LONDON STOCK EXCHANGE

An LSEG Business

AIM

DISCIPLINARY PROCEDURES AND APPEALS HANDBOOK

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INTRODUCTION

A1. This **Handbook**, which forms part of the **AIM Rules** sets out:
- Details of certain measures, actions and sanctions which the **Exchange** may take against an **AIM company** or a **nominated adviser**; and also
- Procedures for when:
  - (i) The **Exchange** takes **disciplinary action** or **disciplinary proceedings** against an **AIM company** and/or a **nominated adviser** for a breach of the **AIM Rules**; or
  - (ii) an **AIM company**, a **nominated adviser**, or any entity applying to become an **AIM company** or **nominated adviser** wishes to lodge an appeal against either a **non disciplinary decision** of the **Exchange** or a **warning notice**.

A2. Defined terms used in this **Handbook** shall have the meanings set out in the Glossary to the **AIM Rules** and in the Glossary to this **Handbook**.

A3. For the purposes of this **Handbook**, the terms:

A3.1 "**AIM Rules**" shall mean the "AIM Rules for Companies" and the "AIM Rules for Nominated Advisers", as applicable;

A3.2 "**AIM company**" shall also include a company that ceases to have a class of securities admitted to trading on **AIM**, over which the **Exchange** retains jurisdiction for the purposes of investigating, making findings and/or taking disciplinary action pursuant to the **AIM Rules**; and

A3.3 "**nominated adviser**" shall also include a nominated adviser which has been removed from the **register**, over which the **Exchange** retains jurisdiction for the purposes of investigating, making findings and/or taking disciplinary action pursuant to the **AIM Rules**.

Disciplinary action and other measures

A4. The **Exchange's** approach to regulation is aimed at maintaining the integrity, orderliness, transparency and good reputation of its markets and changing behaviour in those markets where necessary. Accordingly, where appropriate, the **Exchange** will take **disciplinary action** for breaches of the **AIM Rules**, but it may also undertake other measures to improve standards and to promote future compliance or to address conduct which may harm the reputation and/or integrity of the market.

AIM companies

A5. If the **Exchange** considers that an **AIM company** has breached the **AIM Rules** it may, amongst other matters, take one or more of the actions or measures in A6.1-A6.8 below.

A6. The measures in A6.1– A6.3 do not constitute **disciplinary action** but a record of them will be held by the **Exchange** and may be taken into account by the **Exchange** in the event that the **Exchange** has further cause to consider the **AIM company's** compliance with its obligations and responsibilities under the **AIM Rules**.

Compliance findings or guidance

A6.1 Provide education or guidance to the **AIM company** over the expected approach to compliance;

A6.2 Record an incidence of non-compliance on an **AIM company's** compliance record held by the **Exchange**; and/or

A6.3 Direct an **AIM company** to satisfy itself that appropriate remedial actions have been undertaken to mitigate the risk of a reoccurrence of similar breaches.

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Sanctions and other actions against an AIM company

A6.4 issue a **warning notice**;
A6.5 issue a fine;
A6.6 censure it;
A6.7 cancel the admission of its **AIM securities**; and
A6.8 publish in an AIM disciplinary notice details of any **disciplinary action** and the reasons for that action.

Nominated advisers

A7. If the **Exchange** considers that a **nominated adviser** has breached its responsibilities under the **AIM Rules** or that the reputation and/or integrity of **AIM** has been or may be impaired as a result of its conduct or judgement, the **Exchange** may, amongst other matters, take one or more of the following measures:

A7.1 Take any of the measures set out in A6 and A6.1 – A6.3 above as if the term **AIM company** in those rules was substituted for the term **nominated adviser**.

A7.2 Take one or more of the actions set out in Rule 29 of the **AIM Rules for Nominated Advisers**.

A8. When considering taking any of the measures or actions in A5-A7 above the **Exchange** shall take into account the matters set out in A9-A13.

Approach to investigations and outcomes

A9. The **Exchange** will investigate the facts of each case, seeking to understand whether a rule breach occurred and the circumstances. Upon conclusion of its investigation the **Exchange** will decide whether one or more of the measures set out in A5 – A7 above is necessary and appropriate in each instance. When closing an investigation the **Exchange** may make observations regarding the actions of an **AIM company's director(s)**.

A10. The range of actions or measures available to the **Exchange** enables it to take the most appropriate action, taking into account the facts and circumstances of each case. Such action or measures against an **AIM company** or **nominated adviser** will form part, as relevant, of the compliance record and/or disciplinary record held by the **Exchange** of that **AIM company** or **nominated adviser**.

A11. There are a number of criteria which the **Exchange** takes into account when considering what actions or measures to take in relation to a rule breach. These include, but are not limited to:

A11.1 the nature and seriousness of the rule breach and the duration and frequency of the misconduct;
A11.2 how the rule breach came to light;
A11.3 the actual or potential market impact of the rule breach and any other repercussions;
A11.4 the extent to which the rule breach was deliberate, reckless or careless;
A11.5 the general compliance and disciplinary history of the **AIM company** or **nominated adviser** and the specific history regarding the rule breach in question;
A11.6 consistent and fair application of the rules (any precedents of previous similar rule breaches);
A11.7 the responsiveness, conduct and co-operation of the **AIM company** or **nominated adviser** in relation to the investigation;
A11.8 whether there has been contravention of any prior direction, ruling, instruction or guidance of the **Exchange**.

A12. The above is a non exhaustive list of indicative criteria considered by the **Exchange** in determining what form of action might be taken against an **AIM company** or **nominated adviser**. The criteria above does not constitute the basis upon which the **Exchange** may or may not determine to bring **disciplinary action** or **disciplinary proceedings**. The decision to bring **disciplinary action** or **disciplinary proceedings** is at the sole discretion of the **Exchange**.

A13. The expectation is that, having agreed to abide by the **AIM Rules**, including the provisions of this **Handbook**, **AIM companies** and **nominated advisers** will act responsibly and reasonably during an investigation and any subsequent disciplinary process or other action undertaken. Where the **AIM company** or **nominated adviser** does not agree with the findings in any formal **disciplinary action**, it will have the opportunity to be heard pursuant to the process of appeals and disciplinary hearings set out in this **Handbook**.

Non disciplinary decisions and appeals

A14. The procedures and timeframes in this **Handbook** for the determination of appeals relating to **non disciplinary decisions** reflect the fact that such **non disciplinary decisions** are important to the day-to-day operation of **AIM** on a real time basis.

Panels & Committees

A15. A number of internal panels and external committees support the operation of the **Exchange's** regulatory framework through the independent determination of appeals and **disciplinary proceedings** in accordance with the procedures and provisions of this **Handbook**.

A16. Appeals of **non disciplinary decisions** and of **warning notices** are conducted before the **AIM Executive Panel** ("**AEP**") and **AIM Executive Appeals Panel** ("**AEAP**"), whose members are comprised of appropriately experienced senior members of the **Exchange's** staff. Members of the **AEP** and **AEAP** shall not be staff members of **AIM Regulation** and shall have had no prior involvement with the subject matter under appeal.

A17. **Disciplinary proceedings** and any related appeals are conducted before the **AIM Disciplinary Committee** ("**ADC**") and **AIM Disciplinary Appeals Committee** ("**ADAC**"). The members of the **ADC** and **ADAC** are drawn from an external pool of individuals, who are independent of the **Exchange** and who have relevant expertise in the standards required to meet the obligations and responsibilities set out in the **AIM Rules** and/or in the conduct of proceedings.

A18. For the purposes of this **Handbook** all references to:

A18.1 a "**Panel**" are to the **AEP** and the **AEAP**; and
A18.2 a "**Committee**" are to the **ADC** and the **ADAC**.

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General provisions

Application and variation of these rules

B1. The rules set out in these **general provisions** shall apply to all proceedings conducted in accordance with the **Handbook**, as the context so requires.

B2. A **Panel**, **Committee** or **Chairman** may not vary or dispense with any rule (including as to timing for compliance) in these **general provisions**.

B3. A **Panel**, **Committee** or **Chairman** may only vary a rule contained in Part One and Part Two of this **Handbook** if: (i) such variation is expressly provided for in that rule; or (ii) in the case of variation of a timescale in that rule, such variation is pursuant to rule B5. The rules in Part Three of this **Handbook** may not be varied.

B4. Timescales for compliance, as set out in any rule contained in this **Handbook**, should be strictly observed.

B5. Timescales for compliance with rules F5 and F26 may never be varied. Other timescales contained in Part One and Part Two of this **Handbook** may only be varied in exceptional circumstances, at the discretion of the **Panel**, **Committee** or **Chairman**.

Overriding objective

B6. When exercising any power pursuant to this **Handbook**, a **Panel**, **Committee** or **Chairman** must have regard to the overriding objective: to ensure the just, efficient and expeditious presentation and determination of the matters in issue, at a proportionate cost, and to act fairly between the **parties** at all times.

Secretary and legal advisers to Panels and Committees

B7. All **Panels** and **Committees** shall have a **Secretary** appointed by the **Exchange**. The **Secretary** may be a member of the **Exchange's** staff, provided that person: (i) is not a staff member of **AIM Regulation**; and (ii) has had no prior involvement with the subject matter to be determined before the relevant **Panel** or **Committee**. The **Secretary** may also perform the role of a legal adviser in accordance with the provisions of rule B8.

B8. A legal adviser may be appointed to advise a **Panel**, **Committee** or its **Chairman**. It is not expected that a legal adviser will be appointed to a **Committee** when it has an appointed **Chairman** who is a qualified lawyer. Any legal adviser, who is to be appointed, will not be treated as a member of the **Panel** or **Committee**. The legal adviser shall be selected and appointed by the office of General Counsel of London Stock Exchange Group plc and may be a legally qualified member of the **Exchange's** staff, provided that person: (i) is not a staff member of **AIM Regulation**; and (ii) has had no prior involvement with the subject matter to be determined before the relevant **Panel**, **Committee** or its **Chairman**. The legal adviser may also perform the role of a **Secretary** in accordance with the provisions of rule B7.

Conflicts of interest

B9. A **party** may object to the appointment of an individual member of a **Panel** or **Committee** on the grounds of alleged conflict of interest. The procedures for raising and determining such objection shall be as follows:

B9.1 if a **party** considers that any member of a **Panel** or **Committee** has a conflict of interest, that **party** shall promptly, and in any event: (i) within 5 **business days** of being notified of the appointment of that member to a **Panel**; or (ii) within 20 **business days** of being notified of the appointment of that member to a **Committee**, raise a written objection with the **Secretary**, copied to the other **party**. Such written objection shall set out:

B9.1.1 the relevant facts or circumstances upon which the objection is based; and

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B9.1.2 the nature of the alleged conflict of interest and the reason why the alleged conflict of interest is such that the member objected to should be replaced.

B9.2 If no written objection is raised by a **party** in accordance with rule B9.1, that **party** shall be deemed to have waived the right to raise any alleged conflict of interest. An objection may be raised at a later stage if: (i) the alleged conflict of interest arises from facts or circumstances of which the objecting **party** could not reasonably have been aware at the time of being notified of the appointment of the relevant member of the **Panel** or **Committee**; and (ii) such objection is raised with the **Secretary** within 5 business days of the **party** becoming aware of the relevant facts or circumstances. The written objection shall include the same information as that required pursuant to rules B9.1.1 and B9.1.2 and be copied to the other **party**.

