AIM Disciplinary Procedures and Appeals Handbook
## Contents

**Introduction** ................................................................. 2  
Disciplinary action and proceedings ........................................ 2  
Non disciplinary decisions and appeals ..................................... 3  
Panels & Committees .................................................................. 3  
**General provisions** ............................................................ 4  
**Part One - Disciplinary actions, proceedings and related appeals** ................................................................. 9  
Appeals of a warning notice .................................................. 9  
Mode of referral to the AEP ...................................................... 9  
Preliminary issues ....................................................................... 9  
Procedural rules of the AEP ..................................................... 10  
Conduct of AEP hearings .......................................................... 11  
Determination of appeals by the AEP ........................................ 11  
Appeals to the AEAP ............................................................... 12  
Mode of referral to the AEAP .................................................... 12  
Preliminary issues ....................................................................... 13  
Procedural rules of the AEAP .................................................... 13  
Conduct of AEAP hearings ....................................................... 14  
Determination of appeals by the AEAP ....................................... 15  
Intervening events ....................................................................... 15  
**Disciplinary proceedings before the ADC and appeals to the ADAC** ................................................................. 16  
Mode of referral to the ADC .................................................... 16  
Procedural rules of the ADC ..................................................... 16  
Conduct of ADC hearings ........................................................ 18  
Deliberations and determinations by the ADC ............................. 18  
Appeals to the ADAC ............................................................... 19  
Mode of referral to the ADAC .................................................... 19  
Preliminary issues ....................................................................... 19  
Procedural rules of the ADAC .................................................... 20  
Conduct of ADAC hearings ....................................................... 20  
Determination of appeals by the ADAC ....................................... 21  
**Settlement** ........................................................................... 23  
**Part Two - Non disciplinary appeals** .......................................... 24  
Appeals of non disciplinary decisions ....................................... 24  
Mode of referral to the AEP ...................................................... 24  
Preliminary issues ....................................................................... 24  
Procedural Rules of the AEP ..................................................... 25  
Conduct of AEP hearings .......................................................... 25  
Determination of appeals by the AEP ........................................ 25  
Appeals to the AEAP ............................................................... 25  
Mode of referral to the AEAP .................................................... 25  
Preliminary issues ....................................................................... 26  
Procedural rules of the AEAP .................................................... 26  
Conduct of AEAP hearings ....................................................... 27  
Determination of appeals by the AEAP ....................................... 27  
Intervening events ....................................................................... 27  
**Part Three - Costs & Fines** ...................................................... 29  
Costs orders in appeals to the AEP and AEAP ............................... 29  
Costs orders in disciplinary proceedings and related appeals ......... 29  
Other costs provisions .............................................................. 30  
Fines in disciplinary proceedings and appeals ........................... 30  
Appendix 1 - appeal form for appeals to an AEP of a warning notice ................................................................. 31  
Appendix 2 - appeal form for appeals to the AEAP of a final determination of an AEP ................................................................. 32  
Appendix 3 - Case Management Memorandum ............................ 33  
Appendix 4 - indicative standard directions and timetable for disciplinary proceedings ................................................................. 34  
Appendix 5 - appeal form for appeals to the ADAC of an ADC Disciplinary Determination ................................................................. 34  
Appendix 6 - appeal form for appeals to the AEP of a non disciplinary decision ................................................................. 39  
**Glossary** ............................................................................... 40
Introduction

A1. This Handbook, which forms part of the AIM Rules and governs all proceedings and appeals commenced after [date of implementation], sets out the procedures to be followed when: (i) the Exchange wishes to commence disciplinary proceedings against an AIM company or nominated adviser for a breach of the AIM Rules; (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 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 and taking disciplinary action pursuant to the AIM Rules; and
A3.3 “nominated adviser” shall include a nominated adviser which has been removed from the register, over which the Exchange retains jurisdiction for the purposes of investigating and taking disciplinary action pursuant to the AIM Rules.

Disciplinary action and proceedings

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 bring to account breaches of the AIM Rules through disciplinary action, but it may also undertake other work to improve standards and to promote future compliance.

