



AIM RULES AND MARKET ABUSE REGULATION COMPLIANCE POLICY

Adopted by the Board of Directors at a meeting held on 25 November 2022

1. INTRODUCTION

- 1.1 This document sets out the policy of Serinus Energy plc (the “**Company**”) on compliance with the AIM Rules for Companies (as amended from time to time) (“**AIM Rules**”) and reference to each rule of the AIM Rules, an “**AIM Rule**”) issued by the London Stock Exchange plc (“**LSE**”) and with the Market Abuse Regulation (Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the “**EU MAR**”) as it forms part of the law of England and Wales by virtue of section 3 of the European Union (Withdrawal) Act 2018 (the “**EUWA**”) and as modified by or under the EUWA or other domestic law (including but not limited to the Market Abuse (Amendment) (EU Exit) Regulations 2019/310)) (the “**UK MAR**”) (as supplemented by the disclosure guidance in the Disclosure Guidance and Transparency Rules). This Policy applies whilst the Company is admitted to trading on AIM.
- 1.1 The directors of the Company (the “**Directors**”) are responsible for ensuring compliance by the Company with its obligations under the AIM Rules, which state at AIM Rule 31 that an AIM company must ensure that each of its directors accept full responsibility, collectively and individually, for its compliance with the AIM Rules. Sections 3 to 11 of this compliance policy summarise the principal obligations to be observed by the Company as an AIM company and an AIM resources company (as the term is defined within the AIM note for mining and oil and gas companies (which is ordinarily regarded as forming part of the AIM Rules) (the “**AIM Note**”).
- 1.2 In particular, compliance with the obligations relating to disclosure is regarded by the LSE as essential to the maintenance of an orderly market in securities and ensures that all users of the market have simultaneous access to the same information. In addition, the Company and persons discharging managerial responsibilities (“**PDMRs**”) which includes the Directors (and “persons closely associated” with the PDMRs (“**PCAs**”)) have disclosure obligations under the MAR and an obligation to keep insider lists. The Financial Conduct Authority (the “**FCA**”) is responsible for enforcement of the MAR.
- 1.3 Failure by the Company to comply with the AIM Rules may result in the LSE taking one or more courses of action. These include issuing a warning notice, fining, or censuring the Company and suspending trading in or cancelling the admission of the Company's securities on AIM. In each case it is open to the LSE to publish the fact of the measures taken against the Company. Failure to comply with the MAR may result in significant penalties being imposed by the FCA on the Company and/or the Directors.
- 1.4 The LSE may from time to time amend the AIM Rules and the Company will be expected to comply with any such amendments.



- 1.5 In addition to the AIM Rules the Company and its Directors should be aware of the AIM Rules for Nominated Advisers (the “**Nomad Rules**”), setting out the responsibilities and obligations of the Company’s nominated adviser (as defined within the AIM Rules) (the “**Nomad**”), and the AIM Disciplinary Procedures and Appeals Handbook, each of which are appended hereto.

2. PRINCIPLES

- 2.1 The Company will comply at all times with the AIM Rules and with the MAR, will maintain in place sufficient procedures, resources and controls to ensure compliance, and will seek advice from its Nomad in this regard, and where appropriate act upon such advice.
- 2.2 The board of Directors (the “**Board**”) will seek advice and guidance without delay from its Nomad at all times in relation to any announcement that the Company may be required to make under the MAR and/or the AIM Rules.
- 2.3 The Company is required to provide to the Nomad such information as the Nomad may reasonably request or require to enable it to carry out its responsibilities under the AIM Rules and the Nomad Rules.
- 2.4 Amongst other things, the Company must inform the Nomad in advance of any proposed change to the Board, any changes that give rise to notification under AIM Rule 17 and any new developments which are not public knowledge concerning a change in: (i) the Company’s financial condition; (ii) the Company’s sphere of activity; (iii) the performance of the Company’s business; or (iv) the expectation of the Company’s performance.
- 2.5 The Board will supply any information requested by the Nomad without delay.
- 2.6 The Nomad will be able to contact at least one member of the Board at any time.
- 2.7 The Board will ensure that all the Board meetings and shareholders’ meetings are properly and accurately minuted. If required, minutes of the meetings will be provided to the Nomad, the LSE and, where required under the MAR, to the FCA.

3. GENERAL OBLIGATION TO DISCLOSE PRICE SENSITIVE INFORMATION (ARTICLE 17 of the MAR AND AIM RULES 10 & 11)

- 3.1 AIM Rule 10 requires an AIM company to retain a regulatory information service provider (“**RIS**”). An RIS must be approved by the LSE for the distribution of public announcements and included on the list maintained on its website.
- 3.2 As an AIM company, the Company will have to comply with two obligations with regard to the disclosure of inside information or price sensitive information, owed to two different regulators:
 - (a) Article 17 of the MAR to disclose inside information, regulated by the FCA as the UK's competent authority; and



- (b) AIM Rule 11 to disclose price sensitive information, regulated by AIM Regulation of the LSE.

3.3 Compliance with Article 17 of the MAR will not necessarily satisfy AIM Rule 11 obligations and vice versa. Each set of obligations should be considered separately.

3.4 **Market Abuse Regulation (MAR)**

- (a) The MAR came into force on 3 July 2016 and was onshored into UK law on 31 December 2020 by the European Union (Withdrawal) Act 2018. Changes to EU MAR were made by the Market Abuse Exit Regulations 2019, to make sure that the onshored legislation (UK MAR) operates effectively in the UK, and establishes a common framework across the UK and Europe to prohibit insider dealing, the unlawful disclosure of inside information and market manipulation (Articles 14 and 15 of the MAR) (together in this policy, market abuse). It also governs the disclosure and control by the Company of inside information (Articles 17 and 18 of the MAR) and transactions in shares or debt instruments of the Company by PDMRs, which includes Directors, and their PCAs (Article 19 of the MAR).
- (b) The Company should also have regard to guidelines and Q and A issued by the European Securities & Markets Authority ("**ESMA**"), in which ESMA states that financial market participants must make every effort to comply with: (i) the ESMA guidelines; and (ii) related guidance issued by the FCA in chapters 2 and 3 of the Disclosure Guidance and Transparency Rules sourcebook ("**DTR**").
- (c) The FCA is the competent authority for the purposes of monitoring and enforcing the MAR. The LSE aims to ensure that AIM operates properly and so AIM Rule 11 (which operates alongside the disclosure obligation under Article 17 of the MAR) may require disclosure in circumstances where disclosure is not required under Article 17 of the MAR (see further below). The LSE makes it clear that acting in compliance with the MAR does not necessarily mean compliance with AIM Rule 11 and vice versa.
- (d) The principal object of the MAR is to ensure the immediate release of information which might reasonably be expected to have a material effect on the market and to keep the public and shareholders fully informed about the position of the Company.
- (e) The Company must inform the public as soon as possible of inside information that directly concerns it (Article 17(1) of the MAR). The information must be notified via an RIS and the announcement must comply with the MAR implementing technical standards, which require a statement that it is inside information.
- (f) "Inside information" includes information of a precise nature, which has not been made public, relating directly or indirectly to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of either those instruments or related derivative financial instruments (Article 7(1)(a) of the MAR). Information is of "a



precise nature" if it indicates a set of circumstances that exists or may reasonably be expected to come into existence, or an event that has occurred or may reasonably be expected to occur, where it is specific enough to enable a conclusion to be drawn as to its possible effect on the price of the relevant instrument (Article 7(2) of the MAR).

- (g) Under Article 7(4) of the MAR, information that, if it were it to be made public, would be likely to have a significant effect on price, means information that a reasonable investor would be likely to use as part of the basis of his or her investment decisions.
- (h) It should be noted that the MAR clarifies the position in relation to so-called protracted processes. In a protracted process, such as a transaction involving mergers and acquisitions or placing of shares, each intermediate step may constitute inside information. Each stage of the process needs to be considered to determine whether it constitutes inside information.
- (i) The Company and its advisers are best placed to make an initial assessment of whether any specific information amounts to inside information. Some assistance may be derived from the DTR. However, it remains the FCA's position that no percentage change or other figure may be laid down by which to judge what constitutes a significant effect on the price of financial investments (DTR 2.2.4G(2)).
- (j) Consequently, the Directors should carefully and continuously monitor whether changes in the circumstances of the Company are such that an announcement obligation under Article 17 of the MAR has arisen (DTR 2.2.8G).
- (k) Disclosure may be delayed if and only if all the following conditions are met:
 - (i) immediate disclosure is likely to prejudice the legitimate interests of the Company;
 - (ii) the delay is not likely to mislead the public; and
 - (iii) the Company is able to ensure the confidentiality of that information (Article 17(4) of the MAR).
- (l) Where an issuer delays the disclosure of inside information, it must inform the FCA of that fact immediately after making the public announcement of the information (Article 17(5) of the MAR) using the electronic form on the FCA's website. The FCA may request a written explanation of how the conditions set out at paragraph 3.4(k) were met (Article 4 of the Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016). The Disclosure Guidance refers to the possibility of making a holding announcement and/or requesting that trading be temporarily suspended until the issuer is in a position to make an announcement (DTR 2.2.9G).



- (m) Where, disclosure having been delayed, the confidentiality of the relevant inside information can no longer be ensured, the issuer must disclose the information to the public as soon as possible (Article 17(7) of the MAR).
- (n) As required by Article 17(11) of the MAR, ESMA issued guidelines (ESMA/2016/1477) to establish a non-exhaustive indicative list of the legitimate interests of issuers to delay disclosure and of situations in which delay of disclosure of inside information is likely to mislead the public.
- (o) ESMA states that legitimate interests could include:
 - (i) negotiations where the outcome would likely be jeopardised by immediate public disclosure, such as mergers, acquisitions, splits, and spin-offs, restructuring and reorganisations;
 - (ii) the viability of a company is in grave and immediate danger although not yet insolvent and immediate public disclosure would jeopardise negotiations designed to ensure financial recovery;
 - (iii) immediate disclosure is likely to jeopardise the intellectual property rights of a product or invention under development;
 - (iv) immediate disclosure would likely jeopardise the implementation of a plan to buy or sell a major holding in another entity; or
 - (v) a transaction previously announced is subject to a public authority's approval, where disclosure of the conditions will likely effect the ability to meet them and so prevent the final success of the deal or transaction.
- (p) ESMA states that situations where delay of disclosure is likely to mislead the public include at least the following circumstances, where the inside information:
 - (i) is "materially different from the previous public announcement of the issuer on the matter to which the information refers";
 - (ii) "regards the fact that the issuer's financial objectives are not likely to be met, where such objectives were previously public announced"; or
 - (iii) is "in contrast with the market's expectations, where such expectations are based on signals the issuer has previously sent to the market, such as interviews, roadshows or any other type of communication organised by the issuer or with its approval".

3.5 Pursuant to AIM Rule 11, the Company is under a general duty to notify a RIS (usually undertaken by the Company's Nomad) without delay of any new developments which are not public knowledge and would be likely to lead to a significant movement in the price of its shares, but is not limited to, information which is of a kind which a reasonable investor would be likely to use as part of the basis of his or her investment decisions. For example, this could include a change in its financial condition, its sphere of activity,



the performance of its business or its expectation of its performance if it would be likely to lead to a significant movement in the price of any of its securities if it was made public.

- 3.6 The Directors and the Company's advisers will therefore need to decide what information is significant enough to require immediate notification in accordance with the AIM Rule 11. If it is decided that an announcement is required, the information must be kept strictly confidential pending the announcement being made.
- 3.7 It is important that the Directors have a consistent policy for determining what information is sufficiently significant for it to be price sensitive, and for releasing that information promptly to the market, with sufficient controls put in place to prevent information being leaked. This general duty underlies many of the more specific obligations to make announcements set out in the AIM Rules, but the general requirements are additional to this and may be invoked where none of the specific obligations is relevant.
- 3.8 The LSE will expect the Company to consult with its Nomad on whether information is disclosable under AIM Rule 11. Where there is a question as to whether anything is disclosable under the MAR, the Company shall also consult with its Nomad.
- 3.9 The Directors must ensure that relevant information is announced to the market as a whole through an RIS without delay.
- 3.10 If information is considered by the Company and its advisers not to be inside information under Article 17 of the MAR but to be disclosable under AIM Rule 11, the Company may need to consider whether it can delay disclosure. The guidance notes to AIM Rule 11 state that an AIM company need not notify information about impending developments or matters in the course of negotiation and may give such information in confidence to certain categories of recipient.
- 3.11 In such cases, the Company must be satisfied that the recipients of information are aware that the information is confidential and that they are insiders and cannot deal in the securities before the relevant information has been announced.
- 3.12 If the Company has reason to believe that a breach of confidence has occurred or is likely to occur and, in either case, the matter is such that knowledge of it would be likely to lead to a significant movement in the price of its securities, it must without delay issue at least a warning notification to the effect that it expects shortly to release information regarding such matter. Where such information has been made public, the Company must notify an RIS of that information without delay.
- 3.13 The Directors must also make more routine announcements, some of which are contained in specific provisions of the AIM Rules (see the summary at paragraph 5 below).
- 3.14 Any announcement must not be misleading, false, or deceptive and must not omit anything likely to affect the import of such information (AIM Rule 10).



- 3.15 Publishing information via social media is not a substitute for making an announcement in accordance with the MAR or the AIM Rules and may give rise to the need to make an announcement via an RIS. Where the Company is required by the MAR or the AIM Rules to announce a piece of information, the Company must ensure the information is announced via an RIS no later than it is published elsewhere (AIM Rule 10).
- 3.16 Subject to the limited ability to delay disclosure under the MAR or AIM Rule 11, care should be taken to avoid making a premature announcement when the whole picture cannot be revealed which might result in the market being misled. Every circumstance must be judged on its merits and early consultation with the Nomad is essential.
- 3.17 In cases of doubt as to the timing of announcements required under Article 17, the Company should consult the FCA at the earliest opportunity (DTR 2.2.9G(4)). Selective disclosure may sometimes be permissible (Article 17(8) of the MAR). However, as the FCA points out, the wider the group of recipients, the greater the likelihood of a leak triggering the need for public disclosure under MAR (DTR 2.5.9G).

4. INSIDER LISTS

4.1

- (a) The Company must have a framework for the control of inside information including arrangements to deny access to such information to anyone other than those who require it for the exercise of their functions within the Company (DTR 2.6.1G). Under the MAR, the Company must:
- (i) draw up an “insider list”, that is to say, a list of all those who have access to inside information and are working for the company under a contract of employment or otherwise performing tasks through which they have access to inside information (Article 18(1) of the MAR);
 - (ii) promptly update the insider list when needed (Articles 18(1) and (4) of the MAR), as described below; and
 - (iii) provide the insider list to the FCA as soon as possible upon request (Article 18(1) of the MAR).
- (b) The Company will be required to promptly update its insider list (specifying the date and time when the triggering update took place), including the date of the update, if any of the following circumstances take place:
- (i) where there is a change in the reason for including a person already on the insider list;
 - (ii) where there is a new person who has access to inside information and needs, therefore, to be added to the insider list; and
 - (iii) where a person ceases to have access to inside information.