B9.3 In the event that an objection is received by the **Secretary** pursuant to the provisions of rule B9.1 or rule B9.2, the **Secretary** shall proceed to provide details of the **party's** objection to the **Chairman** of the relevant **Panel** or **Committee** (including if that objection is to the **Chairman's** appointment).

B9.4 Upon receipt of such objection, the **Chairman** shall do one of the following:

B9.4.1 if the **Chairman** is satisfied that the matters identified pursuant to rules B9.1.1 and B9.1.2 are such that a fair-minded and informed observer would conclude that there is a real possibility that the relevant **Panel** or **Committee** member is biased, then the **Chairman** will uphold the **party's** objection. The **Secretary** shall then take steps to arrange for the replacement of the relevant **Panel** or **Committee** member; or

B9.4.2 dismiss the **party's** objection.

B9.5 Any determination of the **Chairman** pursuant to rule B9.4 shall be final with no right of appeal.

Hearings

B10. References to a "hearing" in this **Handbook** include: (i) the final hearing of any substantive matter; or (ii) any hearing to determine a preliminary, procedural or case management issue, as the context so requires. Such hearings may be in person, or conducted via telephone or video conferencing facilities.

B11. All hearings shall be conducted in private.

Quorum and powers of the Chairman

B12. Subject to rule B13, all **Panels** and **Committees** shall have a quorum of 3 members, including a **Chairman**. The maximum number of members of a **Panel** or **Committee** shall be 7.

B13. Save for those determinations, directions and orders which are expressly reserved under these rules to a full **Panel** or **Committee**:

B13.1 determinations, directions or orders may be made by either a **Chairman** alone or by a full **Panel** or **Committee**; and

B13.2 determinations, directions or orders which are made by a **Chairman** alone shall be construed, treated and read as if made by the full **Panel** or **Committee**.

Burden of proof

B14. The burden of proof in appeals to the **AEP**, **AEAP** or **ADAC** shall be on the **Appellant**. For **disciplinary proceedings** before the **ADC**, the burden of proof shall be on the **Exchange**.

Rules of evidence

B15. A **Panel**, **Committee** or its **Chairman** may admit any evidence as it sees fit, whether or not such evidence would be admissible in a court of law, and may attach such weight to the evidence and to the submissions of the **parties** as it considers appropriate.

New evidence

B16. In considering the exercise of powers pursuant to rules C16, C51, D21 and D50, a **Panel**, **Committee** or its **Chairman** may, in exceptional circumstances only, permit new evidence to be adduced if it is satisfied as to all of the below:

B16.1 that it is relevant to the issues to be determined;
B16.2 that it could not have been reasonably identified and adduced by the **party** seeking to rely on it at an earlier date; and
B16.3 that the relevance of the evidence is such that the prejudice caused by the refusal outweighs any risk of prejudice caused by its admission.

Proceeding in absence

B17. In the event that a **party** fails to attend any scheduled hearing, at the discretion of the **Panel** or **Committee** (or, if sitting alone, a **Chairman**), the hearing may be conducted in that **party's** absence.

Attendance during hearings

B18. A **Panel**, **Committee** or its **Chairman** may impose such conditions or restrictions on the attendance of a **party**, the **party's** representatives, or a witness, at a hearing as are considered appropriate including:

B18.1 restricting the maximum number of individuals present throughout the hearing on behalf of a **party**; and
B18.2 excluding a specific individual or individuals from being present during the hearing or any part of the hearing, as the circumstances may require, for example to: (i) prevent the risk of disruption of the orderly running of the hearing; or (ii) protect the privacy and confidentiality of the hearing.

Adjournments

B19. A **Panel**, **Committee** or its **Chairman** may adjourn any hearing of its own motion or upon the application of a **party** where considered appropriate, having regard to all the circumstances, including any risk of prejudice caused to the **parties** by the grant or refusal of the adjournment. Wherever possible prior to making a determination on an adjournment, a **Panel**, **Committee** or **Chairman** will request representations from all **parties**.

Determinations and deliberations

B20. Determinations and directions which are reserved to a full **Panel** or **Committee** may be reached on a majority basis. Where a majority determination is reached, this will not be disclosed. A **Panel** or **Committee** may deliberate at any time during the course of a hearing and in the absence of the **parties**.

Record of hearings

B21. A record will be made of any hearing. A **party** may request a record or, where available, a transcript from the **Secretary**. Any such request shall be considered by the **Chairman** of the relevant hearing, who may impose such conditions as to the confidentiality, distribution, and use of that record or transcript as the **Chairman** considers appropriate having regard to: (i) the purpose of the request; and (ii) the provisions of rule B30. Any costs of preparing the record or transcript shall be borne by the requesting **party**.

Costs and fines

B22. A **Panel**, **Committee** or its **Chairman** shall comply with the relevant rules contained in Part Three of this **Handbook** when considering any order for costs and/or a fine.

B23. Prior to any order for costs and/or a fine, the **parties** shall be afforded the opportunity to make submissions on: (i) liability for, and the quantum of, costs; and (ii) the quantum of any fine.

Payment of costs and fines

B24. Subject to rule B25, any order for costs and/or a fine shall be paid by the relevant **party** within 30 **business days** of the date of such order.

B25. In the event that a **party** commences an appeal to the **AEAP** or **ADAC**, any order for costs and/or a fine made in the proceedings to which the appeal relates shall be stayed until the appeal is determined or otherwise dispensed with.

Service

B26. References to **service** or **serve** in these rules shall be to **service** by email.

B27. Communications or documents which are not expressly required by these rules to be **served** shall also be provided by email.

B28. The email address for **service** or delivery of communications or documents shall be as follows:

B28.1 **AIM company** or **applicant**: to such email address of the **AIM company** or **applicant** held in the **Exchange's** records or, if a **nominated adviser** is retained by that **AIM company** or **applicant**, to the email address of the **nominated adviser** held in the **Exchange's** records or such other email address as an **AIM company** or **applicant** may nominate in writing;

B28.2 **nominated adviser**: to such email address of the **nominated adviser** held in the **Exchange's** records or such other address the **nominated adviser** may nominate in writing;

B28.3 **Exchange**: to aimregulation@lseg.com;

B28.4 **Secretary**: to CaseSecretary@lseg.com.

Time of Service

B29. **Service** shall be deemed to be effected on the **business day** that the relevant email is sent or if the relevant email is sent after 17:00 (UK time), on the next **business day**.

Confidentiality

B30. Other than as provided for in this **Handbook**, each **party** (which shall include any professional adviser, employee or agent of the **party**) shall keep confidential any matters relating to any proceedings which are the subject of this **Handbook**, save where:

B30.1 such disclosure is pursuant to: (i) rule 22 or rule 23 of the **AIM Rules for Companies**; or (ii) rule 19 of the **AIM Rules for Nominated Advisers**; or

B30.2 disclosure is reasonably required for the conduct of a **party's** case. Any such disclosure by the disclosing **party** shall only be made by that **party** subject to enforceable obligations of confidentiality.

B31. Any non compliance by an **AIM company** or **nominated adviser** (including any breach of confidentiality by any person to whom disclosure is made pursuant to rule B30.2) shall be taken into account by a **Panel** or **Committee** when determining any order for costs. Without prejudice to the aforementioned, an **AIM company** or **nominated adviser** may also be subject to additional disciplinary action for non compliance with rule B30.

Publication of disciplinary actions and market guidance

B32. Further and additional to any publication pursuant to the provisions of Part One of this **Handbook**, the **Exchange** reserves the right to publish, in part, in summary or in full:

B32.1 the findings of any **Committee**;

B32.2 details of any private or public censure; or

B32.3 details of a **warning notice** issued by the **Exchange**,

save that any details published with respect to a private censure or **warning notice** shall be published without disclosing the identity of any **party** concerned.

PART ONE

Disciplinary actions, proceedings and related appeals

Appeals of a warning notice

Introduction

C1. These rules and procedures, together with the rules in the **general provisions**, apply to an appeal of a **warning notice** before an **AEP** and any related appeal to an **AEAP** of that **AEP's** final determination. Unless otherwise directed: (i) appeals before the **AEP** will be considered and determined at a hearing; and (ii) appeals before the **AEAP** will be considered and determined on the papers.

Mode of referral to the AIM Executive Panel

Permissible grounds of appeal

C2. Appeals to the **AEP** of a **warning notice** may only be made on one or more of the following grounds:

C2.1 that the findings of fact or of breach of the **AIM Rules** set out in the **warning notice** were unsupported by the information or evidence upon which such findings were based; and/or

C2.2 the findings of breach in the **warning notice** involved a misinterpretation or erroneous application of the **AIM Rules** by the **Exchange**.

Commencement of appeals

C3. An **Appellant** seeking to appeal a **warning notice** shall **serve** notice to the **Exchange** in writing, copied to the **Secretary**, in the form prescribed in **Appendix 1**, together with copies of any relevant documents upon which the **Appellant** relies.

C4. The information and documents **served** pursuant to rule C3 shall together comprise the **Appellant's Notice**.

C5. The **Appellant's Notice** must be **served** within 15 **business days** of the **warning notice** being communicated to the **Appellant** by the **Exchange**.

Status of warning notice

C6. The **warning notice** under appeal shall remain in full force and effect pending determination of the appeal by the **AEP** and, where applicable, any subsequent appeal to the **AEAP**.

Convening the AIM Executive Panel

C7. The **Secretary** shall take steps to convene an **AEP** and communicate to the **parties** the membership of the convened **AEP** and name of the person appointed as **Chairman**.

C8. The **Secretary** shall ensure that the **Chairman** is provided with a copy of the **Appellant's Notice**.

Preliminary issues

C9. The **Chairman** shall decline to hear an appeal in the event that:

C9.1 the **Appellant's Notice** does not disclose any permissible grounds of appeal; and/or
C9.2 the **Appellant's Notice** has not been validly **served**: (i) within the specified 15 **business day** timeframe for **service** pursuant to rule C5 or any extended timeframe ordered pursuant to rule B3; and/or (ii) in accordance with the **general provisions** of **service**; and/or
C9.3 the appeal has no real prospect of success.

C10. The **Chairman** may decline to hear an appeal in the event that the **Appellant's Notice** and supporting submissions do not adequately particularise the reasons and material facts upon which the **Appellant** relies as the basis for any pleaded ground of appeal.

C11. The **Chairman** shall determine any preliminary issues on the papers. The **Chairman** may request written submissions from the **parties** prior to determining any preliminary issues.

C12. The **Chairman's** determination pursuant to rule C11 shall be final with no right of appeal.

Procedural rules of the AIM Executive Panel

Exchange's Response

C13. Provided the **Chairman** has not declined to hear the appeal, the **Chairman** shall direct the date by which the **Exchange** may submit any written response to the **Appellant's Notice**. The date for submission shall not be sooner than 15 **business days** from the date of the **Chairman's** direction.

C14. Any written response by the **Exchange** shall be provided to the **Appellant**, copied to the **Secretary**, and shall:

C14.1 particularise the reasons upon which the grounds of appeal in the **Appellant's Notice** are opposed and set out the material facts upon which the **Exchange** relies; and
C14.2 append a copy of any additional relevant documents upon which the **Exchange** relies.

C15. The information and documents provided pursuant to rule C14 shall comprise the **Exchange's Response**.