A5. The Exchange will investigate the facts of each case, seeking to understand why the rule breach occurred. Upon conclusion of its investigation the Exchange will decide what action is necessary in each instance.

A6. The Exchange may, as an initial step, do one or more of the following: (i) instruct the AIM company or nominated adviser concerned to take remedial action; (ii) provide education to mitigate the risk of future breaches; and/or (iii) record an incidence of non compliance on the AIM company’s or nominated adviser’s formal compliance record, held by the Exchange, for the purposes of monitoring conduct and for further consideration in the event of future non compliance. None of these steps constitute disciplinary action pursuant to the AIM Rules.

A7. The Exchange may take formal disciplinary action in the form of a warning notice, private censure or public censure, all of which may also include a fine. The range of actions available to the Exchange enables it to take appropriate disciplinary action, taking into account the facts and circumstances of each case. Such disciplinary action against an AIM company or nominated adviser will form part of the disciplinary record held by the Exchange of that AIM company or nominated adviser.

A8. There are a number of criteria which the Exchange takes into account when considering what form of disciplinary action to take in relation to a rule breach. These include, but are not limited to:

A8.1 the nature and seriousness of the rule breach and the duration and frequency of the misconduct;
A8.2 how the rule breach came to light;
A8.3 the actual or potential market impact of the rule breach and any other repercussions;
A8.4 the extent to which the rule breach was deliberate, reckless or careless;
A8.5 the general compliance and disciplinary history of the AIM company or nominated adviser and the specific history regarding the rule breach in question;
A8.6 consistent and fair application of the rules (any precedents of previous similar rule breaches);
A8.7 the responsiveness, conduct and co-operation of the AIM company or nominated adviser in relation to the investigation;
A8.8 whether there has been contravention of any prior direction, ruling, instruction or guidance of the Exchange.

A9. The above is a non-exhaustive list of indicative criteria considered by the Exchange in determining what form of disciplinary action that might be taken. The criteria above does not constitute the basis upon which the Exchange may or may not determine to bring disciplinary action. The decision to bring disciplinary action is at the sole discretion of the Exchange.

A10. 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. 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

A11. 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

A12. 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.

A13. 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.

A14. 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.

A15. For the purposes of this Handbook all references to:
A15.1 a “Panel” are to the AEP and the AEAP; and
A15.2 a “Committee” are to the ADC and the ADAC.
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
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.

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 and probative value of the evidence is such that the prejudice caused by the refusal of permission outweighs the prejudice caused by the late granting of it.

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.

Presence during hearings
B18. A Panel, Committee or its Chairman may impose such conditions or restrictions on the presence of a party, or a witness, at a hearing as are considered appropriate including:

B18.1 restricting the maximum number of individuals present throughout the hearing for the purposes of presenting a party's case or providing instructions; 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 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 prejudice caused to the parties by the grant or refusal of the adjournment. Wherever possible prior to making a determination, 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 3 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 first class post or by hand. A party shall also send to the receiving party a copy by email of any communications and documents required to be served (save where the Exchange does not hold a current email address of the other party). Such provision by email shall not constitute service.

B27. Communications or documents which are not expressly required by these rules to be served may be provided by first class post, by hand or by email.

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

   By first class post or by hand

   B28.1 AIM company or applicant: to the registered office of the AIM company or applicant or, if a nominated adviser is retained by that AIM company or applicant, to the registered office address of that nominated adviser, or to such other address as an AIM company or applicant may nominate in writing;
   B28.2 nominated adviser: to the registered office of the nominated adviser or such other address as the nominated adviser may nominate in writing;
   B28.3 Exchange: to the registered office of the Exchange marked for the attention of AIM Regulation.

   By email

   B28.4 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;
   B28.5 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;
   B28.6 Exchange: to aimregulation@lseg.com;
   B28.7 Secretary: to CaseSecretary@lseg.com.

Time of Service
B29. Service by first class post shall be deemed to be effected two business days after posting. Service by hand shall be deemed to be on the business day of delivery, or if delivery is after 18:00 (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, save where:

   B30.1 disclosure is required by law;
   B30.2 such disclosure is pursuant to: (i) rule 22 and related guidance notes or rule 23 of the AIM Rules for Companies; or (ii) rule 19 of the AIM Rules for Nominated Advisers; or
   B30.3 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 B30.3) 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 Two 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.