- (c) All reasonable steps must be taken to ensure that each person on the insider list acknowledges (in writing) the legal and regulatory duties entailed and is aware of the civil sanctions applicable to insider dealing and the unlawful disclosure of inside information. Even when a third party assumes the task of drawing up and updating the insider list, the Company remains fully responsible and must always have access to the list (including insider lists maintained by advisers).
- (d) The insider list, which must be in electronic format, must follow one of two prescribed templates, depending on whether an issuer has identified “permanent insiders” (those who have access to all inside information at all times). The list will contain as many sections as there are different categories of inside information, whether deal-specific or event-based. Each section of the insider list must include certain prescribed information, including the identity of each person with access to the relevant inside information, the reason they are on the insider list, the date on which the insider list was drawn up and the date and time at which they obtained access to the inside information (Article 18(3) of the MAR). Insider lists must be updated as individuals are added or removed and kept for at least five (5) years after they were drawn up or last updated (Article 18(5) of the MAR). Given the amount of personal data contained, they must be kept securely.
- (e) When Market in Financial Instruments Directive 2014/65/EU (MiFID II) comes into force (3 January 2018) AIM companies should become exempt from drawing up insider lists, but must take all reasonable steps to ensure an acknowledgment of the legal and regulatory duties from any person who has access to inside information and must provide an insider list to the FCA on request. In practice, the Company will be best advised to keep maintaining insider lists.

4.2 Resources Companies

Resource companies, such as the Company, to which the AIM Note applies are subject to certain additional requirements in respect of any notification that contains a statement on reserves and/or resources in which the Company has an interest. These requirements are set out in Part two of the Note for Mining and Oil and Gas Companies appended at Schedule 1A hereto.

4.3 Suspensions relating to AIM Rules 10 and 11

- (a) In some circumstances an AIM company may not be able to make an announcement without delay as required by AIM Rule 11 which satisfies the principles for the disclosure of information in AIM Rule 10. In issue 4 of Inside AIM (published September 2011), the LSE noted that this challenge may be particularly relevant to resources companies (or companies in other sectors dealing with technical information) where certain results must be evaluated. In such circumstances, the AIM company should notify its nominated adviser, who should contact AIM Regulation at the earliest opportunity. AIM Regulation may allow a suspension of the AIM company’s securities pursuant to AIM Rule 40 if such company cannot make an immediate notification or is concerned that such notification may be insufficient to properly inform the market. The following points relating to suspensions are made:



- (i) In most cases, AIM Regulation would expect the request and the reason for the suspension to be notified to the market by the AIM company.
- (ii) A suspension should not be for a prolonged period of time. The AIM company should use its best endeavours to ensure that it makes a further announcement as soon as possible which will enable the suspension to be lifted.
- (iii) AIM Regulation is unlikely to agree to a suspension request which is made for administrative reasons or marketing convenience.
- (iv) AIM Regulation states, however, that situations where a suspension is allowed will be rare and that it is usually possible for a company to make the required announcement, even though it may be commercially sensitive.
- (v) The guidance notes to AIM Rule 40 clarify that where, despite using all reasonable endeavours, an AIM company is unable to make a required notification under AIM Rule 10, it should request a suspension. The suspension will be at the discretion of the LSE.

4.4 AIM Rule 11

- (a) The AIM Note provides that exploration drilling updates are required under AIM Rule 11 and sets out the minimum information that should be included (see Part Two of the AIM Note). As is the case for resource updates, a qualified person from the company or an appointed adviser should review and sign off each drilling update. The notification must include their name, position and qualifications and a statement that they have reviewed the information in the notification. The nominated adviser of the AIM company will also still review these types of notifications in the usual way.
- (b) Each resources update (being any notification that contains a statement on reserves or resources in which the AIM company has an interest) should specify which of the internationally recognised standards listed in the AIM Note (a “**Standard**”) has been used to prepare the update. If it is not possible for the AIM company to adhere to a Standard because it is required to comply with AIM Rule 11 without delay, it must make sure that any reserves or resources estimate is accurate and not false or misleading. The AIM company must then notify the estimate in accordance with a Standard as soon as practicable thereafter (see Part Two of the AIM Note).

5. ROUTINE OBLIGATIONS TO DISCLOSE (AIM RULE 17)

AIM Rule 17 sets out a number of requirements which oblige companies to notify the market on the happening of certain events, and each Director shall ensure that that he discloses to the Company all information of which he is aware and is required to be disclosed pursuant to AIM Rule 17. These include the following:



5.1 Change in adviser and/or broker

The Company must notify an RIS without delay of the resignation, dismissal or appointment of its Nomad or broker.

5.2 Notification of changes in significant shareholdings

The Company must notify an RIS without delay of any relevant changes to any shareholdings of significant shareholders (being persons holding three per cent. (3%) or more of a class of quoted securities in the Company). Such notification should include the information specified in Schedule 5 of the AIM Rules.

5.3 Board changes

- (a) The Company should notify the Nomad of the intention to appoint a director without delay, allowing sufficient time for appropriate due diligence procedures to be carried out and required disclosure under the AIM Rules to be agreed, prior to the appointment being made.
- (b) The Company must notify an RIS without delay of the resignation, dismissal, or appointment of any Director. The Company must consider whether this is “inside information” for the purposes of the MAR and/or disclosable under AIM Rule 11 (see above).
- (c) Such notification must include the date of such occurrence and for an appointment, must include the information on any new Director set out in Schedule 2(g) of the AIM Rules, relating to all directorships held by that new director over the previous five (5) years, any unspent convictions, details of bankruptcies, receiverships or any public criticisms of that new Director by any statutory or regulatory authorities (see paragraph (g) of Schedule 2 of the AIM Rules) as well as any shareholding in the Company.
- (d) Any subsequent changes to the details disclosed pursuant to sub-paragraphs (iii) to (viii) inclusive of paragraph (g) of Schedule 2, whether such details were first disclosed at admission or on subsequent appointment.

5.4 Material changes in performance

The Company must notify an RIS without delay of any material change between its actual trading performance or financial condition and any profit forecast, estimate or projection included in an admission document or otherwise made public on its behalf. The Company must consider whether such a material change is “inside information” for the purposes of the MAR and/or disclosable under AIM Rule 11 (see above).

5.5 Other disclosures

- (a) AIM Rule 17 requires the Company to notify an RIS without delay of a number of other matters, including changes in accounting reference dates and reasons for the issue or cancellation of any quoted securities by the Company.



- (b) The Company must also notify an RIS without delay of any decision to make any payment in respect of its quoted securities (which would include dividends).

5.6 PDMR/PCA Dealing Notifications

- (a) The PDMRs of the Company and their PCAs must notify both the Company and the FCA of any transactions in or related to the Company's shares and related financial instruments which have been conducted by them or on their account within three (3) business days of the transaction date (Article 19(1) of the MAR). Notification must be made electronically on the PDMR notification form on the FCA website.
- (b) The Company is under an obligation to make the notifications public within three (3) business days of the transaction date.
- (c) A PDMR is a Director and may include a senior executive who is not a Director but has both access to inside information and the power to take managerial decisions affecting the Company's further development and business prospects (DTR 3.1.2A).
- (d) PCAs include a spouse or civil partner of a PDMR, a child under 18 and any relative who has shared the same household as the PDMR for a least one year before the date of the transaction and companies, trusts or partnerships controlled by the PDMR or any such persons, or set up for their benefit, or the economic interests of which are substantially equivalent to those of such persons.

6. REPORTING AND FINANCIAL INFORMATION

6.1 Half-yearly reports (AIM Rule 18)

The Company must prepare a half-yearly report in respect of the six (6) month period from the end of the financial period for which financial information has been disclosed in an admission document, and at least every subsequent six months thereafter (save for the final period of six (6) months preceding its accounting reference date for its annual audited accounts). These must be notified to an RIS (AIM Rule 18) without delay and in any event within three (3) months of the end of the relevant period.

6.2 Annual accounts (AIM Rule 19)

The Company must publish its annual audited accounts prepared in accordance with International Accounting Standards. These must be sent to the holders of the Company's securities without delay and in any event not later than six (6) months after the end of the financial period to which they relate.

6.3 Publication of documents sent to shareholders (AIM Rule 20)

Any document provided by the Company to the holders of its quoted securities (including the accounts) must be made available on the Company's website pursuant



to AIM Rule 26 (see below) and its provision must be notified and an electronic copy sent to the LSE.

7. RESTRICTIONS ON DEALINGS (ARTICLE 19 of the MAR AND AIM RULE 21)

- 7.1 A number of restrictions are imposed upon dealings in the Company's securities. The Company is required to have in place a reasonable and effective dealing policy setting out the requirements and procedures for Directors and applicable employees dealings in any of its securities, which have been admitted to trading (AIM Rule 21). These restrictions which are set out in the Company's share dealing policy (the "**Dealing Policy**") consistent with the MAR and have been approved by the Board on 25 November 2022 and posted on the Company's website.
- 7.2 Under the MAR, a PDMR must not conduct any transactions on their own account or for the account of a third party, directly or indirectly, relating to the shares or debt instruments of the Company, or to derivatives or other financial instruments linked to them, during a "closed period" of 30 calendar days before the announcement of its annual or half-yearly financial reports (Article 19(11) of the MAR). If the Company issues a preliminary statement of its annual results, the 30 calendar days ends on the date of the preliminary statement. There are some strictly limited exceptions to this prohibition, for example, where a PDMR is in severe financial difficulty and also in relation to employee share schemes, but in each case only where the Company so allows.

8. SUBSTANTIAL TRANSACTIONS AND REVERSE TAKEOVERS (AIM RULES 12 AND 14)

8.1 Classification

- (a) The AIM Rules classify acquisitions and disposals according to the size of the transaction relative to that of the Company by reference to "percentage ratios". In summary, classifications are calculated by reference to the percentage ratios represented by the respective gross assets, profits, turnover and gross capital of the transaction and the Company. Additionally, the percentage ratio of the consideration for the transaction to the market capitalisation of the Company must also be considered (Schedule 3 of the AIM Rules).
- (b) Where any of the percentage ratios in any of the class tests is 10 per cent. (10%) or more, the relevant transaction is deemed a "substantial transaction" (AIM Rule 12).
- (c) In addition, an acquisition or a series of acquisitions in a 12-month period by the Company: (i) where any of the percentage ratios in any of the class tests is 100 per cent. (100%) or more; or (ii) which would result in a fundamental change in the business or in a change in board or voting control of the Company, would be considered a "reverse takeover" (AIM Rule 14).
- (d) If the Company proposes to enter into a transaction which could be a substantial transaction or reverse takeover and there is any doubt as to whether or to what



extent the relevant provisions of the AIM Rules apply, the Company must consult its Nomad at an early stage.

8.2 Aggregation (AIM Rule 16)

- (a) Transactions completed during the 12 months prior to the date of the latest transaction and which:
 - (i) are entered into by the Company with the same person or their families;
 - (ii) involve the acquisition or disposal of securities or an interest in one particular business; or
 - (iii) together lead to a principal involvement in a business activity which did not previously form part of the Company's principal activities,

must be aggregated for the purpose of determining whether the latest transaction would be considered a significant transaction or a reverse takeover.

8.3 Obligation to notify

- (a) Substantial transactions and reverse takeovers must be notified to an RIS without delay after the terms of the transaction are agreed. The requirements as to the contents of such announcement include (Schedule 4 of the AIM Rules):
 - (i) particulars of the transaction;
 - (ii) the consideration;
 - (iii) the value of the assets which are the subject of the transaction;
 - (iv) the profits attributable to the assets which are the subject of the transaction; and
 - (v) the effect of the transaction on the AIM company.

8.4 Admission documents and shareholder approval

Any agreement which would effect a reverse takeover must be conditional upon shareholder approval being obtained in general meeting and accompanied by the publication of an admission document in respect of the proposed enlarged entity and convening the general meeting (AIM Rule 14).

9. TRANSACTIONS WITH RELATED PARTIES (AIM RULE 13)

- 9.1 Where any transaction is proposed between the Company and a "related party" and one of the percentage ratios in any of the class tests is five per cent. (5%) or more (see paragraphs 8.1 and 8.2), the Company must make an announcement without delay as soon as the terms are agreed disclosing:



- (a) the information specified in Schedule 4 of the AIM Rules;
- (b) the name of the related party and the extent of their interest in the transaction; and
- (c) a statement to the effect that (with the exception of any Director who is involved in the transaction as a related party) the Directors consider, having consulted with the Company's Nomad that the terms of the transaction to be fair and reasonable insofar as the holders of AIM quoted securities in the Company are concerned.

9.2 A "related party" is defined in the AIM Rules and includes a director of the Company or any subsidiary or parent undertaking, a holder of 10 per cent. (10%) or more of any class of listed securities of the Company, currently or within the twelve months preceding the date of the transaction, and any associate of these persons.

9.3 If the Company proposes to enter into a transaction which could be a transaction with a related party and there is any doubt as to whether or to what extent the relevant provisions of the AIM Rules apply, the Company must consult its Nomad at an early stage.

10. FUNDAMENTAL CHANGES OF BUSINESS (AIM RULE 15)

10.1 Any disposal by the Company which, when aggregated with any other disposal or disposals over the previous twelve months, exceeds 75 per cent in any of the class tests, will be deemed to be a disposal resulting in a "fundamental change of business" and must, as a result, be:

- (a) conditional on the consent of its shareholders being given in general meeting;
- (b) notified without delay to via a RIS in accordance with the AIM Rules; and
- (c) accompanied by the publication of a circular containing (inter alia) details of the disposal and any proposed change in business, and convening the general meeting.

10.2 Where the effect of the disposal is to divest the Company of (or where the Company will cease to own, conduct or control) all, or substantially all, of its trading business, activities or assets, the Company will, upon disposal, be treated as an "AIM Rule 15 cash shell". Within six months of becoming an AIM Rule 15 cash shell, the Company will then have to make an acquisition or acquisitions which constitute a reverse takeover (as previously discussed in section 7) and the Company will be required to publish an Admission Document. If the Company becomes an "investing company" pursuant to Rule 8 of the AIM Rules, this will be treated as a reverse takeover.

11. MAINTENANCE OF WEBSITE (AIM RULE 26 AND ARTICLE 17(1) of the MAR)

11.1 The Company will be required, from admission, to maintain a website on which specified information must be available free of charge. This information must be kept



up-to-date and must state the last date on which it was updated. The information required is set out in AIM Rule 26.

- 11.2 Under Article 17(1) of the MAR the Company must post and maintain on its website for at least five (5) years all inside information it is required to disclose publicly.

12. RESPONSIBILITIES

12.1 Board Meetings

- (a) The chief executive officer of the Company (the “**CEO**”) is responsible, at Board meetings, to report to the Board all information material to the operations of the Company. There will be a standing item on each agenda headed “Disclosure Requirements”.
- (b) The Board is responsible for all regulatory disclosure requirements including those required by the MAR and for the oversight of the Company’s disclosure practices.
- (c) The Board shall designate one or more Director(s) to liaise with the Nomad (each a “**Designated Director**”) at all times and in the event that the Designated Director(s) is(are) unavailable, the Board must make suitable arrangements for another Director to be available.

12.2 Between Board Meetings

- (a) The CEO is required to advise the chairman of the Board (the “**Chairman**”) and the Nomad immediately if they become aware of information which they believe should be disclosed under the AIM Rules.
- (b) Other Directors must advise the Chairman, the CEO and Nomad immediately if they become aware of information which they believe should be disclosed under the AIM Rules.
- (c) A similar procedure set out in clause 12.1 above must be followed.
- (d) All Directors must ensure that they are conversant with what constitutes information material to the Company’s share price, and they should contact the Nomad if they require guidance on this concept.

12.3 Process of Disclosure

- (a) Once it has been determined that information must be disclosed, a Designated Director shall liaise with the Nomad to agree and approve required disclosure in order for the information to be provided to an RIS as soon as possible.
- (b) Once an RIS has confirmed the release of the information to the market, the Company will post the information on its website and may disseminate the information to the media and/or public. It shall not do so until the confirmation from an RIS has been received and Directors and other insiders must be careful



to ensure that they do not disclose any details of the situation or matter via social media. This applies whether the social media account is the Company's account or a personal account.

