of the **issuer**.
- C233 Following receipt of the **issuer's** statement of response, the **Exchange** shall submit to the Executive Panel the statement of case and the **issuer's** response (if any), together with copies of all other relevant documents.

Mode of referral when acting as an appellate tribunal [C240-C243]

- C240 Appeals to the Executive Panel must be commenced by service of a notice in writing on the **Exchange** within 10 **business days** of the service of the decision by the **Exchange**. The notice should set out the name of the appellant, the decision appealed against, the grounds of appeal, all material facts and shall have attached to it copies of all documents relevant to the appeal. The notice should be copied to the **Exchange's** Company Secretary, who will ensure that the notice is transmitted to the Chairman of the Executive Panel.
- C241 The **Exchange** may, within 10 **business days** (or such other period agreed between the parties) of receipt of the notice under rule C240, submit to the Chairman of the Executive Panel a statement of response setting out all material facts and having attached to it copies of all documents relied upon. Such statement shall be copied to the appellant (subject to any legal duty of confidentiality with respect to any details in such response).
- C242 On receipt of a notice under rule C240 and any statement of response under rule C241, the Chairman of the Executive Panel will arrange a hearing as soon as reasonably practicable.

- C243 The Chairman of the Executive Panel may vary the time periods referred to in rules C240 – C242 (other than the period during which an appeal may be made under rule C240) at the request of either party.

Procedure [C250-C253]

- C250 Save in circumstances where either party notifies the Chairman of the Executive Panel that it believes an oral hearing is essential to establish all the relevant facts and requests the Chairman to hold such an oral hearing, proceedings before the Executive Panel will take place through the consideration of documents with no oral hearing.
- C251 Where there is to be a hearing, in accordance with rule C250, the Executive Panel will conduct it in private.
- C252 The parties may attend the hearing but any hearing may proceed in the absence of one or both of the parties.
- C253 The Executive Panel will give not less than five **business days**' notice of the time and place of any hearing to the parties. This notice period may be shortened with the agreement of the parties.

Deliberations and decisions [C270-C273]

- C270 The Executive Panel may deliberate at any time and make any decision in the absence of the parties. The Executive Panel is entitled to reach decisions on a majority basis. Where a majority decision is reached, this will not be disclosed.
- C271 When considering appeals, the Executive Panel will only quash or vary a decision of the **Exchange** if it is satisfied, on the balance of probabilities, that the decision is a misinterpretation or an erroneous application of any of the **Standards** or is not justified by the evidence on which it is based.
- C272 Following its determination, the Executive Panel will notify the parties in writing of:
- C272.1 its decision;
- C272.2 the reason(s) for its decision;
- C272.3 in disciplinary cases, whether any penalty is to be imposed under rule C205. Any fine must be paid by the **issuer** within 30 days of receipt of such notification unless appealed in accordance with the **Standards**; and

C272.4 a time limit for lodging any appeal against the decision or any part thereof, which will be not less than 10 days from the date of service of the decision on the parties.

C273 If the Executive Panel decides to refer a case to the Disciplinary Committee as set out under rule C205.3, no public announcement will be made until the Disciplinary Committee has reached a decision.

Appeal [C280-C283]

C280 Appeals against final decisions of the Executive Panel (as notified to the parties under rule C272) are heard by the Appeals Committee, in accordance with its procedures. Appeals must be commenced by service of a notice in writing on the Chairman of the Executive Panel within 10 **business days** of the service of the Executive Panel's decision (or such other time period as prescribed under rule C272.4), setting out the name of the appellant, the decision appealed against, the grounds of appeal, all material facts and attaching copies of all documents relevant to the appeal.

C281 On receipt of a notice under rule C280, the Chairman of the Executive Panel will arrange for the appointment of a Secretary of the Appeals Committee, who will arrange a hearing as soon as reasonably practicable (and no later than one month).

C282 The Chairman of the Executive Panel or the Appeals Committee may extend the time for appeal.

C283 Notwithstanding rule C280, appeals against decisions of the Executive Panel on grounds of new evidence (including those where there are other grounds of appeal), shall be heard by way of rehearing by the Executive Panel before the right of appeal to the Appeals Committee arises. Where the appellant wishes to rely on evidence which was not before the Executive Panel, this shall be stated in the appeal notice and copies or details of such evidence shall be attached to the notice.