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 finalised 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. 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. 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:

C31.1 the AEP may uphold the warning notice and uphold any accompanying fine imposed when the warning notice was issued by the Exchange; or
C31.2 the AEP may uphold the warning notice and: (i) if not previously imposed, impose a fine; or (ii) increase or decrease the level of any previously imposed fine; or
if the AEP is satisfied that the facts, breaches and circumstances are sufficiently serious to merit consideration by the ADC, the AEP may remit the warning notice back to the Exchange for reconsideration as to whether disciplinary proceedings should be commenced. The warning notice 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.

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

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
2. vary the warning notice, or part thereof, and/or any accompanying fine imposed; or
3. quash the warning notice, or part thereof, and/or any accompanying fine imposed.

Communication of the AIM Executive Panel’s determinations

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.

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

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.

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

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

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

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

Commencement

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.

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

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.

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 finalised 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. 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:

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. 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 submit any additional documents upon which it intends to rely. Such additional documents shall be provided by the Exchange to the Respondent, copied to the Secretary.

Failure to submit a Statement of Defence
D12. 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 finalised 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. 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.

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.

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. 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 a private 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.

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.

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 its 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. 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:

G6.1 an ADC finds that the Respondent has breached any of the AIM Rules particularised in the Exchange’s Statement of Case; or
G6.2 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.

G7. 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.

G8. 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:

G8.1 an ADAC dismisses an appeal by an AIM company or a nominated adviser of an ADC Disciplinary Determination, or part thereof; or

G8.2 after commencement of an appeal an AIM company or a nominated adviser withdraws its appeal of an ADC Disciplinary Determination, or part thereof.

G9. The relevant Committee shall determine the quantum of any costs to be paid pursuant to any order made in accordance with rules G6 – G8.

Other costs provisions

G10. 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 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

G11. 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:

G11.1. 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.

G11.2. That the level of any fine should reflect the nature, circumstances and gravity of the breaches and of the Respondent’s conduct.

G11.3. 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 breaches.

G12. 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.

G13. 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 G11.
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.

<table>
<thead>
<tr>
<th>Identify warning notice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identify the warning notice, or any part thereof, which the Appellant seeks to appeal:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Permissible grounds of appeal</th>
</tr>
</thead>
<tbody>
<tr>
<td>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:</td>
</tr>
<tr>
<td>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:</td>
</tr>
<tr>
<td>C2.2 The findings of breach in the warning notice involved a misinterpretation or erroneous application of the AIM Rules by the Exchange:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>List and append copies of any relevant documents upon which the Appellant relies:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Attendance at hearing</th>
</tr>
</thead>
<tbody>
<tr>
<td>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:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contact details</th>
</tr>
</thead>
<tbody>
<tr>
<td>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:</td>
</tr>
</tbody>
</table>
### 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.

<table>
<thead>
<tr>
<th>Identify final determination of AEP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identify the final determination of the AEP, or part thereof, being appealed:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Permissible grounds of appeal</th>
</tr>
</thead>
<tbody>
<tr>
<td>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:</td>
</tr>
</tbody>
</table>

**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:

<table>
<thead>
<tr>
<th>Determination sought</th>
</tr>
</thead>
<tbody>
<tr>
<td>Set out any alternative determination sought:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>List and identify (by page references to the AEP hearing bundle) documents relied upon:</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Attendance at hearing</th>
</tr>
</thead>
<tbody>
<tr>
<td>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:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contact details</th>
</tr>
</thead>
<tbody>
<tr>
<td>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:</td>
</tr>
</tbody>
</table>
### 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**.