Case management and procedural directions

C16. Unless otherwise directed by the **AEP** or its **Chairman**, or by agreement between the **parties**, no **party** may adduce evidence in any appeal to the **AEP** which was not previously appended to that **party's Appellant's Notice** or to the **Exchange's Response** (as applicable).

C17. There shall be no witness evidence for the purpose of proceedings before the **AEP** unless the **AEP** or its **Chairman** is satisfied that there are exceptional circumstances to permit such witness evidence.

C18. For appeals to be determined at a hearing the **Chairman** shall:

C18.1 direct the **Secretary** to request the **parties** to provide a list of the dates to avoid for the purposes of scheduling any hearing of the appeal. In the event that a **party** does not provide dates to the **Secretary** within the timescale requested, a hearing date may be fixed without further reference to that **party's** availability; and
C18.2 direct the date, time, format and venue for any hearing of the appeal by the **AEP**.

C19. In the event that the **Chairman** directs that the appeal is to be determined on the papers, the **Chairman** shall give directions for the provision of the appeal bundle and the **parties'** written submissions.

C20. The date of the **AEP's** consideration of the appeal, whether at a hearing or on the papers shall, in either case, not be sooner than 15 **business days** after the date directed for provision of the **Exchange's Response**.

C21. The **AEP** or its **Chairman** may make such other case management or procedural directions considered appropriate.

Appeal bundle

C22. The **Exchange** shall prepare and provide the **Secretary** with copies of the appeal bundle that, unless otherwise directed by the **AEP** or its **Chairman**, shall contain:

C22.1 the **Appellant's Notice** and any documents appended to it;
C22.2 the **Exchange's Response** and any documents appended to it;
C22.3 any new evidence adduced for which permission has been granted pursuant to rule C16; and
C22.4 copies of any previous directions of the **AEP** or its **Chairman** and relevant communications between the **parties** and the **Secretary**.

C23. Unless otherwise directed by the **Chairman**, not later than 7 **business days** in advance of the appeal hearing or the date of any determination on the papers, the **Secretary** shall provide:

C23.1 two copies of the appeal bundle to the **Appellant**; and
C23.2 a copy for each member of the **AEP**.

Written submissions

C24. Unless otherwise directed by the **Chairman**, each **party** shall provide to the **Secretary** any written submissions by 16:00 (UK time) 5 **business days** prior to the scheduled date when the **AEP** proposes to determine the appeal at a hearing or on the papers. All written submissions shall contain cross-references to the appeal bundle, where relevant.

C25. The **Secretary** will simultaneously provide the **parties** and the **AEP** with a copy of each **party's** written submissions.

Information requests by the AIM Executive Panel

C26. The **AEP** may direct a question to, or request further information from, any **party** at any time. Such requests shall be sent to both **parties** so that both **parties** see the request and additional information provided to the **AEP**. The **AEP** may, in its discretion, draw an adverse inference in respect of a **party's** failure to respond to any questions or further information requests directed of it.

Conduct of AIM Executive Panel hearings

C27. The **AEP** or its **Chairman** may make such directions with regard to the conduct of and procedures at the hearing as the **AEP** considers appropriate.

C28. Unless otherwise directed by the **AEP** or its **Chairman**, any oral submissions of the **parties** shall be limited to supplementing or clarifying matters set out in the **parties'** respective notice or response and written submissions.

C29. Following conclusion of the appeal hearing, the **AEP** will then retire and proceed with its deliberations and determinations in private.

Determination of appeals by the AIM Executive Panel

C30. The **AEP** may only determine an appeal against a **warning notice** by:

C30.1 upholding the findings of fact and breaches of the **AIM Rules** set out in the **warning notice** and dismissing the appeal; or
C30.2 allowing the appeal, or part thereof, if it is satisfied that one or more of the grounds in the **Appellant's Notice** are made out on the balance of probabilities.

C31. In the event that the **AEP** dismisses an appeal pursuant to rule C30.1 the **AEP** shall uphold the **warning notice** and may in addition do one of the following:

C31.1 uphold any accompanying fine imposed when the **warning notice** was issued by the **Exchange**; or
C31.2 if not previously imposed, impose a fine; or
C31.3 increase or decrease the level of any previously imposed fine; or
C31.4 if the **AEP** is satisfied that the facts, breaches and circumstances are sufficiently serious to merit consideration by the **ADC**, remit the **warning notice** back to the **Exchange** for reconsideration as to whether **disciplinary proceedings** should be commenced. The **warning notice** and any accompanying fine shall continue to be in full force and effect at all times thereafter unless, following such reconsideration, the **Exchange** commences **disciplinary proceedings**, in which case, the **warning notice** shall be treated as having been rescinded.

C32. In the event that the **AEP** allows the appeal, or part thereof, pursuant to rule C30.2, it shall then determine whether to:

C32.1 uphold the **warning notice**, or part thereof, and/or any accompanying fine imposed, for such other reasons as it may determine in its discretion; or
C32.2 vary the **warning notice**, or part thereof, and/or any accompanying fine imposed; or
C32.3 quash the **warning notice**, or part thereof, and/or any accompanying fine imposed.

Communication of the AIM Executive Panel's determinations

C33. The **AEP's** final determination pursuant to rules C30 - C32 shall be communicated to the **parties** as soon as reasonably practicable. The **AEP** shall proceed to provide necessary directions for the determination of any costs order.

C34. Any order of the **AEP** with regards to costs shall be communicated to the **parties** as soon as reasonably practicable.

Appeals to the AIM Executive Appeals Panel

C35. Final determinations by the **AEP** pursuant to rule C33 may be appealed by a **party** to the **AEAP**. Such appeal to the **AEAP** shall not be a rehearing, but a review by the **AEAP** of the **AEP's** determination.

C36. There is no right of appeal to an **AEAP** of any case management or other procedural directions of an **AEP** or its **Chairman**.

C37. There is no right of appeal to an **AEAP** solely on liability for costs and/or quantum of any costs order of the **AEP**. The **AEAP** shall determine any consequential matters relating to a costs order of the **AEP** when determining the question of the costs of the proceedings before the **AEAP**.

Mode of referral to the AIM Executive Appeals Panel

Permissible grounds of appeal

C38. Appeals to the **AEAP** may only be made on one or more of the following grounds:

C38.1 the **AEP's** determination was one which no **AEP**, acting reasonably, could have made on the information or evidence before it; and/or
C38.2 the **AEP's** determination was based on a misapplication or misinterpretation of the **AIM Rules**.

Commencement

C39. An **Appellant** seeking to appeal a final determination of the **AEP** pursuant to rule C35 shall **serve** notice in writing to the **Secretary**, in the form prescribed in **Appendix 2**, copied to the **Respondent**.

C40. The information and any documents **served** pursuant to rule C39 shall together comprise the **Appellant's Notice**.

C41. The **Appellant's Notice** must be **served** within 15 **business days** of the final determination of the **AEP** being communicated to the **Appellant** pursuant to rule C33.

Convening the AIM Executive Appeals Panel

C42. The **Secretary** shall proceed to take steps to convene an **AEAP** and communicate to the **parties** the membership of the convened **AEAP** and name of the person appointed as **Chairman**.

C43. The **Secretary** shall ensure that the **Chairman** is provided with a copy of the **Appellant's Notice**.

Preliminary issues

C44. The **Chairman** shall decline to hear an appeal in the event that:

C44.1 the **Appellant's Notice** does not disclose any permissible grounds of appeal; and/or
C44.2 the **Appellant's Notice** has not been validly **served**: (i) within the specified 15 **business day** timeframe for **service** pursuant to rule C41 or any extended timeframe ordered pursuant to rule B3; and/or (ii) in accordance with the **general provisions** of **service**; and/or
C44.3 the appeal has no real prospect of success.

C45. The **Chairman** may decline to hear an appeal in the event that the **Appellant's Notice** and supporting submissions do not adequately particularise the reasons and material facts upon which the **Appellant** relies as the basis for any pleaded ground of appeal.

C46. The **Chairman** shall determine the preliminary issues on the papers. The **Chairman** may request written submissions from the **parties** prior to determining any preliminary issues.

C47. The **Chairman's** determination pursuant to rule C46 shall be final with no right of appeal.

Procedural rules of the AIM Executive Appeals Panel

Respondent's Notice

C48. Provided the **Chairman** has not declined to hear the appeal, the **Chairman** shall direct the date by which the other **party** may submit any written response to the **Appellant's Notice**. The date for submission shall not be sooner than 15 **business days** from the date of the **Chairman's** direction.

C49. Any written response by the **Respondent** shall be provided to the **Appellant**, copied to the **Secretary**, and shall:

C49.1 particularise the reasons upon which the grounds of appeal in the **Appellant's Notice** are opposed and set out the material facts upon which the **Respondent** relies; and
C49.2 list and identify (by reference to the **AEP** appeal bundle) any documents relied on; and
C49.3 append any new evidence for which permission to adduce is sought pursuant to rule C51.

C50. The information and documents provided pursuant to rule C49 shall comprise the **Respondent's Notice**.

Case management and procedural directions

C51. Unless otherwise directed by the **AEAP** or its **Chairman**, or by agreement between the **parties**, no **party** may adduce evidence in any appeal to the **AEAP** which was not previously before the **AEP**.

C52. There shall be no witness evidence for the purpose of proceedings before the **AEAP** unless the **AEAP** or its **Chairman** is satisfied that there are exceptional circumstances to permit such witness evidence.

C53. For appeals to be determined on the papers, the **Chairman** shall give directions for provision of the appeal bundle and the **parties'** written submissions.

C54. In the event that the **Chairman** directs that there shall be an appeal hearing, the **Chairman** shall:

C54.1 direct the **Secretary** to request the **parties** provide a list of those dates to avoid for the purposes of scheduling a hearing of the appeal. In the event that a **party** does not provide dates to the **Secretary** within the timescale requested, a hearing date may be fixed without further reference to that **party's** availability; and
C54.2 direct the date, time, format and venue for the hearing of the appeal.

C55. The date of the **AEAP's** consideration of the appeal, whether on the papers or at hearing, shall in either case, not be sooner than 15 **business days** after the date directed for provision of the **Respondent's Notice**.

C56. The **AEAP** or its **Chairman** may make such other case management or procedural directions considered appropriate.

Appeal bundle

C57. The **Exchange** shall prepare and provide the **Secretary** with copies of an appeal bundle that, unless otherwise directed, shall contain:

C57.1 the appeal bundle that was before the **AEP**;
C57.2 the **Appellant's Notice**, the **Respondent's Notice** and any documents appended thereto (excluding any new evidence for which permission has not been granted pursuant to rule C51); and
C57.3 copies of any previous directions of the **AEAP** or its **Chairman** and relevant communications between the **parties** and the **Secretary**.

C58. Unless otherwise directed by the **Chairman**, not later than 7 **business days** in advance of the scheduled date when the **AEAP** proposes to determine the appeal on the papers or hold an appeal hearing, the **Secretary** shall provide:

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An LSEG Business

C58.1 two copies of the appeal bundle to the **Appellant**, or if the **Exchange** is the **Appellant**, to the **Respondent**; and
C58.2 a copy for each member of the **AEAP**.

Written submissions

C59. Unless otherwise directed by the **Chairman**, each **party** shall provide to the **Secretary** any written submissions by 16:00 (UK time) 5 **business days** prior to the scheduled date when the **AEAP** proposes to determine the appeal on the papers or hold an appeal hearing. All written submissions shall contain cross-references to the appeal bundle, where relevant.