- (c) The Company designates a limited number of spokespersons with authority for communication with the investment community and the media (the **"Designated Spokespersons"**). Individuals holding these offices may, from time to time, designate others within the Company to speak on behalf of the Company regarding a specific matter or to respond to specific enquiries.
- (d) Where information about the Company is transmitted by a Director or other person via social media, rather than through a more "formal" channel, it is important that the information is accurate and consistent with statements made by the Company in the relevant RIS announcement and that it is transmitted by or with the approval of a Designated Spokesperson and that it is otherwise consistent with the Company's communications strategy.

12.4 Standing Requirements

- (a) As soon as the Board is aware of any information which may require an announcement to be made under the MAR or AIM Rules 11 and 17, the Nomad must be consulted immediately and, if disclosure is warranted, an announcement shall be made as soon as possible. The Designated Director shall arrange for the establishment and maintenance of insider lists, as required.
- (b) The Board or the Designated Director must as soon as reasonably practicable consult with the Nomad if the Company is considering entry in to any substantial transaction falling within AIM Rule 12, related party transaction falling within AIM Rule 13 or reverse takeover falling within AIM Rule 14.
- (c) The Chairman and the CEO will ensure that all Directors or other PDMRs have been given a copy of the Dealing Policy and acknowledge that they have read and understood it and that all PDMRs provide the Company with a list of their PCAs and notify each of their PCAs in writing of the PCA's notification obligations under the MAR.
- (d) The Board or a Designated Director will notify the Nomad immediately if it becomes aware of any breach by the Company and/or any Director of the MAR or the AIM Rules and request the advice and guidance of the Nomad regarding all matters relevant to the Company's compliance with the MAR and the AIM Rules and, where appropriate, taking advice into account.
- (e) The Board or a Designated Director will provide to the Nomad such information as the Nomad may request to enable compliance with the Nomad Rules.
- (f) All Directors and relevant employees should be reminded of the Company's process of disclosure at appropriate intervals.



SCHEDULE 1 – AIM RULES FOR COMPANIES



London
Stock Exchange

AIM Rules for Companies

1 January 2021

AIM Rules for Companies

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Introduction

AIM opened on 19 June 1995. **AIM** is a market for smaller and growing companies and is a **UK** multilateral trading facility within the meaning set out in the Handbook of the **FCA** and is a **SME growth market**. **AIM** is operated and regulated by the **Exchange** in its capacity as a Recognised Investment Exchange under Part XVIII of **FSMA 2000**, as such **AIM** is a prescribed market under **FSMA 2000**.

This document contains the AIM Rules for Companies (“these rules”) which set out the rules and responsibilities in relation to **AIM companies**. Defined terms are in bold and definitions can be found in the Glossary.

AIM companies also need to comply with any relevant national law and regulation as well as certain standards and regulations where applicable, such as **MAR**, the **DTR**, the **Prospectus Regulation** and the **Prospectus Rules**.

From time to time the **Exchange** issues separate **Notes** on specific issues which may affect certain **AIM companies**. The **Notes** form part of these rules.

Where an **AIM company** has concerns about the interpretation of these rules, it should consult its **nominated adviser**.

The rules relating to the eligibility, responsibilities and disciplining of **nominated advisers** are set out in the separate rulebook, **AIM Rules for Nominated Advisers**.

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

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

Part One – AIM Rules

Retention and role of a nominated adviser

1. In order to be eligible for **AIM**, an **applicant** must appoint a **nominated adviser** and an **AIM company** must retain a **nominated adviser** at all times.

The **nominated adviser** is responsible to the **Exchange** for assessing the appropriateness of an **applicant** for **AIM**, or an existing **AIM company** when appointed as its **nominated adviser**, and for advising and guiding an **AIM company** on its responsibilities under these rules.

The responsibilities of **nominated advisers** are set out in the **AIM Rules for Nominated Advisers**.

If an **AIM company** ceases to have a **nominated adviser** the **Exchange** will suspend trading in its **AIM securities**. If within one month of that suspension the **AIM company** has failed to appoint a replacement **nominated adviser**, the **admission** of its **AIM securities** will be **cancelled**.

Applicants for AIM

Early notification and pre-admission announcement

2. An **applicant's nominated adviser** must submit an early notification to the **Exchange**, in the form prescribed from time to time, as soon as reasonably practicable and in any event prior to the submission of any **Schedule One** information.

An **applicant** must provide the **Exchange**, at least ten **business days** before the expected date of **admission** to **AIM**, with the information specified by **Schedule One**. A **quoted applicant** must provide the **Exchange**, at least twenty **business days** before the expected date of **admission** to **AIM**, with the information specified in **Schedule One** and its supplement.

If there are any changes to such information prior to **admission**, the **applicant** must advise the **Exchange** immediately by supplying details of such changes. Where, in the opinion of the **Exchange**, such changes result in the information being significantly different from that originally provided, the **Exchange** may delay the expected date of **admission** for a further ten **business days** (or twenty **business days** in the case of a **quoted applicant**).

The **Exchange** will **notify RNS** of information it receives under this rule.

Admission document

3. An **applicant** must produce an **admission document** disclosing the information specified by **Schedule Two**.

An **applicant** must take reasonable care to ensure that the information contained in the **admission document** is, to the best of the knowledge of the **applicant**, in accordance with the facts and contains no omission likely to affect the import of such information.

A **quoted applicant** is not required to produce an **admission document** unless it is required to publish a **Prospectus** in relation to the issue of **AIM securities** which are the subject of **admission**.

Omissions from admission documents

4. The **Exchange** may authorise the omission of information from an **admission document** (other than a **Prospectus**) of an **applicant** where its **nominated adviser** confirms that:
 - the information is of minor importance only and not likely to influence assessment of the **applicant's** assets and liabilities, financial position, profits and losses and prospects; or
 - disclosure of that information would be seriously detrimental to the **applicant** and its omission would not be likely to mislead investors with regard to facts and circumstances necessary to form an informed assessment of the **applicant's** securities.

Application documents

5. At least three **business days** before the expected date of **admission**, an **applicant** must submit to the **Exchange** a completed **application form** and an electronic version of its **admission document**. These must be accompanied by the **nominated adviser's declaration** required by the **AIM Rules for Nominated Advisers**.

At least three **business days** before the expected date of **admission**, a **quoted applicant** must submit to the **Exchange** an electronic version of its latest annual accounts and a completed **application form**. These must be accompanied by the **nominated adviser's declaration** required by the **AIM Rules for Nominated Advisers**.

The **AIM fee** will be invoiced to the **applicant** and should be paid pursuant to rule 37.

Admission to AIM

6. **Admission** becomes effective only when the **Exchange** issues a **dealing notice** to that effect.

Special conditions for certain applicants

Lock-ins for new businesses

7. Where an **applicant's** main activity is a business which has not been independent and earning revenue for at least two years, it must ensure that all **related parties** and **applicable employees** as at the date of **admission** agree not to dispose of any interest in its securities for one year from the **admission** of its securities.

This rule will not apply in the event of an intervening court order, the death of a party who has been subject to this rule or in respect of an acceptance of a takeover offer for the **AIM company** which is open to all **shareholders**.

Investing companies

8. Where the **applicant** is an **investing company**, a condition of its **admission** is that it raises a minimum of £6 million in cash via an equity fundraising on, or immediately before, **admission**.

An **investing company** must state and follow an **investing policy**.

An **investing company** must seek the prior consent of its **shareholders** in a general meeting for any material change to its **investing policy**.

Where an **investing company** has not substantially implemented its **investing policy** within eighteen months of **admission**, it should seek the consent of its **shareholders** for its **investing policy** at its next annual general meeting and on an annual basis thereafter, until such time that its **investing policy** has been substantially implemented.

Other conditions

9. Where matters are brought to the attention of the **Exchange** which could affect an **applicant's** appropriateness for **AIM**, it may refuse an **admission** to **AIM**, delay an **admission to AIM** and/or make the **admission** of an **applicant** subject to special conditions. The **Exchange** will inform the **applicant's nominated adviser** and may **notify RNS** that it has asked the **applicant** and its **nominated adviser** to undertake further due diligence.

Circumstances where the **Exchange** is likely to refuse an **admission** to **AIM** include where it considers that:

- the **applicant** does not or will not comply with any special condition which the **Exchange** considers appropriate and of which the **Exchange** has informed the **applicant's nominated adviser**; or
- the **applicant's** situation is such that **admission** may be detrimental to the orderly operation, the reputation and/or integrity of **AIM**.

Admission to **AIM** is at the **Exchange's** discretion. No **applicant** has a right for its securities to be **admitted** to trading on **AIM** even if it meets the requirements of Part One of these rules.

Principles of disclosure

10. The information which is required by these rules must be **notified** by the **AIM company** no later than it is published elsewhere. An **AIM company** must retain a **Regulatory Information Service** provider to ensure that information can be **notified** as and when required.

An **AIM company** must take reasonable care to ensure that any information it **notifies** is not misleading, false or deceptive and does not omit anything likely to affect the import of such information.

It will be presumed that information **notified** to a **Regulatory Information Service** is required by these rules or other legal or regulatory requirement, unless otherwise designated.

General disclosure of price sensitive information

11. An **AIM company** must issue **notification** without delay of any new developments which are not public knowledge which, if made public, would be likely to lead to a significant movement in the price of its **AIM securities**. By way of example, this may include matters concerning a change in:
- its financial condition;
 - its sphere of activity;
 - the performance of its business; or
 - its expectation of its performance.

Disclosure of corporate transactions

Substantial transactions

12. A substantial transaction is one which exceeds 10% in any of the **class tests**. It includes any transaction by a subsidiary of the **AIM company** but excludes any transactions of a revenue nature in the ordinary course of business and transactions to raise finance which do not involve a change in the fixed assets of the **AIM company** or its subsidiaries.

An **AIM company** must issue **notification** without delay as soon as the terms of any substantial transaction are agreed, disclosing the information specified by **Schedule Four**.

Related party transactions

13. This rule applies to any transaction whatsoever with a **related party** which exceeds 5% in any of the **class tests**.

An **AIM company** must issue **notification** without delay as soon as the terms of a transaction with a **related party** are agreed disclosing:

- the information specified by **Schedule Four**;
- the name of the **related party** concerned and the nature and extent of their interest in the transaction; and
- a statement that with the exception of any **director** who is involved in the transaction as a **related party**, its **directors** consider, having consulted with its **nominated adviser**, that the terms of the transaction are fair and reasonable insofar as its **shareholders** are concerned.

Reverse takeovers

14. A reverse takeover is any acquisition or acquisitions in a twelve month period which for an **AIM company** would:
- exceed 100% in any of the **class tests**; or
 - result in a fundamental change in its business, board or voting control; or
 - in the case of an **investing company**, depart materially from its **investing policy** (as stated in its **admission document** or approved by **shareholders** in accordance with these rules).

Any agreement which would effect a reverse takeover must be:

- conditional on the consent of its **shareholders** being given in general meeting;
- **notified** without delay disclosing the information specified by **Schedule Four** and insofar as it is with a **related party**, the additional information required by rule 13; and
- accompanied by the publication of an **admission document** in respect of the proposed enlarged entity and convening the general meeting.

Where **shareholder** approval is given for the reverse takeover, trading in the **AIM securities** of the **AIM company** will be **cancelled**. If the enlarged entity seeks **admission**, it must make an application in the same manner as any other **applicant** applying for **admission** of its securities for the first time.

Fundamental changes of business

15. Any disposal by an **AIM company** which, when aggregated with any other disposal(s) over the previous twelve months, exceeds 75% in any of the **class tests**, is deemed to be a disposal resulting in a fundamental change of business and must be:
- conditional on the consent of its **shareholders** being given in general meeting;
 - **notified** without delay disclosing the information specified by **Schedule Four** and insofar as it is with a **related party**, the additional information required by rule 13; and
 - accompanied by the publication of a circular containing details of the disposal and any proposed change in business together with the information specified above and convening the general meeting.

Divestment or Cessation

- Where the effect of a disposal is to divest the **AIM company** of all, or substantially all, of its trading business, activities or assets; and/or
- Where an **AIM company** takes any other action, the effect of which is that it will cease to own, control or conduct all, or substantially all, of its existing trading business, activities or assets (in which case such action should be **notified** without delay and include all relevant information that **shareholders** may require)

upon completion of the disposal or action, the **AIM company** will be regarded as an **AIM Rule 15 cash shell**.

Within six months of becoming an **AIM Rule 15 cash shell**, the **AIM company** must make an acquisition or acquisitions which constitutes a reverse takeover under rule 14. For the purposes of this rule only, becoming an **investing company** pursuant to rule 8 (including the associated raising of funds as specified in rule 8) will be treated as a reverse takeover and the provisions of rule 14 will apply including the requirement to publish an admission document.

Where an **AIM company** became an **investing company** (pursuant to rule 15) prior to 1 January 2016, the requirements of rule 15 set out in the AIM Rules for Companies (May 2014) will continue to apply. Accordingly, if such a company does not make an acquisition or acquisitions which constitutes a reverse takeover under rule 14 or otherwise fails to implement its **investing policy** to the satisfaction of the **Exchange** within twelve months of becoming an **investing company** in accordance with that rule, the **Exchange** will suspend trading in the **AIM securities** pursuant to rule 40.

Aggregation of transactions

16. Transactions completed during the twelve months prior to the date of the latest transaction must be aggregated with that transaction for the purpose of determining whether rules 12, 13, 14 and/or 19 apply where:
- they are entered into by the **AIM company** with the same **person** or **persons** or their **families**; or
 - they involve the acquisition or disposal of securities or an interest in one particular business; or
 - together they lead to a principal involvement in any business activity or activities which did not previously form a part of the **AIM company's** principal activities.

Disclosure of miscellaneous information

17. An **AIM company** must issue **notification** without delay of:
- any **relevant changes** to any **significant shareholders**, disclosing, insofar as it has such information, the information specified by **Schedule Five**;
 - the resignation, dismissal or appointment of any **director**, giving the date of such occurrence and for an appointment, the information specified by **Schedule Two paragraph (g)** and any shareholding in the company;
 - any change in its accounting reference date;
 - any change in its registered office address;
 - any change in its legal name;
 - any material change between its actual trading performance or financial condition and any profit forecast, estimate or projection included in the **admission document** or otherwise made public on its behalf;
 - any decision to make any payment in respect of its **AIM securities** specifying the net amount payable per security, the payment date and the **record date**;
 - the reason for the application for **admission** or **cancellation** of any **AIM securities** and consequent number of **AIM securities** in issue;
 - the occurrence and number of shares taken into and out of treasury, as specified by **Schedule Seven**;
 - the resignation, dismissal or appointment of its **nominated adviser** or **broker**;
 - any change in the website address at which the information required by rule 26 is available;
 - any subsequent change to the details disclosed pursuant to sub-paragraphs (iii) to (viii) inclusive of paragraph (g) of **Schedule Two**, whether such details were first disclosed at **admission** or on subsequent appointment;
 - the admission to trading (or cancellation from trading) of the **AIM securities** (or any other securities issued by the **AIM company**) on any other exchange or trading platform, where such admission or cancellation is at the application or agreement of the **AIM company**. This information must also be submitted separately to the **Exchange**.

Half-yearly reports

18. An **AIM company** must prepare a half-yearly report in respect of the six month period from the end of the financial period for which financial information has been disclosed in its **admission document** and at least every subsequent six months thereafter (apart from the final period of six months preceding its accounting reference date for its annual audited accounts). All such reports must be **notified** without delay and in any event not later than three months after the end of the relevant period.