Changes to the procedures [C290]

C290 The Executive Panel may vary any of its procedures to adapt to the circumstances of any particular case.

Disciplinary Committee

Role [C300]

C300 The Disciplinary Committee shall, as a tribunal of first instance, hear and determine charges against an **issuer** in respect of a breach of the **Standards**.

Disciplinary powers [C305-C306]

C305 If the Disciplinary Committee finds an allegation proven on the balance of probabilities, it may impose one or more of the following sanctions:

C305.1 a written warning (censure) which may be public or private;

C305.2 an unlimited fine for each breach;

C305.3 an order that the **issuer** make restitution to any **person** (when the **issuer** has profited from a breach of the **Exchange's** rules at that **person's** expense); and

C305.4 cancellation of the right of the **issuer** to have its **securities**, or any **class** of its **securities**, traded on the **Exchange's** markets.

C306 The Disciplinary Committee may grant a consent order in respect of any settlement that may be negotiated between the **Exchange** and an **issuer** in relation to any disciplinary action taken.

Membership [C310-C316]

C310 The Disciplinary Committee appointed pursuant to a referral shall have a quorum of three (including the Chairman). The maximum number of members of the Disciplinary Committee shall be seven. Any person whom the Disciplinary Committee co-opts will count as a member of the Disciplinary Committee.

C311 Members of the Disciplinary Committee are drawn from a panel ("the panel") appointed by the **Exchange**.

C312 The Disciplinary Committee may co-opt any person whom it considers appropriate.

C313 No-one who is a member of the **Exchange's** staff may be appointed or co-opted.

- C314 The Chairman may appoint a legally qualified adviser who shall be independent of any party. Such legal adviser will not be counted as a member of the Disciplinary Committee, but shall advise the Disciplinary Committee on legal matters. The Chairman may replace the legal adviser.
- C315 Members of the Disciplinary Committee will notify the Secretary or the Chairman of any possible conflict of interest at the earliest possible opportunity and, in any event, prior to any hearing to be held under rule C352 or C355 below. The Chairman will take appropriate action and will then notify the parties to the disciplinary proceedings of the names of the members of the Disciplinary Committee and any proposed legal adviser. If any party to the disciplinary proceedings believes that a potential conflict of interest exists, it shall notify the Chairman in writing, at the earliest possible opportunity. The Chairman will take appropriate action.
- C316 Where the Disciplinary Committee wishes to co-opt a person or to appoint a person to replace a member unable to act whether because of illness, conflict of interest or otherwise and/or the Chairman wishes to replace the legal adviser and the hearing has commenced:
- C316.1 the appointment shall only take effect with the consent of the parties and the person co-opted or appointed will be subject to the provisions of rule C360; and
- C316.2 if, in the absence of such consent, the Disciplinary Committee does not wish or is not able to continue with the hearing, it will cease to deal with the referral and an entirely new Disciplinary Committee will be appointed from the panel, and a new legal adviser will be appointed by the new Chairman in both cases in accordance with these procedures, and the hearing, but not any pre-hearing procedures, will start afresh in front of the new Disciplinary Committee.

Secretary [C320-C323]

- C320 A Secretary (“the Secretary”) to the Disciplinary Committee shall be appointed by the **Exchange**. The parties will be notified of the name of the Secretary as soon as reasonably practicable. For the avoidance of doubt, the Secretary may be a member of the **Exchange’s** staff.
- C321 The Secretary will carry out any administrative functions. Any notices, notifications and other documents required to be submitted to the Disciplinary Committee must be served upon the Secretary who will ensure that copies are provided to the other parties, the members of the Disciplinary Committee and any legal adviser as appropriate. Where the Disciplinary Committee wishes to notify the parties of any matter it shall do so through the Secretary.
- C322 Any notices or other documents required to be served shall be served by delivering by hand or posting by first class post to the addresses set out

below, save that the Secretary may agree with any of those referred to at C322.1 to C322.2 a different place for service upon them:

C322.1 in the case of an **issuer**, to its head office;

C322.2 in the case of the **Exchange**, to the Secretary with a copy to the Company Secretary, at the **Exchange's** registered office; and

C322.3 in the case of any other party, to a place agreed with the Secretary.