C60. The **Secretary** will simultaneously provide the **parties** and the **AEAP** with a copy of each **party's** written submissions.

Information requests by the AIM Executive Appeals Panel

C61. The **AEAP** may direct a question to, or request further information from, any **party** at anytime. Such requests shall be sent to both **parties** so that both **parties** see the request and additional information provided to the **AEAP**. The **AEAP** may in its discretion draw an adverse inference in respect of a **party's** failure to respond to any questions or further information requests directed of it.

Conduct of AIM Executive Appeals Panel hearings

C62. The **AEAP** may make such directions with regard to the conduct of and procedures at the hearing as the **AEAP** considers appropriate.

C63. Unless otherwise directed by the **AEAP** or its **Chairman**, any oral submissions of the **parties** shall be limited to supplementing or clarifying matters set out in the **parties'** respective notices and written submissions.

C64. Following conclusion of the hearing, the **AEAP** will then retire and proceed with its deliberations and determinations in private.

Determination of appeals by the AIM Executive Appeals Panel

C65. The **AEAP** may only determine an appeal of a final determination of the **AEP** by:

C65.1 dismissing the appeal and upholding the final determination of the **AEP**; or
C65.2 allowing the appeal, or part thereof, if it is satisfied that one or more of the grounds of appeal in the **Appellant's Notice** are made out on the balance of probabilities.

C66. In the event that the **AEAP** allows the appeal pursuant to rule C65.2 it shall then determine whether to:

C66.1 uphold the **AEP's** determination, or part thereof, for such other reasons as the **AEAP** may determine in its discretion; or
C66.2 vary the **AEP's** determination, or part thereof; or
C66.3 quash the **AEP's** determination, or part thereof.

Communication of the AIM Executive Appeals Panel's determinations

C67. The **AEAP's** determination pursuant to rules C65 – C66 shall be communicated to the **parties** as soon as reasonably practicable. The **AEAP** shall proceed to provide necessary directions for the determination of any costs order.

C68. Any order of the **AEAP** with regards to costs shall be communicated to the **parties** as soon as reasonably practicable.

C69. The **AEAP's** determinations and orders pursuant to rules C67 – C68 shall be final with no right of appeal.

Intervening events

C70. If during the intervening period between the commencement and the determination of an appeal of a **warning notice** to an **AEP** or subsequent appeal to an **AEAP**, the **warning notice** is varied, rescinded or otherwise rendered redundant such that the hearing of any appeal would serve no practical purpose, a **party** may submit an application to the **Chairman**, via the **Secretary** and copied to the other **party**, requesting a direction that the appeal be discontinued.

C71. The **Chairman** shall determine any application pursuant to rule C70 on the papers and, in the event of discontinuance being directed, proceed to provide necessary directions for the **AEP** or **AEAP** (as applicable) to determine any costs order.

C72. The **Chairman's** determination pursuant to rule C71 shall be final with no right of appeal.

Disciplinary proceedings before the AIM Disciplinary Committee and appeals to the AIM Disciplinary Appeals Committee

Introduction

D1. These rules and procedures, together with the rules in the **general provisions**, apply to **disciplinary proceedings** before an **ADC** and any related appeals to an **ADAC** of an **ADC Disciplinary Determination**. Any proceedings before the **ADC** and **ADAC** shall be considered and determined at a hearing.

Mode of referral to the AIM Disciplinary Committee

Commencement and notification of disciplinary proceedings

D2. **Disciplinary proceedings** shall be commenced by **service** of a **Statement of Case** by the **Exchange** on a **Respondent**, copied to the **Secretary**.

D3. The **Statement of Case** shall: (i) set out the relevant facts upon which the **Exchange** relies; and (ii) particularise the alleged breaches of the **AIM Rules** by the **Respondent**.

D4. The **Statement of Case** shall have appended to it copies of relevant core supporting documents, cross referenced in the **Statement of Case**.

D5. An **AIM Disciplinary Commencement Notice** shall be published by the **Exchange** as soon as reasonably practicable after **service** of the **Statement of Case**.

Joinder

D6. The **Exchange** may, in its discretion, refer **disciplinary proceedings** involving more than one **AIM company** or **nominated adviser** for determination simultaneously by the same **ADC**.

Convening an ADC

D7. As soon as reasonably practicable, the **Secretary** shall proceed to take steps to convene an **ADC** and communicate to the **parties** the membership of the convened **ADC** and name of the person appointed as **Chairman**.

Procedural rules of the AIM Disciplinary Committee

Statement of Defence

D8. Within 30 **business days** of **service** of the **Statement of Case**, the **Respondent** may **serve** upon the **Exchange**, a **Statement of Defence**, copied to the **Secretary**.

D9. Any **Statement of Defence** shall particularise:

D9.1 Whether the **Respondent** admits, denies, or neither admits nor denies: (i) the relevant facts relied upon by the **Exchange**; and (ii) the alleged breaches of the **AIM Rules** particularised in the **Statement of Case**, by reference to the relevant sections and paragraphs of the **Statement of Case**.

D9.2 If the **Respondent**: (i) denies or does not admit any of the relevant facts relied upon by the **Exchange** in the **Statement of Case**; and/or (ii) denies or does not admit any alleged breach of the **AIM Rules** set out in the **Statement of Case**, it shall set out the reason for such denial or non-admission, together with any additional facts upon which the **Respondent** intends to rely.

D10. The **Statement of Defence** shall have appended to it copies of all relevant supporting documents (excluding any documents that have already been appended to and **served** with the **Statement of Case**), cross referenced in the **Statement of Defence**.

D11. Within 20 **business days** of receipt of the **Statement of Defence** the **Exchange** may **serve** upon the Respondent, copied to the Secretary, a **Reply** together with any additional documents upon which it intends to rely.

Failure to submit a Statement of Defence

D12. Unless otherwise directed, if a **Respondent** fails to submit a **Statement of Defence** the **Respondent** shall be deemed to have: (i) admitted all of the relevant facts relied upon by the **Exchange**; but (ii) shall be deemed to have made no admission of the alleged breaches of the **AIM Rules** set out in the **Statement of Case**. In such circumstances, the **Chairman** shall proceed to make necessary directions for the **ADC** to deliberate and make determinations on whether the alleged breaches of the **AIM Rules** set out in the **Statement of Case** are made out on the basis of the facts which are deemed to be admitted pursuant to this rule. Unless otherwise directed, the **ADC** shall proceed with such deliberations and make such determinations on the papers.

Scheduling of a Case Management Conference

D13. Where a **Statement of Defence** has been served pursuant to rule D8, a **CMC** shall take place in accordance with the provisions of rules D14 - D17.

D14. The date of the **CMC** shall be not earlier than 60 **business days** following the date of **service** of the **Statement of Defence**. The **Secretary** will request that the **parties** provide a list of those dates to avoid for the purposes of scheduling a date for the **CMC**. In the event a **party** does not provide dates to the **Secretary** within the timescale requested, the date for the **CMC** may be fixed without further reference to that **party's** availability.

D15. The **Chairman** shall direct the date, time, format and venue for the **CMC**.

Case Management Memorandum

D16. Not later than 20 **business days** prior to the scheduled date of the **CMC** each **party** shall submit to the **Secretary** a completed **CMM** in the form set out in **Appendix 3**, which the **Secretary** will simultaneously provide to each other **party** and to the **Chairman**.

D17. In the event that a **party** fails to submit a **CMM**, in accordance with rule D16, the **Chairman** may in his or her discretion decline to hear any representations at the **CMC** from that **party** as to any directions.

Case management and procedural directions

D18. At the **CMC**, or as soon as reasonably practicable thereafter, the **Chairman** or the **ADC** shall: (i) determine and give directions about steps which are to be taken to secure the progress of the **disciplinary proceedings**, having regard to any submitted **CMM** provided pursuant to rule D16 and the indicative directions and timetable at **Appendix 4**; and (ii) shall direct the date for the substantive hearing of the **disciplinary proceedings** by the **ADC**.

D19. Variations of, or additions to, case management and procedural directions shall only be ordered if the variation or addition is required due to new circumstances arising since the original case management or procedural direction was made.

Compliance with case management and procedural directions

D20. The **parties** must comply with any direction of the **Chairman** or the **ADC** (including as to timing of such compliance). If in the opinion of the **ADC**, a **party** has failed to comply with directions without good reason, the **ADC** may in its discretion:

D20.1 take such non compliance into account when determining any order for costs; and/or
D20.2 deny that **party** the opportunity to adduce evidence or rely on written submissions at the substantive hearing which have not been submitted in accordance with any previous directions or directed timescales.

New evidence

D21. Unless otherwise directed by the **ADC** or its **Chairman**, or by agreement between the **parties**, no **party** may adduce evidence not provided with their **Statement of Case** (or pursuant to rule D11) or **Statement of Defence** or exhibited in witness evidence.

Expert Evidence

D22. The **Chairman** or the **ADC** may give permission for expert evidence, but it will not usually be required. When determining whether to permit a **party** to adduce expert evidence the **Chairman** or the **ADC** shall have regard to:

D22.1 the subject matter of the **disciplinary proceedings**;
D22.2 the likely issues to be determined by the **ADC** at the hearing of the **disciplinary proceedings** and whether expert evidence is necessary to resolve them;
D22.3 the expertise and knowledge of the members of the **ADC** itself; and
D22.4 whether the cost of such expert evidence is proportionate to the issues in dispute.

Non attendance of a witness

D23. Where any person upon whose evidence a **party** intends to rely fails to attend any hearing for the purposes of giving oral evidence, any witness statement of that person shall not be taken into account unless the **ADC** determines to admit the witness statement into evidence. If admitted into evidence, the **ADC** shall attach such weight to the witness statement as it considers appropriate. In doing so it shall take into account: (i) the lack of opportunity afforded to the other **party** to cross-examine the witness; (ii) the lack of opportunity afforded to the **ADC** to ask questions of the witness; and (iii) any other relevant matters.

Information requests by the AIM Disciplinary Committee

D24. The **ADC** may direct a question to, or request further information from, any **party** at any time. Such requests shall be sent to both parties so that both parties see the request and additional information provided to the **ADC**. The **ADC** may in its discretion draw an adverse inference in respect of a **party's** failure to respond to any questions or further information requests directed of it.

Discontinuance of disciplinary proceedings

D25. The **Exchange** may, in its discretion, discontinue any **disciplinary proceedings** at any time following commencement by way of written notification to the **Secretary**, copied to the **Respondent**. In such circumstances, the **Chairman** shall proceed to provide necessary directions for the **ADC** to determine any costs order.

D26. Following discontinuance and the determination of any order for costs, the **Exchange** shall publish a notice confirming discontinuance of the **disciplinary proceedings** and may in its discretion provide reasons for doing do so.

Conduct of AIM Disciplinary Committee hearings

D27. The **ADC** may make such directions with regard to the conduct of and procedures at the hearings as the **ADC** considers appropriate.

Deliberations and determinations by the AIM Disciplinary Committee

D28. Following the presentation of each **party's** evidence and any submissions, the **ADC** will retire to deliberate and reach its determination regarding the alleged breaches of the **AIM Rules** set out in the **Statement of Case**. The **ADC** shall not find an allegation of breach proven unless it is satisfied on the balance of probabilities.