The information contained in a half-yearly report must include at least a balance sheet, an income statement, a cash flow statement and must contain comparative figures for the corresponding period in the preceding financial year (apart from the balance sheet which may contain comparative figures from the last balance sheet **notified**). Additionally the half-yearly report must be presented and prepared in a form consistent with that which will be adopted in the **AIM company's** annual accounts having regard to the accounting standards applicable to such annual accounts.

Annual accounts

19. An **AIM company** must publish annual audited accounts which must be sent to its **shareholders** without delay and in any event not later than six months after the end of the financial year to which they relate.

An **AIM company** incorporated in the **UK** or an **EEA country** must prepare and present these accounts in accordance with **International Accounting Standards**. Where, at the end of the relevant financial period, such company is not a parent company, it may prepare and present such accounts either in accordance with **International Accounting Standards** or in accordance with the accounting and company legislation and regulations that are applicable to that company due to its country of incorporation.

An **AIM company** which is not incorporated in either the **UK** or an **EEA country** must prepare and present these accounts in accordance with either:

- International Accounting Standards;
- US Generally Accepted Accounting Principles;
- Canadian Generally Accepted Accounting Principles;
- Australian International Financial Reporting Standards (as issued by the Australian Accounting Standards Board); or
- Japanese Generally Accepted Accounting Principles.

The accounts produced in accordance with this rule must provide disclosure of:

- any transaction with a **related party**, whether or not previously disclosed under these rules, where any of the **class tests** exceed 0.25% and must specify the identity of the **related party** and the consideration for the transaction; and
- details of **directors' remuneration** earned in respect of the financial year by each **director** of the **AIM company** acting in such capacity during the financial year.

Publication of documents sent to shareholders

20. Any document provided by an **AIM company** to its **shareholders**, must be made available pursuant to rule 26 without delay, and its provision must be **notified**.

An electronic copy of any such document must be sent to the **Exchange**.

Dealing policy

21. An **AIM company** must have in place from **admission** a reasonable and effective dealing policy setting out the requirements and procedures for **directors'** and **applicable employees** dealings in any of its **AIM securities**. At a minimum, an **AIM company's** dealing policy must set out the following:

- the **AIM company's** close periods during which **directors** and **applicable employees** cannot deal;
- when a **director** or **applicable employee** must obtain clearance to deal in the **AIM securities** of the **AIM company**;
- an appropriate person(s) within the **AIM company** to grant clearance requests;
- procedures for obtaining clearance for dealing;

- the appropriate timeframe for a **director** or **applicable employee** to deal once they have received clearance;
- how the **AIM company** will assess whether clearance to deal may be given; and
- procedures on how the **AIM company** will **notify** deals required to be made public under **MAR**.

Provision and disclosure of information

22. The **Exchange** may require an **AIM company** to provide it with such information in such form and within such limit as it considers appropriate. The **Exchange** may also require the **AIM company** to publish such information.

For the avoidance of doubt, where the **Exchange** has jurisdiction pursuant to rule 43, rule 22 shall continue to apply to a company which ceases to have a class of securities **admitted** to trading on **AIM**, as if it were an **AIM company**.

23. The **Exchange** may disclose any information in its possession as follows:
- to co-operate with any **person** responsible for supervision or regulation of financial services or for law enforcement;
 - to enable it to discharge its legal or regulatory functions, including instituting, carrying on or defending proceedings; or
 - for any other purpose where it has the consent of the **person** from whom the information was obtained and, if different, the **person** to whom it relates.

Corporate action timetables

24. An **AIM company** must inform the **Exchange** in advance of any **notification** of the timetable for any proposed action affecting the rights of its existing **shareholders**.
25. Any amendments to the timetable proposed by the **AIM company**, including amendment to the publication details of a **notification**, must be immediately disclosed to the **Exchange**.

Company information disclosure

26. Each **AIM company** must from **admission** maintain a website on which the following information should be available, free of charge:
- a description of its business and, where it is an **investing company**, its **investing policy** and details of any **investment manager** and/or key personnel;
 - its country of incorporation and main country of operation;
 - its current constitutional documents (e.g. its articles of association);
 - details of any other exchanges or trading platforms on which the **AIM company** has applied or agreed to have any of its securities (including its **AIM securities**) admitted or traded;
 - the number of **AIM securities** in issue (noting any held as **treasury shares**) and, insofar as it is aware, the percentage of **AIM securities** that is **not in public hands**

together with the identity and percentage holdings of its **significant shareholders**. This information should be updated at least every 6 months and the website should include the date on which this information was last updated;

- details of any restrictions on the transfer of its **AIM securities**;
- the annual accounts published pursuant to rule 19 for the last three years or since **admission**, whichever is the lesser, and all half-yearly, quarterly or similar reports published since the last annual accounts pursuant to rule 18, and from 3 January 2018 the annual accounts published (on or after that date) pursuant to rule 19 and all half-yearly, quarterly or similar reports published (on or after that date) pursuant to rule 18 must be posted and maintained on its website for a period of at least five years;
- all **notifications** the **AIM company** has made in the past 12 months. An **AIM company** must also post and maintain on its website for a period of at least five years all inside information it is required to disclose publicly by **MAR** on or after 3 January 2018;
- its most recent **admission document** together with any circulars or similar publications sent to **shareholders** within the past 12 months and for a period of at least five years any **Prospectus** it has published on or after 3 January 2018;
- details of a recognised corporate governance code that the board of directors of the **AIM company** has decided to apply, how the **AIM company** complies with that code, and where it departs from its chosen corporate governance code an explanation of the reasons for doing so. This information should be reviewed annually and the website should include the date on which this information was last reviewed;
- the names of its **directors** and brief biographical details of each, as would normally be included in an **admission document**;
- a description of the responsibilities of the members of the board of **directors** and details of any committees of the board of **directors** and their responsibilities;
- where the **AIM company** is not incorporated in the **UK**, a statement that the rights of **shareholders** may be different from the rights of **shareholders** in a **UK** incorporated company;
- whether the **AIM company** is subject to the UK City Code on Takeovers and Mergers, or any other such legislation or code in its country of incorporation or operation, or any other similar provisions it has voluntarily adopted; and
- details of its **nominated adviser** and other key advisers (as might normally be found in an **admission document**).

Further issues of securities following admission

Further admission documents

27. A further **admission document** will be required for an **AIM company** only when it is:
- required to issue a **Prospectus** under the **Prospectus Regulation** for a further issue of **AIM securities**; or
 - seeking **admission** for a new class of securities; or
 - undertaking a reverse takeover under rule 14.

Omissions from further admission documents

28. The **Exchange** may authorise the omission of information from further **admission documents** (other than a **Prospectus**) in the same circumstances as for an **applicant**

under rule 4.

In addition, an **AIM company** may omit the information required by section 18 of **Annex 1** from any further **admission document** (other than a **Prospectus**) provided that the **AIM company** has been complying with the requirements of these rules.

In such circumstances, the **nominated adviser** to an **AIM company** must confirm to the **Exchange** in writing that equivalent information is available publicly by reason of the **AIM company's** compliance with these rules.

Applications for further issues

29. At least three **business days** before the expected date of **admission** of further **AIM securities** an **AIM company** must submit an **application form** and, where required by rule 27, an electronic version of any further **admission document**.

Where an **AIM company** intends to issue **AIM securities** on a regular basis, the **Exchange** may permit **admission** of those securities under a **block admission** arrangement.

Under a **block admission** an **AIM company** must **notify** the information required in **Schedule Six** every six months.

Language

30. All **admission documents**, any documents sent to **shareholders** and any information required by these rules must be in English.

AIM company and directors' responsibility for compliance

31. An **AIM company** must:
- have in place sufficient procedures, resources and controls to enable it to comply with these rules;
 - seek advice from its **nominated adviser** regarding its compliance with these rules whenever appropriate and take that advice into account;
 - provide its **nominated adviser** with any information it reasonably requests or requires in order for that **nominated adviser** to carry out its responsibilities under these rules and the **AIM Rules for Nominated Advisers**, including any proposed changes to the board of **directors** and provision of draft **notifications** in advance;
 - ensure that each of its **directors** accepts full responsibility, collectively and individually, for its compliance with these rules; and
 - ensure that each **director** discloses to the **AIM company** without delay all information which the **AIM company** needs in order to comply with rule 17 insofar as that information is known to the **director** or could with reasonable diligence be ascertained by the **director**.

Ongoing eligibility requirements

Transferability of shares

32. An **AIM company** must ensure that its **AIM securities** are freely transferable except where:
- in any jurisdiction, statute or regulation places restrictions upon transferability; or

- the **AIM company** is seeking to limit the number of **shareholders** domiciled in a particular country to ensure that it does not become subject to statute or regulation.

Securities to be admitted

33. Only securities which have been unconditionally allotted can be **admitted** as **AIM securities**.

An **AIM company** must ensure that application is made to **admit** all securities within a class of **AIM securities**.

34. *[Deleted pursuant to AIM Notice 27]*

Retention of a broker

35. An **AIM company** must retain a **broker** at all times.

Settlement

36. An **AIM company** must ensure that appropriate settlement arrangements are in place. In particular **AIM securities** must be eligible for electronic settlement.

General

37. An **AIM company** must pay **AIM fees** set by the **Exchange** as soon as such payment becomes due.
38. Details of an **AIM company** contact, including an e-mail address, must be provided to the **Exchange** at the time of the application for **admission** and the **Exchange** must be immediately informed of any changes thereafter.

Nominated advisers

39. A **nominated adviser** must comply with the **AIM Rules for Nominated Advisers**.

Maintenance of orderly markets

Precautionary Suspension

40. The **Exchange** may suspend the trading of **AIM securities** where:
- trading in those securities is not being conducted in an orderly manner;
 - it considers that an **AIM company** has failed to comply with these rules;
 - the protection of investors so requires; or
 - the integrity and reputation of the market has been or may be impaired by dealings in those securities.

Suspensions are effected by a **dealing notice**.

Cancellation

41. An **AIM company** which wishes the **Exchange** to **cancel admission** of its **AIM securities** must **notify** such intended **cancellation** and must separately inform the **Exchange** of its preferred **cancellation** date at least twenty **business days** prior to such date and save where the **Exchange** otherwise agrees, the **cancellation** shall be conditional upon the consent of not less than 75% of votes cast by its **shareholders** given in a general meeting.

The **Exchange** will **cancel** the **admission** of **AIM securities** where these have been suspended from trading for six months.

Cancellations are effected by a **dealing notice**.

Sanctions and appeals

Sanctions against an AIM company

42. If the **Exchange** considers that an **AIM company** has contravened these rules, it may take one or more of the following measures in relation to such **AIM company**:
- issue a **warning notice**;
 - fine it;
 - censure it; or
 - cancel the admission of its **AIM securities**; and
 - publish the fact that it has been fined or censured and the reasons for that action.

Jurisdiction

43. When an **AIM company** ceases to have a class of securities **admitted** to trading on **AIM**, the **Exchange** retains jurisdiction over the company for the purpose of investigating and taking disciplinary action in relation to breaches or suspected breaches of these rules at a time when that company was an **applicant** or had a class of securities **admitted** to trading on **AIM**.

Disciplinary process

44. The **Exchange** will take any proposed disciplinary action against an **AIM company** in accordance with the **Disciplinary Procedures and Appeals Handbook**.

Appeals

45. Any decision of the **Exchange** in relation to these rules may be appealed in accordance with the **Disciplinary Procedures and Appeals Handbook**.

Schedule One

Pursuant to rule 2, an **applicant** or **quoted applicant** must provide the **Exchange** with the following information:

- (a) its name;
- (b) its country of incorporation;
- (c) its registered office address and, if different, its trading address;
- (d) the website address at which the information required by rule 26 will be available;
- (e) a brief description of its business (including its main country of operation) or in the case of an **investing company**, details of its **investing policy**. If the **admission** is being sought as a result of a reverse takeover under rule 14, this should be stated;
- (f) the number and type of securities in respect of which it seeks **admission** and detailing the number and type of securities to be held as **treasury shares**, including details of any restrictions as to transfer of the securities;
- (g) the capital to be raised on **admission**, if applicable, and its anticipated market capitalisation on **admission**;
- (h) the percentage of **AIM securities not in public hands** at **admission** (insofar as it is aware) and details of any other exchange or trading platform on which the **AIM securities** (or any other securities of the company) are or will be **admitted** or traded as a result of an application or agreement of the **applicant**;
- (i) the full names and functions of its **directors** and proposed **directors** (underlining the first name by which each is known or including any other name by which each is known);
- (j) insofar as is known to it, the full name of any **significant shareholder** before and after **admission**, together with the percentage of each such **person's** interest (underlining the first name by which each is known or including any other name by which each is known in the case of individuals);
- (k) the names of any **persons** who will be disclosed in the **admission document** under **Schedule Two, paragraph (h)**;
- (l) its anticipated accounting reference date, the date to which it has prepared the main financial information in its **admission document** and the dates by which it must publish its first three reports as required by rules 18 and 19;
- (m) its expected **admission** date;
- (n) the name and address of its **nominated adviser** and **broker(s)**;
- (o) (other than in the case of a **quoted applicant**) details of where any **admission document** will be available with a statement that this will contain full details about the **applicant** and the **admission** of its securities; and
- (p) the corporate governance code the board of directors of the **applicant** has decided to apply.

Supplement to Schedule One, for quoted applicants only

A **quoted applicant** must in addition provide the **Exchange** with the following information:

- (a) the name of the **AIM Designated Market** upon which its securities have been traded;
- (b) the date from which its securities have been so traded;
- (c) confirmation that, following due and careful enquiry, it has adhered to any legal and regulatory requirements involved in having its securities traded upon such market or details of where there has been any breach;
- (d) a website address where any documents or announcements which it has made public over the last two years (in consequence of having its securities so traded) are available;
- (e) details of its intended strategy following **admission** including, in the case of an **investing company**, details of its **investing policy**;
- (f) a description of any significant change in financial or trading position of the **quoted applicant** which has occurred since the end of the last financial period for which audited statements have been published;
- (g) a statement that its **directors** have no reason to believe that the working capital available to it or its group will be insufficient for at least twelve months from the date of its **admission**;
- (h) details of any lock-in arrangements pursuant to rule 7;
- (i) a brief description of the arrangements for settling transactions in its securities;
- (j) a website address detailing the rights attaching to its securities;
- (k) information equivalent to that required for an **admission document** which is not currently public, including any information that would be required as part of an **admission document** by the **Notes**;
- (l) a website address of a page containing its latest published annual accounts which must have a financial year end not more than nine months prior to **admission**. The annual accounts must be prepared in accordance with rule 19. Where more than nine months have elapsed since the financial year end to which the latest published annual accounts relate, a website address of a page containing a set of interim results covering the period from the financial year end to which the latest published annual accounts relate and ending no less than six months from that date;
- (m) the number of each class of securities held as **treasury shares**.

Schedule Two¹

A company which is required to produce an **admission document** must ensure that document discloses the following:

- (a) Information equivalent to that which would be required by **Annexes 1, 11 and 20** other than the information specified in paragraph (b)(i) below and as amended by paragraph (b)(ii) below, unless a **Prospectus** is required in accordance with the **Prospectus Regulation** in which case paragraphs (b)(i) and (ii) below shall not apply;
- (b) (i) the information referred to in paragraph (a) above is as follows:

Annex 1:

- The Competent Authority approval information required under sub-section 1.5;
- Operating and Financial Review (Section 7);
- Capital Resources (Section 8);
- Profit Forecasts or Estimates (Section 11) (NB - **Paragraph (d)** below continues to apply);
- Administrative, Management and Supervisory Bodies and Senior Management (Section 12). (NB - **Paragraph (g)** below continues to apply);
- Remuneration and Benefits (section 13);
- The audit and remuneration committee information required under sub-section 14.3;
- Pro forma financial information (sub-section 18.4);
- Documents Available (section 21);
- The information required under sub-section 15.2 of **Annex 1** with respect to persons other than **directors**.