C323 Service shall be deemed effective on the date of delivery by hand or, where first class post is used, on the second day after posting.

Confidentiality [C325-C327]

C325 All communications relating to the proceedings (save those which would be privileged from production in a court of law) between the parties and with the Disciplinary Committee shall be channelled through the Secretary.

C326 If any Disciplinary Committee member or the legal adviser is approached by any person to discuss any matter connected with the proceedings such member shall, without delay, notify the Chairman who will take appropriate action.

C327 Other than as set out in the **Standards**, and other than as between the parties and their advisers, all parties shall keep confidential any matters relating to any proceedings save where disclosure is permitted or required by law.

Mode of referral [C330-C331]

C330 The **Exchange** shall refer cases to the Disciplinary Committee by service of a written statement of case on the Secretary, who will as soon as reasonably practicable serve a copy of the statement of case on the **issuer**. The statement of case shall set out the charges and a summary of the main facts to be relied on.

C331 In the case of referral by the Executive Panel (under rule C205.3), the Exchange shall serve a copy of the statement of case together with the statement of response made by the **issuer**.

Procedure [C350-C364]

C350 Following service of a statement of case pursuant to rule C330 or C331:

C350.1 the **issuer** may submit to the Disciplinary Committee a statement of response (or in the event of referral under rule C205.3 – a further

statement of response) and shall submit to the Disciplinary Committee a statement of all material facts and attach to it copies of all documents relied upon; and

C350.2 each party will then notify the Disciplinary Committee of any directions to be sought at a pre-hearing review or their assessment that there is no need for a pre-hearing review.

C351 The Secretary may, by agreement with the parties, set a timetable for the completion of the steps under rule C350. If no agreement is reached, the Chairman of the Disciplinary Committee may specify, by notice in writing to the parties, the time limits within which the steps at rule C350 are to be carried out.

Directions [C352]

C352 Following the completion of the procedures set out in rule C350, the Chairman or any member of the Disciplinary Committee whom he nominates may give any directions and take any other steps he considers appropriate for the clarification of the facts and issues and generally for their just, efficient and expeditious presentation and the determination of the matters in issue. The Chairman or any member of the Disciplinary Committee whom he nominates may hold one or more pre-hearing reviews for those purposes and the determination of the matters in issue. By way of example, these directions may include:

C352.1 fixing a time and place for any pre-hearing review and hearing;

C352.2 by written consent of all parties, directing that the hearing or any part of the hearing shall proceed by written representations;

C352.3 recording any admissions made by any party and any request to any party to make admissions;

C352.4 directing any party to indicate whether it admits any particular fact(s) or document(s);

C352.5 directing any party to disclose and serve copies of any documents;

C352.6 setting time limits for any purpose of the proceedings;

C352.7 extending or abridging time limits;

C352.8 adjourning the pre-hearing review, with such orders as it thinks fit;

C352.9 granting leave to amend (including adding documents to) any statement submitted pursuant to rule C350;

C352.10 varying any previous directions; and

C352.11 making any order for the payment of costs of or in connection with pre-hearing preparation or any pre-hearing review.

The hearing [C355-C364]

- C355 The Disciplinary Committee will usually conduct hearings in private, although an **issuer** which is subject to proceedings has the right to ask for such hearing to be conducted in public. An **issuer** requiring such hearing to be conducted in public shall notify the Chairman, in writing, at least five **business days** prior to commencement of the hearing.
- C356 A party may be legally represented at any pre-hearing review or hearing.
- C357 A party may submit evidence to the Disciplinary Committee at any time until two **business days** before the hearing.
- C358 The parties will be given not less than three **business day's** notice of the time and place of a pre-hearing review and seven **business day's** notice of the time and place of the hearing by the Secretary. Any shorter notice period may apply if the parties agree.
- C359 If any party fails to attend or be represented at a pre-hearing review or a hearing, the Disciplinary Committee may proceed in its absence.
- C360 At the hearing:
- C360.1 the members of the Disciplinary Committee and the legal adviser will be introduced to the parties by the Chairman who will state that each of the members and the legal adviser believes himself to have no conflict of interest in hearing the case;
- C360.2 the parties will be asked to confirm that there is no reasonable objection to any of the Disciplinary Committee members hearing the case or the legal adviser on the grounds of conflict of interest; and
- C360.3 if the Disciplinary Committee, which for these purposes shall exclude any member objected to and shall have a quorum of two, upholds an objection, it may appoint another **person** from the panel to replace any relevant member and where the objection relates to the legal adviser, the Chairman may appoint another **person** to replace the legal adviser; in all cases the appointment shall be made in accordance with these procedures.
- C361 Unless otherwise ordered by the Disciplinary Committee, the order of proceedings at the hearing shall be as follows:
- C361.1 the allegation(s) made by the **Exchange** will be read and the **issuer** will state whether the allegation(s) is/are admitted;