D29. The **ADC's** determination pursuant to rule D28, or where applicable rule D12, will be communicated to the **parties** as soon as practicable. The **ADC** shall proceed to provide necessary directions for the determination of any costs and fines orders.

The ADC Disciplinary Determination

D30. The **ADC's** final determination together with any fine and costs order shall form the **ADC Disciplinary Determination**. The **ADC Disciplinary Determination** shall take effect from the date on which it is communicated to the **parties**.

D31. As soon as reasonably practicable after the **ADC Disciplinary Determination** has come into effect pursuant to rule D30, the **Exchange** shall publish an **AIM Disciplinary Outcome Notice**. The **AIM Disciplinary Outcome Notice** shall be published irrespective of the commencement by a **party** of any subsequent appeal of the **ADC Disciplinary Determination** to the **ADAC**.

Appeals to the AIM Disciplinary Appeals Committee

D32. Either **party** to **disciplinary proceedings** may appeal an **ADC Disciplinary Determination** to the **ADAC**. Such appeal to the **ADAC** shall not be a rehearing, but a review by the **ADAC** of the **ADC Disciplinary Determination**.

D33. There is no right of appeal to an **ADAC** of any case management or other procedural directions of an **ADC** or its **Chairman**.

D34. There is no right of appeal to an **ADAC** solely on liability for and/or quantum of a costs order of the **ADC**. The **ADAC** shall determine any consequential matters relating to a costs order of the **ADC** when determining the question of the costs of the proceedings before the **ADAC**.

Mode of referral to the AIM Disciplinary Appeals Committee

Permissible grounds of appeal

D35. Appeals of an **ADC Disciplinary Determination**, or part thereof, to the **ADAC** may only be made on one or more of the following grounds:

D35.1 the determination was one which no **ADC**, acting reasonably, could have made on the facts and information before it; and/or

D35.2 the determination was based on a misapplication or misinterpretation of the **AIM Rules**.

Commencement

D36. An **Appellant** seeking to appeal an **ADC Disciplinary Determination**, or part thereof, shall **serve** notice in writing to the **Secretary**, in the form prescribed in **Appendix 5**, copied to the **Respondent**.

D37. The information and any documents **served** pursuant to rule D36 shall together comprise the **Appellant's Notice**.

D38. The **Appellant's Notice** must be **served** within 15 **business days** of the effective date of the **ADC Disciplinary Determination** pursuant to rule D30.

Status of an ADC Disciplinary Determination

D39. The **ADC Disciplinary Decision** under appeal shall remain in full force and effect pending determination of the appeal, save for any stay of an order for costs and fine pursuant to the provisions of rule B25.

Convening the AIM Disciplinary Appeals Committee

D40. The **Secretary** shall proceed to take steps to convene an **ADAC** and communicate to the **parties** the membership of the convened **ADAC** and name of the person appointed as **Chairman**.

D41. The **Secretary** shall ensure that the **Chairman** is provided with a copy of the **Appellant's Notice**.

D42. The **Secretary** will request that the **parties** provide a list of those dates to avoid for the purposes of scheduling a hearing of the appeal. In the event that a **party** does not provide dates to the **Secretary** within the timescale requested, a hearing date may be finalised without further reference to that **party's** availability.

Preliminary issues

D43. The **Chairman** shall decline to hear an appeal in the event that:

D43.1 the **Appellant's Notice** does not disclose any permissible grounds of appeal; and/or
D43.2 the **Appellant's Notice** has not been validly **served**: (i) within the specified 15 **business day** timeframe for **service** pursuant to rule D38 or any extended timeframe directed pursuant to rule B3; and/or (ii) in accordance with the **general provisions** of **service**; and/or
D43.3 the appeal has no real prospect of success.

D44. The **Chairman** may decline to hear an appeal in the event that the **Appellant's Notice** and supporting submissions do not adequately particularise the reasons and material facts upon which the **Appellant** relies as the basis for any pleaded ground of appeal.

D45. The **Chairman** shall determine the preliminary issues on the papers. The **Chairman** may request written submissions from the **parties** prior to determining any preliminary issues.

D46. The **Chairman's** determination pursuant to rule D45 shall be final with no right of appeal.

Procedural rules of the AIM Disciplinary Appeals Committee

Respondent's Notice

D47. Provided the **Chairman** has not declined to hear the appeal, the **Chairman** shall direct the date by which the **Respondent** may submit any written response to the **Appellant's Notice**. The date for submission shall not be sooner than 15 **business days** from the date of the **Chairman's** direction.

D48. Any written response submitted by the **Respondent** shall be provided to the **Appellant**, copied to the **Secretary**, and shall:

D48.1 particularise the reasons upon which the grounds of appeal in the **Appellant's Notice** are opposed and set out the material matters upon which the **Respondent** relies; and
D48.2 list and identify (by reference to the **ADC** hearing bundle) any documents relied on; and
D48.3 append any new evidence for which permission to adduce is sought pursuant to rule D50.

D49. The information and documents provided pursuant to rule D48 shall comprise the **Respondent's Notice**.

Case management and procedural directions

D50. Unless otherwise directed by the **ADAC** or its **Chairman**, or by agreement between the **parties**, no **party** may adduce evidence in any appeal to the **ADAC** which was not previously before the **ADC**.

D51. There shall be no witness evidence for the purpose of proceedings before the **ADAC** unless the **ADAC** or its **Chairman** is satisfied that there are exceptional circumstances to permit such witness evidence.

D52. The **Chairman** shall direct the date, time, format and venue for the hearing of the appeal by the **ADAC**, which shall be not sooner than 15 **business days** after the date directed for provision of the **Respondent's Notice**.

D53. The **ADAC** or its **Chairman** may make such other case management or procedural directions considered appropriate.

Appeal bundle

D54. **The Exchange** shall prepare and provide the **Secretary** with copies of the appeal bundle that, unless otherwise directed, shall contain:

D54.1 a copy of the **ADC Disciplinary Determination** under appeal;
D54.2 a copy of the **Statement of Case**, **Statement of Defence** and any relevant evidence that was before the **ADC** and upon which either **party** relies for the purposes of the appeal;
D54.3 the **Appellant's Notice**, the **Respondent's Notice** and any documents appended thereto (excluding any new evidence for which permission has not been granted pursuant to rule D50); and
D54.4 copies of any previous directions of the **ADAC** or its **Chairman** and relevant communications between the **parties** and the **Secretary**.

D55. Unless otherwise directed by the **Chairman**, not later than 12 **business days** in advance of the hearing, the **Secretary** shall provide:

D55.1 two copies of the hearing bundle to the **Appellant** or, if the **Exchange** is the **Appellant**, two copies to the **Respondent**; and
D55.2 a copy for each member of the **ADAC**.

Written submissions

D56. Unless otherwise directed by the **ADAC** or its **Chairman**, each **party** shall provide to the **Secretary** its written submissions by 16:00 (UK time) 10 **business days** prior to the scheduled date of the hearing. All written submissions shall contain cross-references to the appeal bundle, where relevant.

D57. The **Secretary** will simultaneously provide the **parties** and the **ADAC** with a copy of each **party's** written submissions.

Information requests by the AIM Disciplinary Appeals Committee

D58. The **ADAC** may direct a question to, or request further information from, any **party** at any time. The **ADAC** may in its discretion draw an adverse inference in respect of a **party's** failure to respond to any questions or further information requests directed of it.

Conduct of AIM Disciplinary Appeals Committee hearings

D59. The **ADAC** may make such other directions with regard to the conduct of and procedures at the hearing as the **ADAC** considers appropriate.

D60. Unless otherwise directed by the **ADAC** or its **Chairman**, any oral submissions of the **parties** shall be limited to supplementing or clarifying matters set out in the **parties'** respective notices and written submissions.

D61. Following conclusion of the hearing, the **ADAC** will then retire and proceed with its deliberations and determinations in private.

Determination of appeals by the AIM Disciplinary Appeals Committee

D62. The **ADAC** may only determine an appeal against an **ADC Disciplinary Determination** by:

D62.1 dismissing the appeal and upholding the **ADC Disciplinary Determination**, or the part thereof being appealed; or
D62.2 allowing the appeal, or part thereof, if it is satisfied that one or more of the grounds in the **Appellant's Notice** are made out on the balance of probabilities.

D63. In the event that the **ADAC** allows the appeal, or part thereof, it shall then determine whether to:

D63.1 uphold the **ADC Disciplinary Determination**, or part thereof, for such other reasons as it may determine in its discretion; or
D63.2 vary the **ADC Disciplinary Determination**, or part thereof; or
D63.3 quash the **ADC Disciplinary Determination**, or part thereof.

D64. The **ADAC's** determination pursuant to rules D62 - D63 shall be communicated to the **parties** as soon as reasonably practicable. The **ADAC** shall proceed to provide necessary directions for the determination of any costs and fines orders.

The ADAC Appeal Determination

D65. The **ADAC's** final determination together with any fine and costs order shall form the **ADAC Appeal Determination**. The **ADAC Appeal Determination** shall take effect from the date on which it is communicated to the **parties** and shall be final with no right of appeal.

D66. As soon as reasonably practicable after the **ADAC Appeal Determination** has come into effect pursuant to rule D65, the **Exchange** shall publish an **AIM Disciplinary Appeal Notice**.

Settlement

Prior to commencement of disciplinary proceedings

E1. Prior to the commencement of any **disciplinary proceedings**, the **Exchange** shall offer an **AIM company** or **nominated adviser** terms of settlement of potential **disciplinary proceedings** relating to alleged breaches of the **AIM Rules**. Any agreed settlement may, at the **Exchange's** discretion, extend to:

E1.1 censure with or without a fine; or
E1.2 a public censure with or without a fine; and
E1.3 in both instances payment of the **Exchange's** costs (or a proportion thereof to be agreed).

E2. If within 20 **business days** of the date of any settlement terms being offered by the **Exchange** pursuant to rule E1, settlement terms are agreed between the **Exchange** and the **AIM company** or **nominated adviser** by way of a signed consent order, that **AIM company** or **nominated adviser** shall be entitled to a 30% discount on any proposed fine by the **Exchange**.

E3. Any such terms of settlement at this stage pursuant to rules E1 – E2 do not require the approval of the **ADC**. The consent order shall be final and binding on the **parties** and come into immediate effect from the date it is signed by both **parties**.

Post commencement of disciplinary proceedings

E4. Where no settlement is agreed pursuant to the provisions of rules E1 - E3 then if, no later than 10 **business days** prior to the scheduled date of the **CMC**, an **AIM company** or **nominated adviser** notifies the **Exchange** in writing, copied to the **Secretary**, that it admits all of the alleged breaches of the **AIM Rules** set out in the **Statement of Case**, that **AIM company** or **nominated adviser** shall be entitled to a 15% discount of any fine subsequently ordered by the **ADC**.

E5. Following an admission pursuant to rule E4, the **Chairman** shall then proceed to make necessary directions for the **ADC's** determination of costs and the quantum of fine only.

PART TWO

Non disciplinary appeals

Appeals of non disciplinary decisions

Introduction

F1. These rules and procedures, together with the rules in the **general provisions**, apply to appeals of a **non disciplinary decision** before the **AEP** and any related appeals to an **AEAP** of an **AEP's** final determination. Unless otherwise directed: (i) appeals before the **AEP** will be considered and determined at a hearing; and (ii) appeals before the **AEAP** will be considered and determined on the papers.