Annex 11:

- The Competent Authority approval information required under sub-section 1.5;
- Working capital statement (sub-section 3.1). (NB - **Paragraph (c)** below continues to apply);
- Capitalisation and indebtedness (sub-section 3.2);
- Interest of natural and legal persons involved in the issue/offer (sub-section 3.3);
- Terms and Conditions of the Offer of Securities to the Public (section 5);
- Admission to Trading and Dealing Arrangements (section 6);

Annex 20:

- Annex 20 in its entirety.

¹ Schedule Two (and corresponding **Annex** references) updated with effect from 21 July 2019 pursuant to AIM Notice 56

- (ii) the information required by paragraph (a) above is amended as follows: the information required by section 18 of **Annex 1** must be presented in accordance with one of the applicable standards set out in rule 19.
- (c) a statement by its **directors** that in their opinion having made due and careful enquiry, the working capital available to it and its group will be sufficient for its present requirements, that is for at least twelve months from the date of **admission** of its securities;
- (d) where it contains a profit forecast, estimate or projection (which includes any form of words which expressly or by implication states a minimum or maximum for the likely level of profits or losses for a period subsequent to that for which audited accounts have been published, or contains data from which a calculation of an approximate figure for future profits or losses may be made, even if no particular figure is mentioned and the words “profit” or “loss” are not used):
 - (i) a statement by its **directors** that such forecast, estimate or projection has been made after due and careful enquiry;
 - (ii) a statement of the principal assumptions for each factor which could have a material effect on the achievement of the forecast, estimate or projection. The assumptions must be readily understandable by investors and be specific and precise;
 - (iii) confirmation from the **nominated adviser** to the **applicant** that it has satisfied itself that the forecast, estimate or projection has been made after due and careful enquiry by the **directors** of the **applicant**; and
 - (iv) such profit forecast, estimate or projection must be prepared on a basis comparable with the historical financial information;
- (e) on the first page, prominently and in bold, the name of its **nominated adviser** and the following paragraphs:

"AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the official list of the United Kingdom's Financial Conduct Authority.

A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers.

The London Stock Exchange has not itself examined or approved the contents of this document."

- (f) where rule 7 applies, a statement that its **related parties** and **applicable employees** have agreed not to dispose of any interests in any of its **AIM securities** for a period of twelve months from the **admission** of its securities;
- (g) the following information relating to each **director** and each proposed **director**:
 - (i) the **director's** full name and age together with any previous names;
 - (ii) the names of all companies and partnerships of which the **director** has been a **director** or partner at any time in the previous five years, indicating whether or not the **director** is still a **director** or partner;
 - (iii) any unspent convictions in relation to indictable offences;
 - (iv) details of any bankruptcies or individual voluntary arrangements of such **director**;

- (v) details of any receiverships, compulsory liquidations, creditors' voluntary liquidations, administrations, company voluntary arrangements or any composition or arrangement with its creditors generally or any class of its creditors of any company where such **director** was a **director** at the time of or within the twelve months preceding such events;
- (vi) details of any compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships where such **director** was a partner at the time of or within the twelve months preceding such events;
- (vii) details of receiverships of any asset of such **director** or of a partnership of which the **director** was a partner at the time of or within the twelve months preceding such events; and
- (viii) details of any public criticisms of such **director** by statutory or regulatory authorities (including recognised professional bodies), and whether such **director** has ever been disqualified by a court from acting as a **director** of a company or from acting in the management or conduct of the affairs of any company;
- (h) the name of any **person** (excluding professional advisers otherwise disclosed in the **admission document** and trade suppliers) who has:
 - (i) received, directly or indirectly, from it within the twelve months preceding the application for **admission** to **AIM**; or
 - (ii) entered into contractual arrangements (not otherwise disclosed in the **admission document**) to receive, directly or indirectly, from it on or after **admission** any of the following:
 - fees totalling £10,000 or more;
 - its securities where these have a value of £10,000 or more calculated by reference to the issue price or, in the case of an introduction, the expected opening price; or
 - any other benefit with a value of £10,000 or more at the date of **admission**; giving full details of the relationship of such **person** with the **applicant** and of the fees, securities or other benefit received or to be received;
- (i) the name of any **director**, or member of a **director's family**, who has a **related financial product** referenced to its **AIM securities** or securities being **admitted**, together with the date and terms of the **related financial product(s)** and the detailed nature of the exposure;
- (j) where it is an **investing company**, details of its **investing policy**.
- (k) the information required by the **Notes** and any other information which it reasonably considers necessary to enable investors to form a full understanding of:
 - (i) the assets and liabilities, financial position, profits and losses, and prospects of the **applicant** and its securities for which admission is being sought;
 - (ii) the rights attaching to those securities; and
 - (iii) any other matter contained in the **admission document**.
- (l) in addition to the information required under sub-sections 14.4 and 14.5 of **Annex 1**, details of the recognised corporate governance code that the board of directors of the **applicant** has decided to apply, how the **applicant** complies with that code, and where it departs from its chosen corporate governance code an explanation of the reasons for doing so.

Schedule Three

The **class tests** for determining the size of a transaction pursuant to rules 12, 13, 14, 15 and 19 are as follows:

The Gross Assets test

$$\frac{\text{Gross assets the subject of the transaction}}{\text{Gross assets of the AIM company}} \times 100$$

Figures to use for the Gross assets test:

1. The “Gross assets of the **AIM company**” means the total non current assets plus total current assets. These figures should be taken from the most recent of the following:
 - (a) the most recently **notified** consolidated balance sheet; or
 - (b) where an **admission document** has been produced for the purposes of **admission** following a reverse takeover, any pro forma net asset statement published in the **admission document** may be used, provided it is derived from information taken from the last published audited consolidated accounts and that any adjustments to this information are clearly shown and explained; or
 - (c) in a case where transactions are aggregated pursuant to rule 16, the most recently **notified** consolidated balance sheet (as at a date prior to the earliest aggregated transaction).
2. The “Gross assets the subject of the transaction” means:
 - (a) in the cases of an acquisition of an interest in an undertaking which will result in consolidation of the undertaking’s net assets in the accounts of the **AIM company**, or a disposal of an interest in an undertaking which will result in the undertaking’s net assets no longer being consolidated in the accounts of the **AIM company**, the assets the subject of the transaction means the value of 100% of the undertaking’s assets, irrespective of what interest is acquired or disposed.
 - (b) in the case of an acquisition or disposal which does not fall within paragraph 2(a), the assets the subject of the transaction means:
 - for an acquisition, the consideration plus any liabilities assumed (if any); and
 - for a disposal, the book value of the assets attributed to that interest in the **AIM company’s** last audited accounts.
 - (c) in the case of an acquisition of assets other than an interest in an undertaking, the assets the subject of the transaction means the book value of the assets.

The Profits test

$$\frac{\text{Profits attributable to the assets the subject of the transaction}}{\text{Profits of the AIM company}} \times 100$$

Figures to use for the Profits test:

3. The “Profits of the **AIM company**” means profits before taxation and extraordinary items as stated in the following:
- (a) the last published annual consolidated accounts;
 - (b) the last **notified** preliminary statement of annual results; or
 - (c) in a case where transactions are aggregated pursuant to rule 16, the last such accounts or statement prior to the earliest transaction.

In the case of an acquisition or disposal of an interest in an undertaking of the type described within paragraph 2(a), the “profits attributable to the assets the subject of the transaction” means 100% of the profits of the undertaking irrespective of what interest is acquired or disposed.

The Turnover test

$$\frac{\text{Turnover attributable to the assets the subject of the transaction}}{\text{Turnover of the **AIM company**}} \times 100$$

Figures to use for the Turnover test:

4. The “Turnover of the **AIM company**” means the turnover figure as stated in the following:
- (a) the last published annual consolidated accounts;
 - (b) the last **notified** preliminary statement of annual results; or
 - (c) in a case where transactions are aggregated pursuant to rule 16, the last such accounts or statement prior to the earliest transaction.

In a case of an acquisition or disposal of an interest in an undertaking of the type described within paragraph 2(a), the “turnover attributable to the assets the subject of the transaction” means 100% of the turnover of the undertaking irrespective of what interest is acquired or disposed.

The Consideration test

$$\frac{\text{Consideration}}{\text{Aggregate market value of all the ordinary shares (excluding **treasury shares**) of the **AIM company**}} \times 100$$

Figures to use for the Consideration test:

5. The “Consideration” means the amount paid to the vendors, but the **Exchange** may require the inclusion of further amounts.
- (a) Where all or part of the consideration is in the form of securities to be **listed**, or traded on **AIM**, the consideration attributable to those securities means the aggregate market value of those securities.
 - (b) If deferred consideration is, or may be, payable or receivable by the **AIM company** in the future, the consideration means the maximum total consideration payable or receivable under the agreement.
6. The “Aggregate market value of all the ordinary shares of the **AIM company** (excluding **treasury shares**)” means the value of its enfranchised securities on the day prior to the **notification** of the transaction (excluding **treasury shares**).

The Gross Capital test

$$\frac{\text{Gross capital of the company or business being acquired}}{\text{Gross capital of the **AIM company**}} \times 100$$

Figures to use for the Gross capital test:

7. The “Gross capital of the company or business being acquired” means the aggregate of:
 - (a) the consideration;
 - (b) if a company, any of its shares and debt securities which are not being acquired;
 - (c) all other liabilities (other than current liabilities), including for this purpose minority interests and deferred taxation; and
 - (d) any excess of current liabilities over current assets.
8. The “Gross capital of the **AIM company**” means the aggregate of:
 - (a) the aggregate market value of its securities (excluding **treasury shares**);
 - (b) all other liabilities (other than current liabilities), including minority interest and deferred taxation; and
 - (c) any excess of current liabilities over current assets.

The figures to be used must be the aggregate market value of the enfranchised securities on the day prior to the **notification** of the transaction (excluding **treasury shares**).

Substitute Tests

In circumstances where the above tests produce anomalous results or where the tests are inappropriate to the sphere of activity of the **AIM company**, the **Exchange** may (except in the case of a transaction with a **related party**), disregard the calculation and substitute other relevant indicators of size, including industry specific tests. Only the **Exchange** can decide to disregard one or more of the **class tests**, or substitute another test.

Schedule Four

In respect of transactions which require **notifications** pursuant to rules 12, 13, 14 and 15 an **AIM company** must **notify** the following information:

- (a) particulars of the transaction, including the name of any other relevant parties;
- (b) a description of the assets which are the subject of the transaction, or the business carried on by, or using, the assets;
- (c) the profits (or if applicable, losses) attributable to those assets;
- (d) the value of those assets if different from the consideration;
- (e) the full consideration and how it is being satisfied;
- (f) the effect on the **AIM company**;
- (g) details of the service contracts of any proposed **directors**;
- (h) in the case of a disposal, the application of the sale proceeds;
- (i) in the case of a disposal, if shares or other securities are to form part of the consideration received, a statement whether such securities are to be sold or retained; and
- (j) any other information necessary to enable investors to evaluate the effect of the transaction upon the **AIM company**.

Schedule Five

Pursuant to rule 17, an **AIM company** must make **notification** of the following:

- (a) the identity of the **significant shareholder** concerned;
- (b) the date on which the disclosure was made to it;
- (c) the date on which the **relevant change** to the **holding** was effected;
- (d) the price, amount and class of the **AIM securities** concerned;
- (e) the nature of the transaction;
- (f) the nature and extent of the **significant shareholder's** interest in the transaction; and
- (g) where the **notification** concerns a **related financial product**, the detailed nature of the exposure.

Schedule Six

Pursuant to a **block admission**, an **AIM company** must make **notification** of the following:

- (a) name of the company;
- (b) name of the scheme;
- (c) period of return (from/to);
- (d) number and class of securities not issued under the scheme;
- (e) number of securities issued under the scheme during the period;
- (f) balance under the scheme of securities not yet issued at the end of the period;
- (g) number and class of securities originally **admitted** and the date of **admission**; and
- (h) a contact name and telephone number.

Schedule Seven

Pursuant to rule 17, an **AIM company** must make **notification** of the following:

- (a) the date of the movement into or out of **treasury shares**;
- (b) the number of **treasury shares** of each class transferred into or out of treasury;
- (c) the total number of **treasury shares** of each class held by the **AIM company** following such movements;
- (d) the number of shares of each class that the **AIM company** has in issue less the total number of **treasury shares** of each class held by the **AIM company** following such movements.

Glossary

The following terms have the following meanings when used in these rules unless the context otherwise requires.

Term	Meaning
admission/admitted	Admission of any class of securities to AIM effected by a dealing notice under rule 6.
admission document	A document produced pursuant to rules 3 or 27.
AIM	A market operated by the Exchange .
AIM company	A company with a class of securities admitted to AIM .
AIM Designated Market	A market whose name appears on the latest publication by the Exchange of the document entitled “AIM Designated Markets”.
AIM fee	The fees charged by the Exchange to an AIM company in respect of admission and trading as set out in the price list published by the Exchange from time to time.
AIM Rule 15 cash shell	An AIM company that falls within the ‘Divestment or Cessation’ section of rule 15.
AIM Rules for Nominated Advisers	The AIM Rules for Nominated Advisers published by the Exchange from time to time.
AIM securities	Securities of an AIM company which have been admitted .
Annex 1, Annex 11 and Annex 20	Annex 1, Annex 11 and Annex 20 of the Prospectus Regulation and as linked in the Prospectus Rules (as may be amended from time to time).
applicant	An issuer that is applying to have a class of its securities admitted to AIM and which is seeking to have a notification issued pursuant to rule 2. This includes quoted applicants save for rules 2 – 5 inclusive where separate provisions apply.
application form	The latest publication of the standard form which must be completed by an applicant or a quoted applicant under rule 5.

applicable employee	<p>Any employee of an AIM company, its subsidiary or parent undertaking who:</p> <p>(a) for the purposes of rule 7, together with that employee's family, has a holding or interest, directly or indirectly, in 0.5% or more of a class of AIM securities (excluding treasury shares); or</p> <p>(b) for the purposes of rule 21, other than a director, is a 'person discharging managerial responsibilities' as defined in Article 3(25) of MAR.</p>
authorised person	A person who, under European Union directive or United Kingdom domestic legislation, is authorised to conduct investment business in the United Kingdom.
block admission	The admission of a specified number of AIM securities , which are to be issued on a regular basis pursuant to rule 29.
broker	A member firm which is appointed by an AIM company pursuant to rule 35.
business day	Any day upon which the Exchange is open for business and any reference to business days shall be to clear business days.
cancel/cancelled/cancellation	The cancellation of any class of securities to AIM effected by a dealing notice .
class tests	The tests set out in Schedule Three which are used to determine whether rules 12, 13, 14, 15 or 19 of these rules apply.
dealing notice	A notification by the Exchange disseminated through RNS which either admits securities to AIM or Cancels or suspends them from trading on AIM or restores them to trading on AIM .
director	A person who acts as a director whether or not officially appointed to such position.
directors' remuneration	<p>The following items for each director of the AIM company:</p> <ul style="list-style-type: none"> (a) emoluments and compensation, including any cash or non-cash benefits received; (b) share options and other long term incentive plan details, including information on all outstanding options and/or awards; and (c) value of any contributions paid by the AIM company to a pension scheme.
Disciplinary Procedures and Appeals Handbook ("the Handbook")	The most recent publication by the Exchange of the document so entitled for AIM .

