



London
STOCK EXCHANGE

10 January 2008

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For the attention of Nominated Advisers and AIM Companies

AIM29 / AD3

STOCK EXCHANGE AIM NOTICE

UPDATE ON AIM RULE 26 (WEBSITES) / SECTION C2.2 NOTICE

1. Introduction

Further to AIM Notice 27 and the introduction of AIM Rule 26 contained in the revised AIM Rules for Companies published on 20 February 2007, all AIM companies are required to maintain a website containing their key corporate information. There was a six month implementation period for this rule, the deadline for compliance with AIM Rule 26 being 20 August 2007.

2. Disciplinary Actions

Immediately after the 20 August deadline, the Exchange undertook an exercise to assess compliance with Rule 26 across all AIM companies.

Following that investigation, the Exchange took disciplinary action in September 2007 against nine AIM companies, resulting in the AIM Executive Panel fining them a total of £95,000 for failing to comply fully with the requirements of Rule 26.

Three companies appealed the fines levied against them to the AIM Appeals Committee, under the processes set out in the AIM Disciplinary Procedures and Appeal Handbook. One company withdrew its appeal before it was determined. The fines levied by the AIM Executive Panel on the other two companies were upheld in full by the AIM Appeals Committee on 21 December 2007.

The fines ranged from £3,000 to £15,000, depending on the seriousness of the breach. There was no public censure to accompany these fines so the companies involved will not be named.

AIM Regulation also issued in August 2007 seven Warning Notices to other AIM companies for less serious breaches of Rule 26.

3. **AIM Rule 26 compliance**

Feedback on AIM Rule 26 has been extremely positive. It has been well received by investors, analysts, companies and nominated advisers and has improved the transparency and consistency of information available about all AIM companies.

Due to the support and co-operation of nominated advisers and companies in the run up to the deadline for this rule, we believe that all AIM issuers across the market are now complying.

4. Any queries relating to this AIM Notice should be addressed to: aimregulation@londonstockexchange.com

Lucy Leroy
Head of AIM Regulation

Notes:

AIM Rules for Companies, February 2007

Under AIM Rules 42 and 44, if the Exchange considers that an AIM company has breached its responsibilities under the AIM Rules, it can refer the matter to the AIM Executive Panel ("AEP"), the Exchange's internal AIM disciplinary committee.

Under the AIM Disciplinary Procedures and Appeals Handbook (the "Handbook"), in force at the time, if the AEP finds, on the balance of probabilities, that the AIM company has breached the AIM Rules it may impose one or more of the following sanctions:

- censure the AIM company (such censure to remain private insofar as disclosing the identity of the censured party);
- impose a fine of up to £50,000 for each breach; or
- refer the case to the AIM Disciplinary Committee.

Under section C13 of the Handbook, any party can appeal against a decision of the AEP by applying to the AIM Appeals Committee ("AAC"), an external AIM disciplinary committee drawn from a panel of market participants. The AAC may uphold, quash or vary any decision of the AEP.

AIM Disciplinary Procedures and Appeals Handbook, Section C2.2

Under this section the Exchange retains the right to publish, without disclosing the identity of any party concerned, in part, in summary or in full the findings of the AEP, where the Exchange believes to do so would be of assistance to the market.