- C361.2 each party (the **Exchange** followed by the other party(ies)) may present its evidence and/or call witnesses, who may be cross-examined and re-examined by the other parties and questioned by the Disciplinary Committee, and may make submissions to the Disciplinary Committee; and
- C361.3 where the Disciplinary Committee is satisfied that any allegation has been proved it shall take into account any representations made by the parties on whether any, and if so what, sanction(s) should be imposed before deciding whether, and if so what, sanction(s) should be imposed.
- C362 At a hearing the Disciplinary Committee may:
- C362.1 admit any evidence whether oral or written, whether direct or hearsay, without any requirement that it be on oath and whether or not the same would be admissible in a court of law;
- C362.2 make any directions which may be given at a pre-hearing review, and vary any direction which has been made; and
- C362.3 make all such directions with regard to the conduct of and procedure at the hearing as the Disciplinary Committee considers appropriate for securing a proper opportunity for the parties to present their cases and otherwise as may be just.
- C363 A record of the pre-hearing review may be made at the request of any party or if the Chairman so decides. A transcription or copy of the record will be made available to a party on payment of the cost of making such transcription or copy or a proportion thereof as the Secretary in his discretion shall determine. For the avoidance of doubt, it shall be sufficient for such record to be in the form of minutes taken by the Secretary.
- C364 A record of the hearing will be made. A transcription or copy of the record will be made available to a party on payment of the cost of making such transcription or copy, or a proportion thereof, as the Secretary in his discretion shall determine. For the avoidance of doubt, it shall be sufficient for such record to be in the form of minutes taken by the Secretary.

Deliberations and decisions [C370-C375]

- C370 The Disciplinary Committee may deliberate at any time and make any decision in the absence of the parties. The Disciplinary Committee may adjourn any hearing at any time as it thinks fit. The Disciplinary Committee is entitled to reach decisions on a majority basis. Where a majority decision is reached, this fact will not be disclosed. In the case of an equality of votes, the Chairman shall have a second or casting vote.
- C371 Following the conclusion of the proceedings, the Disciplinary Committee will notify the parties in writing of:

- C371.1 its decision(s), including any penalty under rule C305 and any statement intended for publication;
- C371.2 the reason(s) for its decision(s);
- C371.3 any order for costs to be imposed; and
- C371.4 a time limit for the lodging of any appeal against the written decision or any part thereof which will be not less than 10 business days from the date of service on the parties of the written decision, save in exceptional circumstances where the Disciplinary Committee may order a shorter period.
- C372 The matters at rules C371.1 to C371.3 will not take effect until the expiry of the period for the lodging of any appeal or any extension thereof. If an appeal is lodged in relation to any or all of rules C371.1 to C371.3, the relevant matters at rules C371.1 to C371.3 will not take effect until the appeal is withdrawn or the Disciplinary Appeals Committee orders that they or any of them shall take effect.
- C373 The Disciplinary Committee may order any party to pay such reasonable costs as it thinks fit, regardless of any finding or the outcome of the case. Such costs may include the remuneration and expenses of members of the Disciplinary Committee, the legal adviser, the Secretary and any costs incurred by the other party in the preparation and presentation of its case. Costs may be awarded against the Exchange only if, in the opinion of the Disciplinary Committee, the Exchange has acted in bad faith in bringing or conducting the proceedings. Such order will be made only after the parties to the proceedings have been given the opportunity to make submissions on costs to the Disciplinary Committee.
- C374 Any fine shall be paid within 30 days of receipt of the written decision of the Disciplinary Committee or the conclusion of any appeal against that determination and any costs ordered to be paid shall be paid within 30 days of receipt of the notification in writing of the amount payable.
- C375 The Disciplinary Committee may publish part or all of its written decision or a summary of it, and the reasons for the decision. Where the sanction imposed is a private censure, the Disciplinary Committee may publish its decision in part or a summary of it and the reasons for the decision without revealing the identity of the **issuer** sanctioned.