DTR	The Disclosure Guidance and Transparency Rules published by the FCA from time to time.
DTR company	An AIM company that is required to make disclosures in accordance with chapter 5 of the DTR . A non-DTR company is an AIM company that is not required to make disclosures in accordance with chapter 5 of the DTR .
EEA country	A European Economic Area (EEA) country.
electronic communication	Any communications sent by e-mail or made available on an AIM company's website pursuant to rule 26.
Euroclear	Euroclear UK & Ireland Limited.
Exchange	The London Stock Exchange plc.
family	<p>In relation to any person his or her spouse or civil partner and any child where such child is under the age of eighteen years.</p> <p>It includes any trust in which such individuals are trustees or beneficiaries and any company over which they have control or more than 20% of its equity or voting rights (excluding treasury shares) in a general meeting. It excludes any employee share or pension scheme where such individuals are beneficiaries rather than trustees.</p>
FCA	The Financial Conduct Authority.
financial instrument	Any financial instrument requiring disclosure in accordance with DTR 5.3.1 with the addition that, for the purposes of this definition, all AIM companies shall be treated as if they are DTR companies regardless of their country of incorporation.
FSMA 2000	The Financial Services and Markets Act 2000.
holding	<p>Any legal or beneficial interest, whether direct or indirect, in the AIM securities of a person who is a director or, where relevant, an applicable employee or significant shareholder.</p> <p>It includes holdings by the family of such a person.</p> <p>In addition, when determining whether a person is a significant shareholder, a holding also includes a position in a financial instrument.</p>

International Accounting Standards

- (a) For an **AIM company** incorporated in the **EEA**, this means standards adopted for use in the European Union in accordance with Article 3 of the IAS Regulation (EC) No. 1606/2002, as adopted from time to time by the European Commission.
- (b) For an **AIM company** incorporated in the **UK**, this means UK-adopted International Accounting Standards in accordance with section 474(1) Companies Act.

investing company

Any **AIM company** which has as its primary business or objective, the investing of its funds in securities, businesses or assets of any description.

investment manager

Any **person** external to the **investing company**, who, on behalf of that **investing company**, manages their investments. This may include an external adviser who provides material advice to the investment manager or the **investing company**.

investing policy

The policy the **investing company** will follow in relation to asset allocation and risk diversification.

The policy must be sufficiently precise and detailed to allow the assessment of it, and, if applicable, the significance of any proposed changes to the policy. It must contain as a minimum:

- assets or company in which it can invest;
- the means or strategy by which the investing policy will be achieved;
- whether such investments will be active or passive and, if applicable, the length of time that investments are likely to be held for;
- how widely it will spread its investments and its maximum exposure limits, if applicable;
- its policy in relation to gearing and cross-holdings, if applicable;
- details of investing restrictions, if applicable; and
- the nature of returns it will seek to deliver to **shareholders** and, if applicable, how long it can exist before making an investment and/or before having to return funds to **shareholders**.

listed

Admitted to the Official List of the United Kingdom by the Competent Authority for the United Kingdom.

MAR

Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse, as applied in the **UK**.

member firm

A partnership, corporation, legal entity or sole practitioner admitted currently to **Exchange** membership.

nominated adviser	An adviser whose name appears on the register .
nominated adviser's declaration	The latest form of declaration contained in the AIM Rules for Nominated Advisers .
Notes	Separate notes published by the Exchange from time to time which form part of these rules. At the date of these rules, these comprise the AIM Note for Investing Companies, and the AIM Note for Mining and Oil & Gas Companies.
not in public hands	<p>AIM securities held, directly or indirectly (including via a related financial product) by:</p> <ul style="list-style-type: none"> (a) a related party; (b) the trustees of any employee share scheme or pension fund established for the benefit of any directors/employees of the applicant/AIM company (or its subsidiaries); (c) any person who under any agreement has a right to nominate a person to the board of directors of the applicant/AIM company; (d) any person who is the subject of a lock-in agreement pursuant to rule 7 or otherwise; or (e) the AIM company as treasury shares.
notify/notified/notification	The delivery of an announcement to a Regulatory Information Service for distribution to the public.
person	An individual, corporation, partnership, association, trust or other entity as the context admits or requires.
Prospectus	A prospectus, including an EU Growth prospectus, prepared and published in accordance with the Prospectus Regulation .
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council as applied in the UK.
Prospectus Rules	The Prospectus Regulation Rules sourcebook published by the FCA .
quoted applicant	An issuer which has had its securities traded upon an AIM Designated Market for at least 18 months prior to applying to have those securities admitted to AIM and which seeks to take advantage of that status in applying for the admission of its securities.
record date	The last date upon which investors must appear on the share register of the AIM company in order to receive a benefit from the company.

register	The latest publication of the register of nominated advisers held by the Exchange . The definitive register is kept by the Exchange .
Regulatory Information Service	A service approved by the FCA for the distribution to the public of regulatory announcements and included within the list maintained on the FCA's website, http://www.fca.org.uk/ .
related financial product	Any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of AIM securities or securities being admitted , including a contract for difference or a fixed odds bet.
related party	<ul style="list-style-type: none"> (a) any person who is a director of an AIM company or of any company which is its subsidiary or parent undertaking, other subsidiary undertaking of its parent company; (b) a substantial shareholder; (c) an associate of (a) or (b) being; <ul style="list-style-type: none"> (i) the family of such a person; (ii) the trustees (acting as such) of any trust of which the individual or any of the individual's family is a beneficiary or discretionary object (other than a trust which is either an occupational pension scheme as defined in regulation 3 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, or an employees' share scheme which does not, in either case, have the effect of conferring benefits on persons all or most of whom are related parties). (iii) any company in whose equity shares such a person individually or taken together with his or her family (or if a director, individually or taken together with his family and any other director of that company) are directly or indirectly interested (or have a conditional or contingent entitlement to become interested) to the extent that they are or could be able: <ul style="list-style-type: none"> — to exercise or control the exercise of 30% or more of the votes (excluding treasury shares) able to be cast at general meetings on all, or substantially all, matters; or — to appoint or remove directors holding a majority of voting rights at board meetings on all, or substantially all, matters;

- (iv) any other company which is its subsidiary undertaking, parent undertaking or subsidiary undertaking of its parent undertaking;
 - (v) any company whose **directors** are accustomed to act in accordance with (a)'s directions or instructions;
 - (vi) any company in the capital of which (a), either alone or together with any other company within (iv) or (v) or both taken together, is (or would on the fulfilment of a condition or the occurrence of a contingency be) interested in the manner described in (iii);
- (d) for the purposes of rule 13, any **person** who was a **director** of an **AIM company** or any of its subsidiaries, sister or parent undertakings or a **substantial shareholder** within the twelve months preceding the date of the transaction.

relevant changes	Changes to the holding of a significant shareholder above 3% (excluding treasury shares) which increase or decrease such holding through any single percentage.
RNS	The Regulatory Information Service operated by the Exchange .
shareholder	A holder of any legal or beneficial interest, whether direct or indirect, in an AIM security .
significant shareholder	Any person with a holding of 3% or more in any class of AIM security (excluding treasury shares).
SME growth market	A multilateral trading facility that is registered as an SME growth market for the purposes of Chapter 5.10 of the FCA's Market Conduct Sourcebook.
substantial shareholder	Any person who holds any legal or beneficial interest directly or indirectly in 10% or more of any class of AIM security (excluding treasury shares) or 10% or more of the voting rights (excluding treasury shares) of an AIM company including for the purpose of rule 13 such holding in any subsidiary, sister or parent undertaking and excluding, for the purposes of rule 7: (i) any authorised person ; (ii) any investing company whose investing policy is externally managed on a fully discretionary basis by an investment manager that is an authorised person ; and (iii) any company with securities quoted upon the Exchange's markets, unless the company is an investing company which has not substantially implemented its investing policy .

treasury shares

Shares which meet the conditions set out in paragraphs (a) and (b) of subsection 724(5) of the Companies Act 2006.

UK

United Kingdom. For the purposes of rule 19, a **UK** country shall also be deemed to include the Channel Islands and the Isle of Man.

warning notice

A private letter issued by the **Exchange** pursuant to the **Disciplinary Procedures and Appeals Handbook** to an **AIM company** or **nominated adviser** outlining a breach of these rules or of the **AIM Rules for Nominated Advisers**.

Part Two – Guidance Notes

Eligibility for AIM

An **AIM company** or **applicant** must be appropriate for **AIM's** regulatory framework. An **AIM company** or **applicant** should usually be a similar structure to a **UK plc**, and where it is an **investing company**, must be a closed-ended fund and not require a restricted investor base. It should not be complex in terms of its structure and securities and should issue primarily ordinary shares (or equivalent).

Rule 1: Nominated adviser

Nominated advisers must be approved by the **Exchange**. A copy of the **register** of approved **nominated advisers** is available on the **Exchange's** website, www.londonstockexchange.com/aim, however the definitive copy is kept by the **Exchange**.

An **AIM company** can only retain the services of one **nominated adviser** at any one time.

Where an **AIM company** needs to **notify** the loss of its **nominated adviser** it should first liaise with AIM Regulation so that where no replacement has been appointed the necessary suspension may be put in place to coincide with the **notification**.

Where a new **nominated adviser** is appointed a **notification** will be required under rule 17 and a new **nominated adviser's declaration** should be submitted to the **Exchange** pursuant to the **AIM Rules for Nominated Advisers**.

Applicants for AIM

Rule 2: Early notification and pre-admission announcements

An early notification form is available on the **Exchange's** website. In addition to the information required to be provided in the early notification form, a **nominated adviser** must ensure it fully and clearly discloses to the **Exchange** all matters known to it which may be relevant to the **Exchange** in considering the application for **admission** to trading and understanding whether **admission** of the **AIM securities** may be detrimental to the orderly operation, the reputation and/or integrity of **AIM**.

The submission of an early notification form does not replace a **nominated adviser's** obligations to the **Exchange** concerning an **applicant's** appropriateness.

Submission of an early notification form that does not allow for adequate time for discussion with the Exchange may contribute to a delay. Following the submission of an early notification form, a **nominated adviser** must update the **Exchange** as soon as practicable should it become aware of any material new information and/or any change to the information submitted or circumstances of the **applicant**.

Early notification submissions and **Schedule One** announcements should be sent by e-mail in the standard format, available on the **Exchange's** website, to aimregulation@lseg.com.

The **Exchange** will arrange for **notification** of the **Schedule One** to **RNS**.

Announcements are disseminated publicly by **RNS** under the heading "**AIM**".

Any issuer may use the usual form of **admission** process for **AIM** involving a pre-admission announcement and an **AIM admission document** at any time. However, a **quoted applicant** may take advantage of this expedited route where it meets the relevant requirements.

The website (**notified** in accordance with paragraph (j) of the **Supplement to Schedule One**) may also, to the extent permitted by law, contain other information which the issuer considers may be useful to investors.

Rule 3: Admission document

Where an **admission document** is also a **Prospectus**, the requirements of **Schedule Two** apply in addition to the requirements of the **Prospectus Regulation** and the **Prospectus Rules**.

If at any time after an **admission document** is submitted and before the date of **admission** there arises or is noted any material new factor, mistake or inaccuracy relating to the information included in the **admission document**, a supplementary **admission document** must be published and submitted to the **Exchange** containing details of such new factor, mistake or inaccuracy in accordance with the relevant part(s) of **Schedule Two**. For the avoidance of doubt, if the **admission document** is a **Prospectus**, any supplementary document must comply with the **Prospectus Regulation** and the **Prospectus Rules**.

A **quoted applicant** must make the additional disclosures in its pre-admission announcement, which is required by rule 2 and the **Supplement to Schedule One**.

Where a **quoted applicant** is also making an offer to the public, whether in the United Kingdom and/or other jurisdictions, it should satisfy itself that there are no legal or regulatory requirements outside these rules which compel it to produce any form of prospectus. Where there is a requirement for such a prospectus, this should be made available to the public under paragraph (o) of **Schedule One** as if it were an **admission document**.

Rule 4: Omissions from admission documents

Where an **admission document** is also a prospectus under the **Prospectus Rules**, application for a derogation from any requirements of the **Prospectus Regulation** and the **Prospectus Rules** should be made to the **FCA**. The **Exchange** itself may not authorise exemptions from any requirement under the **Prospectus Rules**. The **FCA's** Listing Transactions team can be contacted through their dedicated help desk on +44 (0)20 7066 8348.

Rule 5: Application documents

The **application form** and **nominated adviser's declaration** should be sent to Admissions, London Stock Exchange plc, 10 Paternoster Square, London EC4M 7LS by the **nominated adviser**. The electronic version of the **admission document** should be sent to admissions@lseg.com.

The **application form** and **nominated adviser's declaration** are available from the **Exchange's** website, www.londonstockexchange.com.

The **nominated adviser** should liaise with AIM Regulation to confirm that any **admission** conditions have been met.

Under rule 33 **AIM securities** must be unconditionally allotted. The **Exchange** may require proof of allotment for any securities which are being issued on **admission**. A copy of the **applicant's** board minutes allocating such securities or confirmation from its **nominated adviser** will suffice in most cases.

Allotted includes provisionally allotted securities where such provisional allotments are unconditional. For example, nil paid rights must be allotted without condition (even if further action is required by the holders of provisional allotments to transform them into another class of securities such as fully paid shares).

Rule 6: Admission to AIM

Note also rules 32 and 33 (in respect of free transferability and allotment).

A **dealing notice** will be released through **RNS** under the heading "**AIM**".

Special conditions for certain applicants

Rule 7: Lock-ins for new businesses

To minimise the risk of parties to lock-in arrangements subsequently being deemed to constitute concert parties under the City Code on Takeovers and Mergers, **applicants** or their advisers may wish to consult the Panel on Takeovers and Mergers, 10 Paternoster Square, London EC4M 7LS (telephone +44 (0)20 7382 9026) prior to drafting any lock-in agreement.

The **Exchange** will not require a **substantial shareholder** to be the subject of a lock-in under rule 7 where that **shareholder** became a **substantial shareholder** at the time of an **AIM**

company's admission and at a price which was more widely available, for example as part of an offer to the public.

Rule 8: Investing companies

The **investing policy** must be sufficiently precise and detailed so that it is clear, specific and definitive. The **investing policy** must be prominently stated in the **admission document** and any subsequent circular relating to the **investing policy**, for example pursuant to rules 8 or 14. The **investing policy** should be regularly **notified** and at a minimum should be stated in the **investing company's** annual accounts.

The circular convening a meeting of **shareholders** for the purposes of obtaining consent for a change in **investing policy** should contain adequate information about the current and proposed **investing policy** and the reasons for and expected consequences of any proposed change. It should also contain the information required by paragraph 4.2 of the AIM Note for Investing Companies.

In making the assessment of what constitutes a material change to the published **investing policy**, consideration must be given to the cumulative effect of all the changes made since **shareholder** approval was last obtained for the **investing policy** or, if no such approval has been given, since the date of **admission**. Any material change to the specific points set out in the definition of **investing policy** is likely to constitute a material change requiring **shareholder** consent.

In making the assessment of whether or not an **investing company** has substantially implemented its **investing policy**, the **Exchange** would consider this to mean that the **investing company** has invested:

- a substantial portion (usually at least in excess of 50%) of all funds available to it, including funds available through agreed debt facilities;
- in a range of investments; and
- in accordance with its **investing policy**.