<table>
<thead>
<tr>
<th>Name and contact details of party</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name and contact details of legal representative</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

**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

<table>
<thead>
<tr>
<th>Date of directions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. These directions were made by the Chairman of the ADC [insert name] / ADC on [Insert date].</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Witness evidence of fact</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. The Exchange is permitted to adduce witness evidence of fact of the following individuals:</td>
</tr>
<tr>
<td>[name and role of each witness]</td>
</tr>
<tr>
<td>3. The Respondent is permitted to adduce witness evidence of fact of the following individuals:</td>
</tr>
<tr>
<td>[name and role of each witness]</td>
</tr>
<tr>
<td>4. 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.</td>
</tr>
<tr>
<td>5. Each witness statement of fact shall:</td>
</tr>
<tr>
<td>(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;</td>
</tr>
<tr>
<td>(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;</td>
</tr>
<tr>
<td>(c) exhibit a copy of any documents to which the witness refers or (if already provided) provide a cross reference.</td>
</tr>
<tr>
<td>(d) include a contents page if the witness statement is over 25 pages;</td>
</tr>
<tr>
<td>(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</td>
</tr>
<tr>
<td>(f) include the signature of the witness and the date.</td>
</tr>
<tr>
<td>6. 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.</td>
</tr>
<tr>
<td>7. 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.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expert evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>8. 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.</td>
</tr>
<tr>
<td>9. 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.</td>
</tr>
</tbody>
</table>
10. 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

11. 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.

12. 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.

13. 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.

14. 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**

15. 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.

16. 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**

17. 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**

18. 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.

19. 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.

20. 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.

| 21. | The **parties** shall make every reasonable effort to adhere to hearing durations. |
| 22. | The hearing shall take place at [usually London Stock Exchange plc at 10 Paternoster Square] |
| 23. | 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**
### 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.

<table>
<thead>
<tr>
<th>Identify ADC Disciplinary Determination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identify the ADC Disciplinary Determination, or part thereof, being appealed:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Permissible grounds of appeal</th>
</tr>
</thead>
<tbody>
<tr>
<td>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:</td>
</tr>
</tbody>
</table>

- **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**

<table>
<thead>
<tr>
<th>Determination sought</th>
</tr>
</thead>
<tbody>
<tr>
<td>Set out any alternative determination sought:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>List and identify (by page references to the ADC hearing bundle) documents relied upon:</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Attendance at hearing</th>
</tr>
</thead>
<tbody>
<tr>
<td>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:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contact details</th>
</tr>
</thead>
<tbody>
<tr>
<td>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:</td>
</tr>
</tbody>
</table>
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.

<table>
<thead>
<tr>
<th>Identify non disciplinary decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identify the non disciplinary decision, or any part thereof, which the Appellant seeks to appeal:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Permissible grounds of appeal</th>
</tr>
</thead>
<tbody>
<tr>
<td>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:</td>
</tr>
<tr>
<td>F2.1 the non disciplinary decision involved a misinterpretation or erroneous application of the AIM Rules by the Exchange:</td>
</tr>
<tr>
<td>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:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>List and append copies of any relevant documents upon which the Appellant relies:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Attendance at hearing</th>
</tr>
</thead>
<tbody>
<tr>
<td>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:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contact details</th>
</tr>
</thead>
<tbody>
<tr>
<td>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:</td>
</tr>
</tbody>
</table>
**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.

<table>
<thead>
<tr>
<th>Term</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADAC Appeal Determination</td>
<td>The determination of an ADAC pursuant to rule D65 of this Handbook.</td>
</tr>
<tr>
<td>ADC Disciplinary Determination</td>
<td>The determination of an ADC pursuant to rule D30 of this Handbook.</td>
</tr>
<tr>
<td>AIM Disciplinary Appeals Committee (“ADAC”)</td>
<td>An external committee convened to hear and determine appeals of an ADC Disciplinary Determination.</td>
</tr>
</tbody>
</table>
| 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 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 convened to hear and determine an appeal of a final determination of the AEP. |
| AIM Executive Panel (“AEP”) | A panel 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. |
| Case Management | A standard form memorandum to be completed and submitted by |
Memorandum ("CMM") 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.

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\(^1\) A decision of the Exchange pursuant to the AIM Rules, save for a decision to take formal disciplinary action as described at rule A7 of this Handbook.

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.

\(^1\) Consequential changes will be made to the AIM Rules to refer to the provisions of the Handbook applying to the disciplinary actions described at rule A7 of this Handbook.