Appeal [C380-C382]

- C380 Appeals must be made by service of a notice in writing, within 10 business days of the service of the Disciplinary Committee's decision, setting out the name of the appellant, the decision appealed against, the grounds of appeal, the principal matters relied upon and attaching copies of any documents relied upon on to the Secretary to the Disciplinary Committee,

who will as soon as reasonably practicable serve a copy on the other party. Where the appellant wishes to rely on evidence or documentation which was not before the Disciplinary Committee, this shall be stated in the notice together with details of such evidence and copies of such documentation shall be attached to the notice.

- C381 On receipt of a notice under rule C380, the Secretary to the Disciplinary Committee will arrange for the **Exchange** to appoint the Chairman and Members of the Appeals Committee and the Chairman will arrange a hearing as soon as reasonably practicable.
- C382 The Disciplinary Committee or the Appeals Committee may extend the time for appeal.

Changes to the procedures [C390]

- C390 The Disciplinary Committee may vary any of these procedures to adapt to the circumstances of any particular case.

Appeals Committee

Role [C400]

- C400 The Appeals Committee shall hear and determine appeals against decisions of the Disciplinary Committee made pursuant to referrals made under rule C380 and appeals against decisions of the Executive Panel made pursuant to rule C280.

Sanctions [C405]

- C405 The Appeals Committee may uphold, quash or vary any decision by the Disciplinary Committee or the Executive Panel. In the case of an appeal from the Executive Panel in a disciplinary case, the Appeals Committee may vary any penalty imposed by the Executive Panel subject to imposing a maximum fine of £50,000 for each breach.

Membership [C410-C416]

- C410 The Appeals Committee appointed following service of a notice pursuant to rule C280 or rule C380 (as applicable) shall have a quorum of three (including the Chairman). The maximum number of members of the Appeals Committee shall be seven. Any person whom the Appeals Committee co-opts will count as a member of the Appeals Committee.

- C411 Members of the Appeals Committee are drawn from the panel referred to in rule C311.
- C412 The Appeals Committee may co-opt any person whom it considers appropriate.
- C413 The Chairman may appoint a legally qualified adviser who shall be independent of any party. Such legal adviser will not be counted as a member of the Appeals Committee but shall advise the Appeals Committee on legal matters. The Chairman may replace the legal adviser.
- C414 No-one who served on the Disciplinary Committee, whose decision is the subject of the appeal, nor its legal adviser nor anyone who is at the relevant time a member of the **Exchange's** staff, may be appointed or co-opted to the Appeals Committee.
- C415 Members of the Appeals Committee will notify the Secretary or the Chairman of any possible conflict of interest at the earliest possible opportunity and in any event prior to any hearing to be held under rule C452 or C455 below. The Chairman will take appropriate action and will then notify the parties to the disciplinary proceedings of the names of the members of the Appeals Committee and any proposed legal adviser. If any party to the disciplinary proceedings believes that a potential conflict of interest exists, it shall notify the Chairman at the earliest possible opportunity. The Chairman will take appropriate action.
- C416 Where the Appeals Committee wishes to co-opt a person or to appoint a person to replace a member unable to act whether because of illness, conflict of interest or otherwise and the hearing has commenced:
- C416.1 the appointment shall only take effect with the consent of the parties and the person co-opted or appointed will be subject to the provisions of rule C458; or
- C416.2 if, in the absence of consent in accordance with C416.1, the Appeals Committee does not wish or is not able to continue with the hearing, it will cease to deal with the appeal and an entirely new Appeals Committee will be appointed in accordance with these procedures and the hearing, but not any pre-hearing procedures, will start afresh in front of the new Appeals Committee.