In relation to any requirement to obtain **shareholder** approval of the **investing policy** in these rules, if such **shareholder** approval is not obtained, the **AIM company** would usually be expected to propose amendments to its **investing policy** and seek **shareholder** approval for those amendments, as soon as possible. A resolving action such as the return of funds to **shareholders** should be considered if consent is again not obtained. The **nominated adviser** must keep the **Exchange** informed if such a situation occurs. For the avoidance of doubt, if **shareholder** approval for the change to **investing policy** is not obtained, the company's existing **investing policy** will continue to be effective.

Rule 9: Other conditions

The **Exchange** can impose a delay of no more than ten **business days** under rule 9. At the end of this period, the **nominated adviser** must decide whether and if so, when, to proceed.

Principles of disclosure

Rule 10: Principles of disclosure

Where it is proposed to announce at any meeting of **shareholders** information which might lead to significant movement in the price of those securities, arrangements must be made for **notification** of that information so that the disclosure at the meeting is made no earlier than the time at which the information is **notified**.

A list of **Regulatory Information Service** providers can be found on the **Exchange's** website, www.londonstockexchange.com/aim

General disclosure of price sensitive information

Rule 11: General disclosure

- (a) This rule promotes prompt and fair disclosure of price sensitive information to the market.
- (b) Article 17 of **MAR** provides separate disclosure obligations for an **AIM company**. The competent authority for **MAR** is the **FCA**. All queries relating to the disclosure obligations pursuant to **MAR** should be directed to the competent authority. The **Exchange** will not opine on **MAR** compliance and any discussion it has about an **AIM company's** disclosure obligations are in the context of these rules. Where the **Exchange** becomes aware of a possible breach of **MAR**, it will refer to the competent authority, whose remit is to investigate and enforce breaches of **MAR**. For the avoidance of doubt, compliance with **MAR** does not mean that an **AIM company** will have satisfied its obligations under these rules and vice versa.
- (c) The requirements of rule 11 are in addition to any requirements regarding **notification** contained elsewhere in the rules.
- (d) Information that would be likely to lead to a significant movement in the price of its **AIM securities** includes but is not limited to information which is of a kind which a reasonable investor would be likely to use as part of the basis of his or her investment decisions.
- (e) Unless disclosure is required under Article 17 of **MAR**, an **AIM company** may delay **notifying** information under this rule if it is an impending development or a matter in the course of negotiation provided such information is kept confidential. The **AIM company** must ensure it has in place, in accordance with rule 31, effective procedures and controls designed to ensure the confidentiality of such information to minimise the risk of a leak.

In such circumstances, where an **AIM company** is able to delay **notifying** information about impending developments or matters in the course of negotiation it may give such information in confidence to the following category of recipient:

- (i) the **AIM company's** advisers and advisers of any other **persons** involved or who may be involved in the development or matter in question;

- (ii) **persons** with whom the **AIM company** is negotiating, or intends to negotiate, any commercial, financial or investment transaction (including prospective underwriters or places of its securities);
- (iii) representatives of its employees or trades unions acting on their behalf;
- (iv) any government department, the Bank of England, the Competition Commission or any other statutory or regulatory body or authority; and
- (v) the **AIM company's** lenders.

The **AIM company** must be satisfied that such recipients of information are bound by a duty of confidentiality and aware that they must not trade in its **AIM securities** before the relevant information has been **notified**.

- (f) However, if the **AIM company** has reason to believe that a breach of such confidence has occurred or is likely to occur and, in either case, the matter is such that knowledge of it would be likely to lead to significant movement in the price of its **AIM securities**, it must without delay issue at least a warning **notification** to the effect that it expects shortly to release information regarding such matter.
- (g) Where such information has been made public the **AIM company** must **notify** that information without delay.

Disclosure of corporate transactions

Rules 12 and 13: Substantial and related party transactions

Note the definition of a substantial transaction is different from that of a **related party** transaction.

A transaction under this rule includes non pre-emptive issues of securities.

Rule 14: Reverse takeovers

The **admission document** must be made available to the public under rule 26.

An **AIM company** is able to send an **admission document** (subject to any other applicable regulations, including the **Prospectus Rules** where it is a **Prospectus**) to **shareholders** in compliance with this rule if it is sent by **electronic communication** in compliance with the applicable guidance notes to rules 18 and 19, together with the notice of the **shareholder** meeting required by rule 14.

Following the announcement of a reverse takeover that has been agreed or is in contemplation, the relevant **AIM Securities** will be suspended by the **Exchange** until the **AIM company** has published an **admission document** in respect of the proposed enlarged entity unless the target is a **listed** company or another **AIM company**.

It should be noted that the **Exchange** expects the negotiations leading to a reverse takeover to be kept confidential, as allowed by the guidance to rule 11, until the point at which the **AIM company** can **notify** that a binding agreement that effects a reverse takeover has been entered into, which should, as far as is possible, be accompanied by the publication of the requisite

admission document. If for any reason this is not possible, the **nominated adviser** should seek the advice of the **Exchange** at the earliest opportunity.

If the new entity wishes its securities to be **admitted**, it will need to issue a ten day announcement pursuant to rule 2. In addition, it will need to submit a further fee, an electronic version of its **admission document**, a **nominated adviser's declaration** and a company **application form** at least three **business days** prior to **admission** pursuant to rule 5 and abide by all other requirements to which an **applicant** may be subject under these rules.

However, the new entity may make an application in advance of the general meeting so that its securities are **admitted** on the day after the general meeting which approves the reverse takeover.

Rule 15: Fundamental changes of business

The consent of **shareholders** for a disposal may not be required where it is as a result of insolvency proceedings. The **Exchange** should be consulted in advance in such circumstances.

The **nominated adviser** must inform the **Exchange** when an **AIM company** for which it acts becomes an **AIM Rule 15 cash shell** or there is a possibility that it has become an **AIM Rule 15 cash shell**. Where there is any question as to whether an **AIM company** has become an **AIM Rule 15 cash shell** or the point at which it becomes an **AIM Rule 15 cash shell**, the **Exchange** must be consulted as soon as possible.

Where an **AIM Rule 15 cash shell** does not intend or wish to undertake a reverse takeover in accordance with rule 15, it should seek to **cancel** its **admission** in accordance with rule 41 (in the case of a disposal requiring **shareholder** consent under this rule, this should most usually occur concurrently with the **shareholder** approval required for the disposal). In such circumstances, the **AIM company**, taking the advice of its **nominated adviser**, should consider whether funds should concurrently be returned to **shareholders**, seeking the approval of **shareholders** where appropriate or necessary.

Where, within six months, an **AIM Rule 15 cash shell** does not complete a reverse takeover as set out in rule 15, the **Exchange** will suspend trading in the **AIM securities** pursuant to rule 40.

Rule 16: Aggregation of transactions

The **Exchange** will only consider that an **AIM company** has 'a principal involvement in any business activity or activities which did not previously form a part of the **AIM company's** principal activities' where collectively a **class test** for any twelve month period exceeds 100%. In cases of doubt the **Exchange** should be consulted.

Disclosure of miscellaneous information

Rule 17: Miscellaneous information

- (a) Article 19 of **MAR** includes notification obligations for **AIM companies** and persons discharging managerial responsibilities. The **DTR** contains guidance on certain of those

notification obligations. All queries relating to an **AIM company's** disclosure obligations pursuant to **MAR** should be directed to the **FCA**.

- (b) **Significant shareholder** disclosures for **DTR companies**: **DTR companies** are required to comply with the provisions of the **DTR** in respect of **significant shareholder** notifications. All queries relating to the shareholder notification requirements of the **DTR** should be directed to the **FCA**.

In addition, **DTR companies** are required to comply with the **significant shareholder** disclosures contained in rule 17. However, compliance with the **DTR** in respect of **AIM securities** will usually mean that a **DTR company** is complying with the **significant shareholder** disclosure obligations in rule 17, save that:

- (i) notwithstanding the time limits for disclosure set out in the **DTR**, **DTR companies** are required under rule 17 to **notify** such information “*without delay*”; and
 - (ii) the information required to be released pursuant to rule 17 must be **notified**, rather than ‘made public’ in accordance with the **DTR**.
- (c) An **AIM company** must inform the **Exchange**, via its **nominated adviser**, if the **FCA** takes any action under Chapter 1A.3.1 of the **DTR** (**FCA's** ability to require publication of information).
- (d) **Significant shareholder** disclosures for non-**DTR companies**: All non-**DTR companies** are required to use all reasonable endeavours to comply with rule 17 notwithstanding that the local law applicable to some **AIM companies** does not contain provisions that are similar to the **DTR**. In that instance, such an **AIM company** is advised to include provisions in its constitution requiring **significant shareholders** to notify the relevant **AIM company** of any **relevant changes** to their shareholdings in similar terms to the **DTR**, noting the differences set out at (b)(i) and (ii) above. Such **AIM companies** are also advised to make appropriate disclosure of the fact that statutory disclosure of **significant shareholdings** is different and may not always ensure compliance with the requirements of rule 17.
- (e) Where an **admission** or **cancellation** of **AIM securities** is being **notified**, the reason need only be brief, e.g. “exercise of options”. Any changes in the number of shares in issue requires liaison with Admissions (telephone +44 (0)20 7797 4310) so that they can arrange for the appropriate **dealing notice** to be released.
- (f) Where an **AIM company** needs to **notify** the loss of its **nominated adviser** it should first liaise with AIM Regulation so that where no replacement **nominated adviser** has been appointed the necessary suspension pursuant to rule 1 may be put in place to coincide with the **notification**.
- (g) Where an **AIM company** changes its legal name it should send a copy of any change of name certificate to Admissions, London Stock Exchange plc, 10 Paternoster Square, London EC4M 7LS or by fax to +44 (0)20 7920 4607.
- (h) Information required to be submitted to the **Exchange** should be emailed to aimregulation@lseg.com.
- (i) The **notification** in relation to the trading of **AIM company** securities on any other exchange or trading platform should include details which exchange or platform (including details of any segment, tier or similar) and which securities this relates to.

Half-yearly reports and accounts

Rule 18 and 19: Half-yearly reports and accounts

Where the half-yearly report has been audited it must contain a statement to this effect.

In relation to rule 18, the financial period to which financial information has been disclosed in its **admission document** may be the financial period of the main trading subsidiary of the **AIM company**, for example, where the **AIM company** is a holding company. The **nominated adviser** should contact AIM Regulation if there is any uncertainty as to the reporting timetable required by these rules.

The **Exchange** will suspend **AIM companies** which are late in publishing their half-yearly report or their annual accounts, pursuant to rule 40.

Where an **AIM company** wishes to change its accounting reference date its **nominated adviser** should contact AIM Regulation in advance to discuss the revised reporting timeframe.

An **AIM company** should prepare and **notify** a second half-yearly report in accordance with rule 18, if the effect of the change to the accounting reference date is to extend its accounting period to more than 15 months. This should be agreed in advance with AIM Regulation.

The **Exchange** would encourage all **AIM companies** to use **International Accounting Standards** both on **admission** and in the preparation of all post-**admission** financial information. With the end of the Brexit transition period on 31 December 2020, **AIM companies incorporated in the UK** must use UK-adopted **International Accounting Standards** for financial years that begin on or after 1 January 2021. **AIM companies** incorporated in the **UK** with financial years that begin before 1 January 2021, can continue to use EU-adopted **International Accounting Standards** as it stands at the end of the transition period.

The choice of accounting standard should be consistently implemented and any change between those standards available to a particular **AIM company** should only be made with the prior approval of AIM Regulation.

In respect of each **AIM company**, the term 'parent' should be interpreted in accordance with applicable law. Any other queries over interpretation of these provisions should be addressed by the **AIM company's nominated adviser** to AIM Regulation at the earliest opportunity.

Subject to its constitution and any legal requirements in its jurisdiction of incorporation, an **AIM company** is able to satisfy the requirement in rule 19 to send accounts to **shareholders** by sending such accounts by **electronic communication** to **shareholders**:

- (a) in compliance with the requirements of the **UK Companies Act 2006**; or
- (b) providing the following requirements have been satisfied:

- (i) a decision to use **electronic communication** to **shareholders** has been approved by **shareholders** in a general meeting of the **AIM company**;
- (ii) appropriate identification arrangements have been put in place so that **shareholders** are effectively informed; and
- (iii) **shareholders** individually:
 - have been contacted in writing to request their consent to receive accounts by means of **electronic communication** and if they do not object within 28 days, their consent can be considered to have been given;
 - are able to request at any time in the future that accounts be communicated to them in writing; and
 - are contacted alerting them to the publication of the accounts on an **AIM company's** website.

Publication of documents sent to shareholders

Rule 20: Documents sent to shareholders

Electronic copies of annual accounts and half-yearly reports that have been sent to shareholders are not required to be sent to the **Exchange** unless such documents are relevant for the purposes of rules 24 and 25. All other documents provided to shareholders must still be sent electronically to the **Exchange**, in accordance with rule 20.

Dealing policy

Rule 21: Dealing policy

Compliance with rule 21 does not mean that an **AIM company** will have satisfied its obligations under Article 19 of **MAR**.

In determining whether it is appropriate to give clearance under its dealing policy, the **Exchange** would expect an **AIM company** to consider its wider obligations under **MAR**.

The **Exchange** would expect an **AIM company** to appoint an individual of sufficient seniority to grant such clearance request. The procedures should also give consideration as to an alternate individual where such individual is not independent in relation to a clearance request.

Provision and disclosure of information

Rule 22

The **AIM company** must use all due skill and care to ensure that information provided to the Exchange pursuant to this rule is correct, complete and not misleading.

If it comes to the subsequent attention of the **AIM company** that information provided does not meet this requirement, the **AIM company** should advise the **Exchange** as soon as practicable.

All communications between the **Exchange** and an **AIM company** are confidential to the **Exchange** and its **nominated adviser** and should not be disclosed without the consent of the **Exchange**, save to appropriate advisers to the **AIM company** or as required by any other regulatory body or agency.

Corporate action timetables

Rules 24 and 25: Corporate action timetables

Except in the case of a dividend timetable **notification**, the reference to 'in advance' in rule 24 means that the **Exchange** should receive the proposed timetable by no later than 09:00 on the **business day** before the proposed **notification**.

A dividend timetable which follows the guidelines set by the "Dividend Procedure Timetable", published on the **Exchange's** website, www.londonstockexchange.com, need not be disclosed to the **Exchange** in advance, provided the **notification** of the dividend includes:

- the net amount;
- the record and payment dates; and
- the availability of any scrip or DRIP options.

A **notification** is not required for interest payments, however, the **Exchange** must receive notice of any payment no later than seven **business days** prior to the **record date**. This notice must include:

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

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

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

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

The **Exchange** may request amendments to a timetable as and when considered necessary. The **Exchange** will liaise with the **AIM Company** and its advisers as appropriate. A timetable which has not been cleared in advance with the Stock Situations Analysis team of the **Exchange** but which has been **notified**, may be subject to change if required by the **Exchange**. If this situation occurs a further correcting **notification** must be made.

Rule 26:

The information required by this rule should be kept up-to-date and the last date on which it was updated should be included. The information should be easily accessible from one part of the website and a statement should be included that the information is being disclosed for the purposes of rule 26. Any redirection of a user to other areas of a website or to a document included on the website should be to a specific location for that information. Users should not have to enter search criteria in order to locate information.

The website where this information is available should be the company's website, although it is acknowledged that such a site may be hosted by a third party provider.

The requirement to disclose restrictions on the transfer of shares relates to the disclosure of jurisdictional exemptions or restrictions that an **AIM company** is seeking to make use of and that may operate by virtue of non-**UK** securities laws, such as the US Securities Act 1933 or similar (noting, however, the requirements of rule 32).