Mode of referral to the AIM Executive Panel

Permissible grounds of appeal

F2. Appeals to the **AEP** of a **non disciplinary decision** may only be made on one or more of the following grounds:

F2.1 the **non disciplinary decision** was one which could not have been reached by the **Exchange**, acting reasonably, on the information or evidence before it; and/or

F2.2 the **non disciplinary decision** involved a misinterpretation or erroneous application of the **AIM Rules** by the **Exchange**.

Commencement of appeals

F3. An **Appellant** seeking to appeal a **non disciplinary decision** shall **serve** notice to the **Exchange** in writing, copied to the **Secretary**, in the form prescribed in **Appendix 6**, together with copies of any relevant documents upon which the **Appellant** relies.

F4. The information and documents **served** pursuant to rule F3 shall together comprise the **Appellant's Notice**.

F5. The **Appellant's Notice** must be served within 15 **business days** of the **non disciplinary decision** being communicated to the **Appellant** by the **Exchange**. The power of variation pursuant to rule B3 shall not apply to this rule.

Status of a non disciplinary decision

F6. The **non disciplinary decision** which is under appeal shall remain in full force and effect pending determination of the appeal by the **AEP** and, where applicable, any subsequent appeal to the **AEAP**.

Convening the AIM Executive Panel

F7. The **Secretary** shall take steps to convene an **AEP** and communicate to the **parties** the membership of the convened **AEP** and name of the person appointed as **Chairman**.

F8. The **Secretary** shall ensure that the **Chairman** is provided with a copy of the **Appellant's Notice**.

Preliminary issues

F9. The Chairman shall decline to hear an appeal in the event that:

F9.1 the **Appellant's Notice** does not disclose any permissible grounds of appeal; and/or
F9.2 the **Appellant's Notice** has not been validly **served**: (i) within the specified 15 **business day** timeframe for **service** at rule F5; and/or (ii) in accordance with the **general provisions** of **service**; and/or
F9.3 the appeal has no real prospects of success.

F10. The **Chairman** may decline to hear an appeal in the event that the **Appellant's Notice** and supporting submissions do not adequately particularise the reasons and material facts upon which the **Appellant** relies as the basis for any pleaded ground of appeal.

F11. The **Chairman** shall determine any preliminary issues on the papers. The **Chairman** may request written submissions from the **parties** prior to determining any preliminary issues.

F12. The **Chairman's** determinations pursuant to rule F11 shall be final with no right of appeal.

Procedural rules of the AIM Executive Panel

F13. The procedural rules at C13 - C26 shall apply to all appeals of a **non disciplinary decision** to the **AEP**.

Conduct of AIM Executive Panel hearings

F14. The conduct rules of the **AEP** set out in rules C27 – C29 shall apply to all appeals of a **non disciplinary decision** to the **AEP**.

Determination of appeals by the AIM Executive Panel

F15. The **AEP** may only determine an appeal against a **non disciplinary decision** by:

F15.1 dismissing the appeal and upholding the **non disciplinary decision** of the **Exchange**; or
F15.2 allowing the appeal, or part thereof, if it is satisfied that one or more of the grounds in the **Appellant's Notice** are made out on the balance of probabilities and remitting the **non disciplinary decision** for reconsideration by the **Exchange**.

F16. In the event that the **AEP** determines to remit the **non disciplinary decision** for reconsideration, pursuant to rule F15.2 then, unless an appeal to the **AEAP** is commenced pursuant to rule F20, the **Exchange** shall undertake any reconsideration and communicate the outcome of that reconsideration not later than 20 **business days**, after the **AEP's** determination has been communicated to the **parties**.

F17. In the intervening period between the **AEP's** determination to remit the **non disciplinary decision** and any reconsideration by the **Exchange** in accordance with rule F16, the **non disciplinary decision** shall remain in full force and effect.

Communication of AIM Executive Panel's determination

F18. The **AEP's** final determination pursuant to rule F15 shall be communicated to the **parties** as soon as reasonably practicable. The **AEP** shall proceed to provide directions for the determination of any costs order.

F19. Any order of the **AEP** with regards to costs shall be communicated to the **parties** as soon as reasonably practicable.

Appeals to the AIM Executive Appeals Panel

F20. Final determinations of the **AEP** pursuant to rule F18 may be appealed by a **party** to the **AEAP**. Such appeal to the **AEAP** shall not be a rehearing, but a review by the **AEAP** of the **AEP's** determination.

F21. There is no right of appeal to the **AEAP** of any case management or other procedural directions of an **AEP** or its **Chairman**.

F22. There is no right of appeal to the **AEAP** solely on liability for costs and/or quantum of any costs order of the **AEP**. The **AEAP** shall determine any consequential matters relating to a costs order of the **AEP** when determining the question of the costs of the proceedings before the **AEAP**.

Mode of referral to the AIM Executive Appeals Panel

Permissible grounds of appeal

F23. Appeals to the **AEAP** may only be made on one or more of the following grounds:

F23.1 the **AEP's** final determination was one which no **AEP**, acting reasonably, could have made on the information or evidence before it; and/or
F23.2 the **AEP's** final determination was based on a misapplication or misinterpretation of the **AIM Rules**.

Commencement

F24. An **Appellant** seeking to appeal a final determination of the **AEP** pursuant to rule F20 shall **serve** notice in writing to the **Secretary**, in the form prescribed in **Appendix 2**, copied to the **Respondent**.

F25. The information and any documents **served** pursuant to rule F24 shall together comprise the **Appellant's Notice**.

F26. The **Appellant's Notice** must be **served** within 15 **business days** of the final determination of the **AEP** being communicated to the **Appellant** pursuant to rule F18. The power of variation pursuant to rule B3 shall not apply to this rule.

Convening the AIM Executive Appeal Panel

F27. The **Secretary** shall proceed to take steps to convene an **AEAP** and communicate to the **parties** the membership of the convened **AEAP** and name of the person appointed as **Chairman**.

F28. The **Secretary** shall ensure that the **Chairman** is provided with a copy of the **Appellant's Notice**.

Preliminary issues

F29. The **Chairman** shall decline to hear an appeal in the event that:

F29.1 the **Appellant's Notice** does not disclose any permissible grounds of appeal; and/or
F29.2 the **Appellant's Notice** has not been validly **served**: (i) within the specified 15 **business day** timeframe for **service** at rule F26; and/or (ii) in accordance with the **general provisions** of **service**; and/or
F29.3 the appeal has no real prospects of success.

F30. The **Chairman** may decline to hear an appeal in the event that the **Appellant's Notice** and supporting submissions do not adequately particularise the reasons and material facts upon which the **Appellant** relies as the basis for any pleaded ground of appeal.

F31. The **Chairman** shall determine any preliminary issues on the papers. The **Chairman** may request written submissions from the **parties** prior to determining any preliminary issues.

F32. The **Chairman's** determination pursuant to rule F31 shall be final with no right of appeal.

Procedural rules of the AIM Executive Appeals Panel

F33. The procedural rules of the **AEAP** set out in rules C48 – C61 shall apply to all appeals of a **non disciplinary decision** to the **AEAP**.

Conduct of AIM Executive Appeals Panel hearings

F34. The conduct rules of the **AEAP** set out in rules C62 – C64 shall apply to all appeals of a **non disciplinary decision** to the **AEAP**.

Determination of appeals by the AIM Executive Appeals Panel

F35. The **AEAP** may only determine an appeal of a final determination of the **AEP** by:

F35.1 dismissing the appeal and upholding the final determination of the **AEP**; or
F35.2 allowing the appeal, or part thereof, if it is satisfied that one or more of the grounds of appeal in the **Appellant's Notice** are made out on the balance of probabilities

F36. In the event that the **AEAP** allows the appeal, or part thereof, pursuant to rule F35.2 it shall then determine whether to:

F36.1 uphold the **non disciplinary decision** on such other grounds or reasons as the **AEAP** may determine; or
F36.2 remit the **non disciplinary decision** for reconsideration by the **Exchange**.

F37. In the event that the **AEAP** remits the **non disciplinary decision** for reconsideration, pursuant to rule F36.2, the **Exchange** shall undertake any redetermination and communicate the outcome of that redetermination not later that 20 **business days** after the **AEAP's** determination is communicated to the **parties**.

F38. In the intervening period between the **AEAP's** determination to remit the **non disciplinary decision** for reconsideration and any reconsideration by the **Exchange** in accordance with rule F37, the **non disciplinary decision** shall continue to be in full force and effect.

Communication of AEAP's determinations

F39. The **AEAP's** final determination pursuant to rules F35 – F36 shall be communicated to the **parties** as soon as reasonably practicable. The **AEAP** shall proceed to provide necessary directions for the determination of any costs order.

F40. Any order of the **AEAP** with regards to costs shall be communicated to the **parties** as soon as reasonably practicable.

F41. The **AEAP's** determinations and orders pursuant to rules F39 – F40 shall be final and binding with no right of appeal.

Intervening events

F42. If during the intervening period between the commencement and the determination of an appeal of a **non disciplinary decision** before an **AEP** or subsequent appeal before an **AEAP**, the **non disciplinary decision** is varied, rescinded or otherwise rendered redundant such that the hearing of any appeal would serve no practical purpose, a **party** may submit an application to the **Chairman**, via the **Secretary** and copied to the other **party**, requesting a direction that the appeal be discontinued.

F43. The **Chairman** shall determine any application pursuant to rule F42 on the papers and, in the event of discontinuance being directed, proceed to provide necessary directions for the **AEP** or **AEAP** (as applicable) to determine any costs order.

F44. The **Chairman's** determination pursuant to rule F43 shall be final with no right of appeal.

PART THREE

Costs & Fines

G1. These rules, together with the rules in the **general provisions**, shall govern: (i) any order for costs (including disbursements) against a **party**; or (ii) any order to fine an **AIM company** or **nominated adviser**.

G2. For the purposes of these rules and references to costs in this **Handbook**, the following definitions shall apply:

G2.1 references to "costs of the Exchange" shall include, but are not limited to, the external legal or other professional fees, costs and disbursements incurred by the **Exchange** in bringing **disciplinary proceedings** or in its capacity as either the **Appellant** or the **Respondent** to any appeal;

G2.2 references to the "costs of the Secretary" shall be to any disbursements incurred by the **Secretary**, if internally appointed, but, if an external appointment, may also include the professional fees, costs and disbursements of the **Secretary**;

G2.3 references to "costs of the Panel" shall be to the external legal or other professional fees, costs fees and disbursements incurred by the **Panel** in the course of discharging it functions;

G2.4 references to "costs of the Committee" shall be to the remuneration and expenses of the **Committee** and the external legal or other professional fees, costs and disbursements incurred by the **Committee** in the course of discharging its functions.

Costs orders in appeals to the AIM Executive Panel and AIM Executive Appeals Panel

G3. If a **Panel** dismisses an appeal by an **applicant**, **AIM company** or **nominated adviser**, or such party withdraws its appeal, or part thereof, prior to a final determination, the presumption shall be that the **applicant**, **AIM company** or **nominated adviser** is liable for and shall be ordered to pay the costs of the **Exchange**, the **Secretary** and of the **Panel**. The **Panel** shall determine the quantum of such costs to be paid.