Secretary [C420-C423]

- C420 The Secretary will carry out any administrative functions and act as secretary to the Appeals Committee. The parties will be notified of the name of such person as soon as reasonably practicable. For the avoidance of doubt, the Secretary may be a member of the Exchange's staff and notwithstanding rule C414 may be the same Secretary who was Secretary of the Disciplinary Committee.

- C421 Any notices, notifications and other documents required to be submitted to the Appeals Committee must be served upon the Secretary who will ensure that copies are provided to the other parties, the members of the Appeals Committee and any legal adviser as appropriate. Where the Appeals Committee wishes to notify the parties of any matter it shall do so through the Secretary.
- C422 Any notices or other documents required to be served shall be served by delivering by hand or posting by first class post to the addresses set out below, save that the Secretary may agree with any of those referred to at C422.1 to C422.2 a different place for service upon them:
- C422.1 in the case of an appellant, to its head office;
- C422.2 in the case of the **Exchange**, to the Secretary with a copy to the Company Secretary, at the **Exchange's** registered office; and
- C422.3 in the case of any other party, to a place agreed with the Secretary.
- C423 Service shall be deemed effective on the date of delivery by hand or, where first class post is used, on the second day after posting.

Confidentiality [C425-C427]

- C425 All communications relating to the proceedings (save those which would be privileged from production in a court of law) between the parties and with the Appeals Committee shall be channelled through the Secretary.
- C426 If any Appeals Committee member or the legal adviser is approached by any person to discuss any matter connected with the hearing, the member or legal adviser, as appropriate, shall notify the Chairman without delay, who will take appropriate action.
- C427 Other than as set out in the **Standards**, and other than as between the parties and their advisers, all parties shall keep confidential any matters related to the appeal save where disclosure is permitted or required by law.

Procedure [C450-C464]

- C450 Following service of a notice pursuant to rule C280 or C380 and the appointment of the Appeals Committee:
- C450.1 the appellant may submit to the Appeals Committee a statement amending or expanding upon the notice; and
- C450.2 any other party may submit to the Appeals Committee a statement in support of its case and any such party wishing to rely on evidence or documents not already before the Appeals Committee

must submit a statement containing details thereof and attach to it copies of any such documents.

- C451 If both parties consent in writing to the Secretary, the appeal may be by written submissions only.

Directions [C452]

- C452 The Appeals Committee shall make any directions including any that may be made by the Disciplinary Committee and take any other steps it considers appropriate including holding pre-hearing reviews for the clarification of the facts and issues and generally for their just, efficient and expeditious presentation and the proper determination of the appeal.

The hearing [C455-C464]

- C455 The Appeals Committee will usually conduct hearings in private, although an appellant which is subject to proceedings has the right to ask for such hearing to be conducted in public. An appellant requiring such hearing to be conducted in public shall notify the Chairman at least five business days prior to commencement of the hearing.
- C456 Any party may be legally represented at any hearing.
- C457 The parties will be given not less than 10 **business days** notice of the time and place of the hearing by the Secretary. The notice period may be shortened with the consent of the parties.
- C458 If a party fails to attend or be represented at any hearing or pre-hearing review, the Appeals Committee may proceed in its absence.
- C460 At the hearing:
- C460.1 the members of the Appeals Committee and the legal adviser will be introduced to the parties by the Chairman who will state that each of the members and the legal adviser believes himself to have no conflict of interest in hearing the appeal;
- C460.2 the parties will be asked to confirm that there is no reasonable objection to any of the Appeals Committee members hearing the appeal or to the legal adviser on the grounds of conflict of interest or otherwise; and
- C460.3 if the Appeals Committee, which for these purposes shall exclude any member objected to and shall have a quorum of two, upholds an objection, the Chairman may appoint a replacement in accordance with these procedures.

- C461 The order of proceedings shall be at the discretion of the Appeals Committee.
- C462 No party may rely on any statement or document not served on the Appeals Committee more than two **business days** before the hearing save with the leave of the Appeals Committee.
- C463 Save in exceptional circumstances and with the leave of the Appeals Committee, no party may present evidence (including calling new witnesses) that was not available to the Disciplinary Committee or the Executive Panel, although additional submissions may be made. Whether such new evidence should be permitted and, where it is permitted, the procedure for its presentation shall be decided on a case-by-case basis by the Appeals Committee.
- C464 A record of any hearing will be made. A transcription or copy of the record will be available to any party, on payment of the cost of making such transcription or copy or a proportion thereof as the Secretary in his discretion shall determine. For the avoidance of doubt, it shall be sufficient for such record to be in the form of minutes taken by the Secretary.

Deliberations and decisions [C470-C475]

- C470 The Appeals Committee may deliberate at any time and make any decision in the absence of the parties. The Appeals Committee may adjourn any hearing at any time as it thinks fit. The Appeals Committee is entitled to reach decisions on a majority basis. Where a majority decision is reached, this will not be disclosed. In the case of an equality of votes, the Chairman shall have a second or casting vote.
- C471 The Appeals Committee will only quash or vary a decision of the Disciplinary Committee or the Executive Panel if it is satisfied, on the balance of probabilities, that the decision is a misinterpretation of or an erroneous application of any of the **Standards** or is not justified by the evidence on which it is based.
- C472 Following the conclusion of the proceedings, the Appeals Committee will notify the parties in writing of:
- C472.1 its decision(s), including any statement intended for publication;
- C472.2 the reason(s) for its decision; and
- C472.3 any order for costs to be imposed.
- C473 The Appeals Committee may order any party to the proceedings to pay such reasonable costs as it thinks fit regardless of any finding or the outcome of the case. Such costs may include the remuneration and expenses of members of the Appeals Committee, the Secretary and the legal adviser

and any costs incurred by any other party in the preparation and presentation of its case. Costs may be awarded against the **Exchange** only if, in the opinion of the Appeals Committee, the **Exchange** has acted in bad faith in bringing or conducting the proceedings. Such order will be made only after the parties to the proceedings have been given the opportunity to make submissions on costs to the Appeals Committee.

- .C474 Any fine shall be paid within 30 days of receipt of the written decision of the Appeals Committee and any costs ordered to be paid shall be paid within 30 days of receipt of the notification in writing of the amount payable.
- C475 The Appeals Committee may publish part or all of its written decision or a summary of it, and the reasons for the decision. The decisions of the Appeals Committee are binding.

Changes to the procedures [C490]

- C490 The Appeals Committee may vary any of these procedures to adapt to the circumstances of any particular case.

Consent orders

- C500 At any time after the **Exchange** has decided to refer a case to the Executive Panel or the Disciplinary Committee, the **Exchange** and the **issuer** may, without prejudice, negotiate a proposed settlement (“consent order”) and jointly submit it in writing to the Executive Panel or Disciplinary Committee for approval. A disciplinary action may at the discretion of the **Exchange** be delayed, and if already commenced – halted, by the commencement of the negotiation of a consent order.
- C501 At the request of the **issuer**, the consent order submitted to the Disciplinary Committee for approval may be anonymous, provided that this will have no impact on the decision taken by the Disciplinary Committee. The Disciplinary Committee retains the right to insist that the name of the **issuer** is disclosed to them.
- C502 If the Executive Panel or Disciplinary Committee approve the proposed consent order, or any variation agreed by the **Exchange** and the **issuer**, it shall immediately make the order.
- C503 The consequences of a consent order made by the Executive Panel or Disciplinary Committee shall be the same as those of a decision made by the Executive Panel or Disciplinary Committee sitting as a tribunal of first instance, except that there can be no appeal and the consent order and penalties on any charges to which it relates shall have immediate effect.

- C504 The Executive Panel or Disciplinary Committee shall, in considering the consent order, take into account and give due weight to the fact that the parties are jointly applying for the consent order to be made.
- C505 If the Executive Panel or Disciplinary Committee does not approve the proposed consent order, there shall be no reference in any hearing before the Executive Panel or Disciplinary Committee to the negotiations, the proposed consent order or the submissions made to the Executive Panel or Disciplinary Committee, all of which shall be confidential.
- C506 Where rule C505 applies, the Executive Panel or Disciplinary Committee constituted to hear the disciplinary charges shall contain no person who was part of the Executive Panel or Disciplinary Committee that considered the consent order.