G4. If a **Panel** remits a **non disciplinary decision** back to the **Exchange** for reconsideration, or quashes or varies a **warning notice**, the **Panel** may, in its discretion, order that an **applicant**, **AIM company** or **nominated adviser** pays the costs of the **Exchange**, the **Secretary** and of the **Panel**. The **Panel** shall determine the quantum of such costs to be paid.

G5. If an appeal is discontinued pursuant to rule C71 the **Panel** may, in its discretion, order that an **applicant**, **AIM company** or **nominated adviser** pays the costs of the **Exchange**, the **Secretary** and of the **Panel**. The **Panel** shall determine the quantum of such costs to be paid.

Costs orders in disciplinary proceedings and related appeals

G6. A **Committee** may make such order as to costs as it considers appropriate taking into account all the relevant circumstances, provided always that it shall have regard to the presumptions set out in rules G7 – G9 and to rule G11.

G7. The presumption shall be that the **Respondent** is liable for and shall be ordered to pay the costs of the **Exchange**, the **Secretary** and of the **ADC** incurred in relation to the **disciplinary proceedings** where:

G7.1 an **ADC** finds that the **Respondent** has breached any of the **AIM Rules** particularised in the **Exchange's Statement of Case**; or

G7.2 following the commencement of **disciplinary proceedings** the **Respondent** admits that it has breached any of the **AIM Rules** particularised in the **Exchange's Statement of Case**.

G8. In the event of any discontinuance by the **Exchange** of **disciplinary proceedings** pursuant to rule D25, the **ADC** may, in its discretion, order that a **Respondent** pays the costs or part of the costs of the **Exchange**, the **Secretary** and the **ADC** incurred in relation to the discontinued **disciplinary proceedings**.

G9. The presumption shall be that the **AIM company** or **nominated adviser** is liable for and shall be ordered to pay the costs of the **Exchange**, the **Secretary** and **ADAC** incurred: (i) in relation to the appeal; and (ii) the **disciplinary proceedings** where:

G9.1 an **ADAC** dismisses an appeal by an **AIM company** or a **nominated adviser** of an **ADC Disciplinary Determination**, or part thereof; or

G9.2 after commencement of an appeal an **AIM company** or a **nominated adviser** withdraws its appeal of an **ADC Disciplinary Determination**, or part thereof.

G10. The relevant **Committee** shall determine the quantum of any costs to be paid pursuant to any order made in accordance with rules G6 – G9.

Other costs provisions

G11. Costs cannot be awarded against the **Exchange** unless, in the reasonable opinion of a **Panel** or **Committee**, the **Exchange** has acted in bad faith in bringing or conducting proceedings or, in the case of a **non disciplinary decision**, in the making of that decision. Such costs shall be determined by the relevant **Panel** or **Committee** and limited to the reasonable and proportionate legal costs incurred in the preparation and presentation of the other **party's** case.

Fines in disciplinary proceedings and appeals

G12. If an **ADC** finds (or a **Respondent** admits) that the **Respondent** has breached the **AIM Rules** particularised in the **Exchange's Statement of Case** it shall determine the level of any fine to be imposed. In doing so the **ADC** shall have regard to the following principles:

G12.1. That amongst other matters, the purpose of **disciplinary proceedings**, including any fine, is to maintain confidence in the **AIM** regulatory framework and uphold the integrity and reputation of **AIM** by holding to account those who fail to comply with obligations owed to the **Exchange**.

G12.2. That the level of any fine should reflect the nature, circumstances and gravity of the breaches and of the **Respondent's** conduct.

G12.3. That the level of any fine should be sufficient to act as both: (i) a deterrent to the **Respondent** from committing future breaches of its obligations pursuant to the **AIM Rules**; and (ii) a deterrent to others from committing similar beaches.

G13. Following any determination of the **ADC** as to the level of any fine to be imposed, the **ADC** may consider submissions from the **parties** for any supplemental order relating to the fine imposed.

G14. When determining the imposition of and/or quantum of a fine in an appeal, the **ADAC** or a **Panel** shall have regard to the principles contained in rule G12.

Appendix 1 - Appeal form for appeals to an AIM Executive Panel of a warning notice

The following prescribed appeal form shall be **served** on the **Exchange**, copied to the **Secretary**, by an **Appellant** seeking to commence an appeal pursuant to rule C3 of the **Handbook**.

Identify warning notice

Identify the **warning notice**, or any part thereof, which the **Appellant** seeks to appeal:

Permissible grounds of appeal

Confirm the ground(s) pursuant to rule C2 upon which the appeal is based, and provide written submissions and a summary of all material facts upon which the **Appellant** seeks to rely:

C2.1 The findings of fact or of breach of the **AIM Rules** set out in the **warning notice** were unsupported by the information or evidence upon which such findings were based:

C2.2 The findings of breach in the **warning notice** involved a misinterpretation or erroneous application of the **AIM Rules** by the **Exchange**:

Evidence

List and append copies of any relevant documents upon which the **Appellant** relies:

Attendance at hearing

Provide a list of those individuals that the **Appellant** wishes to be present during any hearing, together with details of each named individual's relationship to the **Appellant** and the capacity in which each individual is attending:

Contact details

Provide the contact details to which all further communications and documents regarding the appeal shall be sent including, if relevant, the name and contact details of any legal representative instructed to represent the **Appellant**:

Appendix 2 - Appeal form for appeals to the AIM Executive Appeals Panel of a final determination of an AIM Executive Panel

The following prescribed appeal form shall be **served** on the **Secretary**, copied to the **Respondent**, by an **Appellant** seeking to appeal a final determination of an **AEP** pursuant to rule C39 of the **Handbook**.

Identify final determination of AEP

Identify the final determination of the **AEP**, or part thereof, being appealed:

Permissible grounds of appeal

Confirm the ground(s) pursuant to rule C38 upon which the appeal is based, and provide written submissions and a summary of all material facts upon which the **Appellant** seeks to rely:

C38.1 the **AEP's** determination was one which no **AEP**, acting reasonably, could have made on the information or evidence before it

C38.2 the **AEP's** determination was based on a misapplication or misinterpretation of the **AIM Rules**:

Determination sought

Set out any alternative determination sought:

Evidence

List and identify (by page references to the **AEP** hearing bundle) documents relied upon:

For any new documentary evidence sought to be relied upon, a copy shall be appended to this form, together with submissions in accordance with rule C51 for permission to adduce that documentary evidence:

Attendance at hearing

Provide a list of those individuals that the **Appellant** wishes to be present during the hearing, together with details of each named individual's relationship to the **Appellant** and the capacity in which each individual is attending:

Contact details

Provide the contact details to which all further communications and documents regarding the appeal shall be sent including, if relevant, the name and contact details of any legal representative instructed to represent the **Appellant**:

Appendix 3 - Case Management Memorandum

This Case Management Memorandum shall be submitted by the **parties** in accordance with the provisions of rule D16 of the **Handbook**.

Name and contact details of party

Name and contact details of legal representative

Request for witness of fact

Details relating to proposed witness of fact, being an explanation of why the **party** wishes to adduce such witness evidence, the identity and qualification/role of the witness and a brief description of the area/issue each proposed witness will address:

Request for expert witness evidence

Details relating to proposed expert witness evidence, being an explanation of why the **party** wishes to adduce such expert witness evidence, the identity and qualification of the expert, if known, and a brief description of the area/issue the proposed expert witness will address:

Timetable

Having regard and with reference to the indicative directions and timescales set out in **Appendix 4**, identify any requested variation of those indicative timescales, any proposed alternative timescale and provide the reasons for any requested variation.

Other case management or procedural directions sought

Provide details (together with a draft) of any further or additional directions sought and any proposed timescale relating to compliance with such additional directions, together with the grounds for that request.

Appendix 4 - Indicative standard directions and timetable for disciplinary proceedings

Date of directions

These directions were made by the **Chairman** of the **ADC** [*insert name*] / **ADC** on [*Insert date*].

Witness evidence of fact

2. The **Exchange** is permitted to adduce witness evidence of fact of the following individuals:

[name and role of each witness]

3. The **Respondent** is permitted to adduce witness evidence of fact of the following individuals:

[name and role of each witness]

By 16:00 on *[Insert date that shall usually be [60]* ***business days*** *following the date of directions]* the **Exchange/Respondent** must file with the **Secretary** copies of the signed witness statements of all witnesses for whom permission to adduce such evidence has been granted. The **Secretary** shall not without further order of the **Chairman** release one **party's** witness evidence to the other **party** until both **parties'** witness evidence has been received.

Each witness statement of fact shall:

(a) provide the full name and address of the witness; a summary of his or her present and past relationship (if any) with any of the **parties**; and a description of his or her background, qualifications, training and experience;
(b) provide a full and detailed description of the facts, and the source of the witness' information as to those facts, which is sufficient to serve as that witness's evidence in chief;
(c) exhibit a copy of any documents to which the witness refers or (if already provided) provide a cross reference.
(d) include a contents page if the witness statement is over 25 pages;
(e) include an affirmation of the truth of the witness statement and confirmation that the witness is able and willing to attend the hearing of the **disciplinary proceedings**; and
(f) include the signature of the witness and the date.

Witness evidence of fact shall be limited to that which is relevant to the issues in the case(s). Witnesses providing evidence which the **ADC** determines to be irrelevant to the issues will not be heard.

Each statement is to stand as the relevant witness's evidence in chief at the hearing. Each **party** shall be able to cross-examine and re-examine any such witness at the hearing.

Expert evidence

The [**Exchange/Respondent/parties**] [is/are] permitted to adduce the written evidence of [one] expert[s], who must confirm their willingness to attend the hearing of the **disciplinary proceedings**.

The expert[s] will be provided with a copy of the **Statement of Case**, **Statement of Defence** and documents appended thereto and each relevant witness statement and exhibits.

- The written evidence of the experts shall be with respect to:

  Guidance Note: *Insert scope of matters to be addressed which will be determined by the **ADC**, usually by reference to the scope of any proposed expert evidence set out by a party in its **CMM***

- By 16:00 on *[Insert date that shall usually be [80] **business days** following the date of directions*] the [**Exchange/Respondent/parties**] shall file with the **Secretary** signed copies of the expert report for which permission has been granted. The **Secretary** shall not without further order of the **Chairman** release one **party's** expert report to the other **party** until both **parties'** expert reports have been received.

- Each expert report shall:

  (a) provide the full name and address of the expert and a description of his or her background, qualifications, training and experience;
  (b) confirm that the expert considers him/herself to be free of conflict in acting as an expert witness in the **disciplinary proceedings**;
  (c) contain a summary of the instructions which are material to the opinions expressed in the report;
  (d) be addressed to the **ADC** and contain a statement that: *"I understand that my overriding duty is to the **AIM Disciplinary Committee** both in preparing this report and in giving oral evidence. I have complied with and will continue to comply with that duty. I confirm that I have made clear which facts and matters referred to in this report are within my own knowledge and which are not. Those that are within my own knowledge I confirm to be true. The opinions I have expressed represent my true and complete professional opinions on the matters to which they refer."*
  (e) identify the documents reviewed on which the expert's opinions and conclusions are based;
  (f) contain his or her expert opinions and conclusions, including a description of the methods, evidence and information used in arriving at the conclusions;
  (g) be signed and dated.

- Each expert must make it clear:

  (a) when a question or issue falls outside his/her expertise; and
  (b) when he/she is not able to reach a definite opinion, for example because he/she has insufficient information.

- Each expert's report is to stand as that expert's evidence in chief at the hearing of the **disciplinary proceedings**. Each **party** shall be able to cross-examine and re-examine any such expert at the hearing.

ADC hearing bundle

- The **Exchange** shall prepare and provide the **Secretary** with copies of the hearing bundle. The hearing bundle shall contain:

  Guidance Note: If convenient, documents can be set out in the hearing bundle in a single paginated chronological run, rather than appended to the relevant statement of case of witness statement (or in any other convenient way). In such cases marginal references to the chronological run should be added to the statements of case, and to the witness evidence, as required.

  (a) the **Statement of Case** and any documents appended to it;
  (b) the **Statement of Defence** and any documents appended to it;
  (c) any additional documents provided pursuant to rule D11 (if not appended to the **Statement of Case**);
  (d) any witness statements of witnesses of fact and any exhibits;

(e) any expert reports and supplemental expert reports and exhibits;

*Guidance Note: If the exhibits to any statements or reports are duplicative of the documents already provided in a **Statement of Case** or **Statement of Defence**, the exhibit should be excluded and marginal references to the disclosure inserted in the relevant statement or report*

(f) copies of any previous directions of the **ADC** or its **Chairman** and relevant communications between the **parties** and the **Secretary**.

- The **Secretary** shall provide the **parties** with the **ADC** hearing bundle no later than *[Insert date that shall usually not be sooner than [30] **business days** before the scheduled date for commencement of the hearing of the **disciplinary proceedings**, as directed below.*

Parties attending the hearing

- Each **party** shall provide the **Secretary** with a list of those individuals that it wishes to be present during the hearing on behalf of that **party**, together with details of each named individual's relationship to the **party** and the capacity in which each individual is attending, having regard to rule B18, by *[Insert date that shall usually be 16:00 (UK time) [20] **business days** prior to hearing].*

Opening submissions

- Each **party** shall provide to the **Secretary** their written opening submissions by

  *[Insert date that shall usually be 16:00 (UK time) [20] **business days** following the provision of the **ADC** hearing bundle].*

  The **Secretary** will simultaneously provide the **parties** and the **ADAC** with a copy of each **party's** written submissions.

- Opening submissions shall not exceed [30] pages in length and shall contain cross-references to the hearing bundle.

Commencement and duration of the disciplinary hearing

*Guidance Note: In determining the duration of the hearing of the **disciplinary proceedings** the **Chairman** shall have regard to:*

(a) the likely estimated time required for the hearing and determination of all issues of liability; and
(b) subject to any finding of liability, the likely estimated time for determining any fine and costs orders.

*Unless otherwise directed, the duration for a hearing to determine whether the **Respondent** has breached the **AIM Rules** shall usually be as follows:*

- *Where the hearing will involve witnesses of fact or expert witnesses, the duration of the hearing shall usually be no more than [5] **business days** unless the volume of necessary evidence requires it.*
- *Where the hearing will not involve witnesses of fact or expert witnesses and the evidence to be considered by the **ADC** is substantively comprised of the **Statement of Case** and **Statement of Defence** and any documents appended thereto the hearing duration shall usually be no more than [2] **business days**.*

- The matter is listed for a final hearing before the **ADC** to begin at 10:00 on *[insert date which shall usually not be earlier than [10] **business days** following the last of any scheduled dates in the case management timetable above]*, with a time estimate of [] days, with a [] day in reserve.

- The **parties** shall make every reasonable effort to adhere to hearing durations.

- The hearing shall take place at *[usually London Stock Exchange plc at 10 Paternoster Square]*

- The **ADC** will hear the matter *[usually from 10:00 – 13:00 and from 14:00 to 16:30 on each day that it sits].*

Dated [day] [Month] [Year]

……..

Chairman's signature

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Appendix 5 - Appeal form for appeals to the AIM Disciplinary Appeals Committee of an ADC Disciplinary Determination

The following prescribed appeal form shall be **served** on the **Secretary**, copied to the **Respondent**, by an **Appellant** seeking to appeal an **ADC Disciplinary Determination** pursuant to rule D36 of the **Handbook**.

Identify ADC Disciplinary Determination

Identify the **ADC Disciplinary Determination**, or part thereof, being appealed:

Permissible grounds of appeal

Confirm the ground(s) pursuant to rule D35 upon which the appeal is based, and provide written submissions and a summary of all material facts upon which the **Appellant** seeks to rely:

D35.1 the determination or direction was one which no **ADC**, acting reasonably, could have made on the facts and information before it

D35.2 the determination was based on a misapplication or misinterpretation of the **AIM Rules**

Determination sought

Set out any alternative determination sought:

Evidence

List and identify (by page references to the **ADC** hearing bundle) documents relied upon:

For any new documentary evidence sought to be relied upon, a copy shall be appended to this form, together with submissions in accordance with rule D50 for permission to adduce that documentary evidence:

Attendance at hearing

Provide a list of those individuals that the **Appellant** wishes to be present during the hearing, together with details of each named individual's relationship to the **Appellant** and the capacity in which each individual is attending:

Contact details

Provide the contact details to which all further communications and documents regarding the appeal shall be sent including, if relevant, the name and contact details of any legal representative instructed to represent the **Appellant**:

Appendix 6 - Appeal form for appeals to the AIM Executive Panel of a non disciplinary decision

The following prescribed appeal form shall be **served** on the **Exchange**, copied to the **Secretary**, by an **Appellant** seeking to commence an appeal pursuant to rule F3 of the **Handbook**.

Identify non disciplinary decision

Identify the **non disciplinary decision**, or any part thereof, which the **Appellant** seeks to appeal:

Permissible grounds of appeal

Confirm the ground(s) pursuant to rule F2 upon which the appeal is based, and provide written submissions and a summary of all material facts upon which the **Appellant** seeks to rely:

F2.1 the **non disciplinary decision** involved a misinterpretation or erroneous application of the **AIM Rules** by the **Exchange**:

F2.2 the **non disciplinary decision** was one which could not have been reached by the **Exchange**, acting reasonably, on the information or evidence before it:

Evidence

List and append copies of any relevant documents upon which the **Appellant** relies:

Attendance at hearing

Provide a list of those individuals that the **Appellant** wishes to be present during any hearing, together with details of each named individual's relationship to the **Appellant** and the capacity in which each individual is attending:

Contact details

Provide the contact details to which all further communications and documents regarding the appeal shall be sent including, if relevant, the name and contact details of any legal representative instructed to represent the **Appellant**:

Glossary

Save for where defined below, defined terms used in this **Handbook** shall have the same meanings set out in the Glossary to the **AIM Rules for Companies** and **AIM Rules for Nominated Advisers**.

Term	Meaning
ADAC Appeal Determination	The determination of an **ADAC** pursuant to rule D65 of this **Handbook**.
ADC Disciplinary Determination	The determination of an **ADC** pursuant to rule D30 of this **Handbook**.
AIM Disciplinary Appeals Committee ("**ADAC**")	An external committee (see rule A17) convened to hear and determine appeals of an **ADC Disciplinary Determination**.
AIM Disciplinary Appeal Notice	A public notice issued by the **Exchange** pursuant to rule D66 of this **Handbook** upon the conclusion of an appeal of an **ADC Disciplinary Determination**: (a) naming the **relevant AIM company** or **nominated adviser**; (b) confirming whether the **ADAC** has upheld, quashed or varied the **ADC Disciplinary Determination**, or part thereof; and (c) confirming the **ADAC's** determination on any level of fine.
AIM Disciplinary Commencement Notice	A public notice issued by the **Exchange**, pursuant to rule D5 of this **Handbook**, in respect of **disciplinary proceedings** commenced by the **Exchange** which shall: (a) name the relevant **AIM company** or **nominated adviser**; and (b) summarise the alleged breaches of the **AIM Rules**.
AIM Disciplinary Committee ("**ADC**")	An external committee (see rule A17), convened to hear and determine **disciplinary proceedings** brought by the **Exchange** against an **AIM company** or **nominated adviser**.
AIM Disciplinary Outcome Notice	A public notice issued by the **Exchange** pursuant to rule D31 of this **Handbook**: (a) naming the relevant **AIM company** or **nominated adviser**; (b) confirming whether or not the **ADC** has found that the relevant **AIM company** or **nominated adviser** has breached the **AIM Rules** and summarising the nature of the breaches; and (c) confirming the **ADC's** determination on any level of fine.
AIM Executive Appeals Panel ("**AEAP**")	A panel (see rule A16) convened to hear and determine an appeal of a final determination of the **AEP**.
AIM Executive Panel ("**AEP**")	A panel (see rule A16) convened to hear and determine an appeal against a **non disciplinary decision** or an appeal of a **warning notice**.
Appellant	A **party** pursuing an appeal to the **AEP**, the **AEAP** or the **ADAC**, as the context so requires, in accordance with the provisions of this **Handbook**.
Appellant's Notice	The information and documents required to be **served** by an **Appellant** pursuing an appeal to the **AEP**, the **AEAP** or the **ADAC**, in accordance with the provisions of this **Handbook**.
Case Management Conference ("**CMC**")	A hearing pursuant to rules D13 - D15 of this **Handbook**.

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Case Management Memorandum ("**CMM**")	A standard form memorandum to be completed and submitted by each **party** to **disciplinary proceedings** pursuant to rules D16 - D17 of this **Handbook**.
Chairman	A person appointed from time to time to carry out the functions of a chairman of a **Panel** or **Committee**.
director(s)	Shall also include such **person** or **persons** who have ceased to be a **director** of the relevant **AIM company**.
disciplinary action	One or more of a **warning notice**, fine or censure of either an **AIM company** or a **nominated adviser**.
disciplinary proceedings	Proceedings against an **AIM company** or **nominated adviser** commenced by the **Exchange** pursuant to rule D2 of this **Handbook** and to be determined before an **ADC**.
Exchange's Response	The information and documents submitted by the **Exchange** in accordance with the provisions of this **Handbook** in response to an **Appellant's Notice**.
general provisions	Rules B1 - B32 inclusive of this **Handbook**.
non disciplinary decision	A decision of the **Exchange** pursuant to the **AIM Rules**, save for a decision to take formal **disciplinary action**.
Party or **Parties**	As the context so requires: (a) the **Exchange**; (b) an **AIM company**; (c) a **nominated adviser**; or (d) an **applicant**.
Respondent	A **party** responding to either a **Statement of Case** or an **Appellant's Notice**, as the context so requires.
Respondent's Notice	The information and documents submitted by a **Respondent** in response to an **Appellant's Notice** in accordance with the provisions of this **Handbook**.
Secretary	A person appointed to perform the function of a secretary to any **Panel** or **Committee**.
Service or **served**	Service pursuant to rules B26 - B29 of this **Handbook**.
Statement of Case	The information and documents **served** by the **Exchange** when commencing **disciplinary proceedings** as described in Part One, Section D of this **Handbook**.
Statement of Defence	The information and documents **served** by an **AIM company** or **nominated adviser** in response to a **Statement of Case** as described in Part One, Section D of this **Handbook**.
warning notice	A private communication issued by the **Exchange** pursuant to the **Disciplinary Procedures and Appeals Handbook** to an **AIM company** or **nominated adviser** outlining a breach of the **AIM Rules** or of the **AIM Rules for Nominated Advisers**.

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