An **AIM company** should take appropriate legal advice on how to make available any prospectus, **admission document**, circular or similar **shareholder** publication in compliance with this rule so as not to infringe any securities laws that may apply to it.

The disclosure of information in relation to the trading of **AIM company** securities on any other exchange or trading platform should include details which exchange or platform (including details of any segment, tier or similar) and which securities this relates to.

"main country of operation" should be interpreted as the geographical location from which the **AIM company** derives (or intends to derive) the largest proportion of its revenues or where the largest proportion of its assets are (or will be) located, as is most appropriate depending on the business of the company.

Pursuant to the Finance Act 2014, stamp duty and the stamp duty reserve tax are not chargeable on transactions in securities admitted to trading on **AIM** provided that they are not also listed on a Recognised Stock Exchange (as defined in section 1005(3)-(5) Income Tax Act 2007). If the **AIM company** lists on a Recognised Stock Exchange or ceases to be listed on such an exchange, the Exchange would remind the **AIM company** that, in addition to updating its website, **Euroclear** requires the **AIM company** to inform it of these changes without delay as they are likely to impact its stamp duty reserve tax status. **Euroclear** can be contacted in relation to this at: growthmarketstampexemption@euroclear.com.

Further issues of securities following admission

Rule 28: Omissions from admission documents

Where the further **admission document** is also a **Prospectus**, application for omission of information should be made to the **FCA**. The **Exchange** itself may not authorise exemptions from any requirement under the **Prospectus Rules**.

Where the further **admission document** is not a **Prospectus**, the information required under section 18 of **Annex 1** may be omitted from the further **admission document** at the **nominated adviser's** discretion (in addition to the information listed in **Schedule Two, paragraph (b)**). The information covered by section 18 of **Annex 1** (Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses) will already be available to the market in the event of further **admission** if the **AIM Company** has complied with these rules and therefore there is no need to duplicate that information in the further **admission document**.

Rule 29: Applications for further issues

Under rule 33 **AIM securities** must be unconditionally allotted. Accordingly, the **Exchange** is likely to require proof of allotment for any securities which are being issued on **AIM**. A copy of the **AIM company's** board minutes allocating such securities or confirmation from its **nominated adviser** will suffice in most cases.

Allotted includes provisionally allotted securities where such provisional allotments are unconditional. For example, nil paid rights must be allotted without condition (even if further action is required by the holders of provisional allotments to transform them into another class of securities such as fully paid shares).

A **dealing notice** will be released via **RNS** under the heading "**AIM**".

Applications for **block admissions** should be indicated as such in the "Nature of Admission" section of the **application form**.

A **block admission** cannot be used where the securities to be issued under the **block admission** exceed more than 20% of the existing class of an **AIM security**. Additionally, **block admissions** can only be used in the following circumstances:

- employee share schemes;
- personal equity plans;
- dividend reinvestment plans;
- ordinary shares arising from the exercise of warrants; and
- ordinary shares arising from a class of convertible securities.

Where an **AIM company** wishes to use a **block admission** in circumstances outside of these it should contact AIM Regulation to discuss.

It is the responsibility of the **AIM company** to ascertain whether a **Prospectus** is required under any **block admission** and the issue of securities pursuant to a **block admission**.

Rule 30: Language

Where the original documents or information is not in English, an English translation may be provided.

Rule 31: Directors responsibility for compliance

Notwithstanding the provisions set out in this rule, each **nominated adviser** should include in its engagement letter or **nominated adviser** agreement with each **AIM company** for which it acts details of what it requires from such company.

Ongoing eligibility requirements

Rule 32: Transferability of shares

Where an **AIM company** wishes to rely on the exceptions stated in rule 32, its **nominated adviser** should apply to AIM Regulation for a confirmation of the acceptance of this.

Rule 33: Securities to be admitted

Any change in the number of **AIM securities** in issue requires liaison with Admissions (telephone +44 (0)20 7797 1473).

If an **AIM company** is preparing dividend timetables, undertaking any corporate actions or issuing new shares where there are settlement implications, its **nominated adviser** should contact Stock Situation Analysis (telephone +44 (0)20 7797 1579) for prior discussion of the timetable.

Confirmation of allotment must be received no later than 16:30 on the **business day** prior to the intended date of **admission** unless otherwise agreed by the **Exchange**.

Rule 35: Retention of a broker

The **broker** will, for all **AIM companies** for which it acts, use its best endeavours to find matching business if there is no registered market maker.

Any **member firm** of the **Exchange** may act as a **broker** subject to any requisite authorisation by any other regulator.

A list of current **member firms** is available on the **Exchange's** website, www.londonstockexchange.com

There is also a separate list of **brokers** who have already been appointed by **AIM companies** on the **Exchange's** website.

Rule 36: Settlement

For **UK** registered companies a simplified procedure exists for rendering their securities eligible for such settlement under the Uncertificated Securities Regulations 2001 (SI/3755) as amended.

Within the **UK**, issuers may wish to contact **Euroclear** at 33 Cannon Street, London EC4M 5SB (telephone +44 (0)20 7849 0000).

Rule 37: General

Details of fee scales for **AIM companies** and **nominated advisers** are published separately and are available from the **Exchange's** website.

Maintenance of orderly markets

Rule 40: Suspension

The general principle applied by the **Exchange** when considering requests for a suspension of trading in **AIM securities** is that interruptions to trading should be kept to a minimum.

An **AIM company** should request a suspension in circumstances where it is required under these rules to make a notification but is unable to comply with its obligations under rule 10 (having used all reasonable endeavours to do so). Any such suspension is at the discretion of the **Exchange**. The **Exchange** will not suspend the trading in **AIM securities** if it is not satisfied that the circumstances justify suspension.

Should the **Exchange** effect the request for suspension, the **AIM company** must make a **notification** stating the reason for suspension to the fullest extent possible.

An **AIM company**, while suspended, must continue to comply with these rules.

The **Exchange** may impose conditions on the lifting of suspension as it considers appropriate. Once the circumstances leading to the suspension have been resolved or clarified sufficiently for the **AIM company** to make a **notification** that informs the market about relevant matters, such a **notification** should be made without delay. Restorations are effected by a **dealing notice**.

Rule 41: Cancellation

An **AIM company** should state the reason for **cancellation** in its **notification**.

The **Exchange** should be informed of the intended cancellation by email from the **nominated adviser** to aimregulation@lseq.com.

The period of twenty **business days** is a minimum. Where earlier communication is sent to **shareholders** convening such a meeting, an **AIM company** must **notify** that such meeting has been convened without delay. The **notification** should set out the preferred date of **cancellation**, the reasons for seeking the **cancellation**, a description of how **shareholders** will

be able to effect transactions in the **AIM securities** once they have been **cancelled** and any other matter relevant to **shareholders** reaching an informed decision upon the issue of the **cancellation**.

For the avoidance of doubt, the threshold of 75% set out in this rule refers to the percentage of votes cast (rather than 75% of the class) in respect of each class of **AIM security**. Consent may be granted through **shareholders** voting in person or by proxy at a general meeting.

Circumstances where the **Exchange** might otherwise agree that **shareholder** consent in general meeting is not required would be where:

- (a) the **AIM securities** are already or will be admitted to trading on an EU or **UK** regulated market or an **AIM Designated Market** to enable **shareholders** to trade their **AIM securities** in the future; or
- (b) pursuant to a takeover which has become wholly unconditional, an offeror has received valid acceptances in excess of 75% of each class of **AIM securities**; or
- (c) pursuant to a takeover effected by a **UK** scheme of arrangement that has been approved by shareholders at a general meeting and subsequently sanctioned by the courts.

Cancellation will not take effect until at least five **business days** have passed since **shareholder** approval has been obtained and a **dealing notice** has been issued.

Sanctions and appeals

Rules 44 and 45: Disciplinary process and appeals

The “**Disciplinary Procedures and Appeals Handbook**” is available from the **Exchange’s** website, www.londonstockexchange.com/aim

Schedule One

(e) “main country of operation” should be interpreted as the geographical location from which the **AIM company** derives (or intends to derive) the largest proportion of its revenues or where the largest proportion of its assets are (or will be) located, as is most appropriate depending on the business of the company.

(f) The requirement to disclose restrictions on the transfer of shares relates to the disclosure of jurisdictional exemptions or restrictions that an **AIM company** is seeking to make use of and that may operate by virtue of non-**UK** securities laws such as the US Securities Act 1933 or similar (noting, however, the requirements of rule 32).

(h) The disclosure of information in relation to the trading of **AIM company** securities on any other exchange or trading platform should include details which exchange or platform (including details of any segment, tier or similar) and which securities this relates to.

(l) Where there is any uncertainty as to the reporting timetable that would be required, the **nominated adviser** should consult AIM Regulation in advance in accordance with the guidance to rules 18 and 19.

(k) Where the expected **admission** date is uncertain, an **applicant** should **notify** a broader timeframe (for example 'early August').

Supplement to Schedule One

(c) A disclosure as to any breach should only be made after prior consultation with AIM Regulation.

(d) Such documents or announcements must be made available following **admission** at the website required pursuant to rule 26.

(f) This should include any significant change to indebtedness.

(k) In ascertaining whether disclosures are required pursuant to this paragraph, the requirements of **Schedule Two** should be fully considered. Information made public is that which is made available at an address in the **UK** or at a website address accessible to users in the **UK**.

(l) A reconciliation to an applicable accounting standard under rule 19 may be presented where the accounts are not prepared under those standards although the requirements of rule 19 will apply on an ongoing basis.

Schedule Two

(a) If upon **admission**, a **Prospectus** is required (or voluntarily produced) in accordance with the **Prospectus Rules**, such **Prospectus** shall serve as the **admission document** provided it also includes the information required under **Schedule Two, paragraphs (c) – (k)**. The **Exchange** itself may not authorise exemptions from any requirement under the **Prospectus Rules** and therefore **Schedule Two, paragraph (b)** does not apply to **Prospectuses**.

The **persons** responsible for the information provided in the **admission document** are the same **persons** that would be responsible for the information contained in a **Prospectus** pursuant to the **Prospectus Rules**.

The requirements of section 18 of **Annex 1** may be satisfied (other than for a **Prospectus**) by the inclusion of an accountants' report in the **admission document** on the reported historical financial information.

Financial information provided in accordance with these rules must be presented with respect to the **applicant** and all its subsidiaries and should be in consolidated form when possible.

(b)(i) The information listed in this paragraph need only be included in an **admission document** to the extent it is required by these rules (in particular [Schedule Two, paragraph \(k\)](#)).

An **applicant** must give regard to the part of section 18.1.4 of **Annex 1** that states that the last audited historical financial information, containing comparative information for the previous year, included in the **admission document** must be presented and prepared in a form consistent with the accounting standards framework that will be adopted in the issuer's next published annual financial statements having regard to accounting standards and policies and legislation applicable to such annual financial statements, bearing in mind the ongoing requirements of rule 19.

(d)(iii) Where a **nominated adviser** gives the confirmation under this rule the **Exchange** would expect it to be founded upon an appropriate basis such as an accountants' report.

(g) Whilst **directors** are usually only required to disclose directorships held over the last five years, the requirements contained in (g)(iv)-(vii) which relate to bankruptcies, receiverships and liquidations are not limited to the last five years.

(k) When considering the information to be included pursuant to this paragraph consideration should be given to the relevance of any information specified in [Schedule Two, paragraph \(b\)](#).

Schedule Three

Further amounts, which may be included as part of consideration, includes for instance where the purchaser agrees to discharge any liabilities, such as the repayment of inter-company or third party debt.



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SCHEDULE 2 – AIM RULES FOR NOMINATED ADVISERS



London
Stock Exchange

AIM Rules for Nominated Advisers

1 January 2021

AIM Rules for Nominated Advisers

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Introduction

Pursuant to the **AIM Rules for Companies**, a **nominated adviser** is responsible to the **Exchange** for assessing the appropriateness of an **applicant** for **AIM**, or an existing **AIM company** when appointed its **nominated adviser**, and for advising and guiding an **AIM company** on its responsibilities under the **AIM Rules for Companies**.

The **AIM Rules for Companies** state that a **nominated adviser** must be approved by the **Exchange** and included on the current **register** maintained by the **Exchange**. A copy of this **register** is available for public inspection on the **Exchange's** website: www.londonstockexchange.com/aim, although the definitive list is kept by the **Exchange**.

These **AIM Rules for Nominated Advisers** ("these rules") set out the eligibility, ongoing obligations and certain disciplinary matters in relation to **nominated advisers**.

These rules should be read in conjunction with the **AIM Rules for Companies** and the **Disciplinary Procedures and Appeals Handbook**.

The obligations and responsibilities of a **nominated adviser** under these rules and the **AIM Rules for Companies** are owed solely to the **Exchange**.

Terms in bold in these rules have the meanings set out in the **AIM Rules for Companies**, or as otherwise set out in the Glossary at the end of these rules.

Part One

Nominated adviser eligibility criteria and approval process

Criteria for being a nominated adviser

1 General

The **eligibility criteria** are the requirements that an applicant must satisfy before the **Exchange** will consider approving it as a **nominated adviser**. The **eligibility criteria** are in addition to any legal or regulatory authorisation required by an applicant in any jurisdiction in which it operates. The **Exchange** is able to exercise discretion as to the application and interpretation of the **eligibility criteria**, as it thinks fit.

An applicant will not necessarily be approved even if it satisfies the **eligibility criteria** and there is no right to be granted, or retain, the status of a **nominated adviser**. When deciding whether or not an applicant should be approved as a **nominated adviser**, the **Exchange's** overriding consideration will be the preservation of the reputation and/or integrity of **AIM** (including the regulatory obligations of the **Exchange** as a Recognised Investment Exchange under the **FSMA Recognition Requirements**). Accordingly, the **Exchange** reserves the right to decline an application or impose conditions on approval as the **Exchange** thinks fit in its discretion, notwithstanding that an applicant otherwise satisfies the **eligibility criteria**.

2 Criteria

An entity seeking approval as a **nominated adviser** must:

- be a firm or company (individuals are not eligible);
- have practised corporate finance for at least the last two years;
- have acted on at least three **Relevant Transactions** during that two-year period;
- employ at least four **Qualified Executives** and in this regard the Exchange will take in to account the overall experience of the **Qualified Executives** on an individual basis and as a team; and
- evidence to the satisfaction of the **Exchange** that the applicant:
 - is capable of being effectively supervised by the **Exchange**;
 - has appropriate financial and non-financial resources; and
 - is able to comply with rules 23 to 25.

The **Exchange** may, at its sole discretion, waive the requirement for the applicant firm to have a two-year track record and/or three **Relevant Transactions** where it determines that the applicant has highly experienced **Qualified Executives** and pursuant to rule 27(b) the **Exchange** may impose restrictions or limitations on the services a firm can provide at the time of granting a **nominated adviser's** approval or subsequently.

The requirement to practise corporate finance means that the entity (or in some cases a separate division of it) should have practised as its principal business the provision of corporate finance advice, such as advising on public market fundraisings. This should be distinguished from the provision of legal advice or accounting services in relation to corporate finance transactions, which would not qualify for the purposes of this rule.

3 Overriding principle of the preservation of the reputation and/or integrity of AIM

The **Exchange** will consider all of the circumstances, including whether the approval of an applicant or a **Qualified Executive** might be detrimental to the reputation and/or integrity of **AIM**.

In considering whether an applicant might be detrimental to the reputation and/or integrity of **AIM**, the **Exchange** will examine matters including:

- whether the applicant is appropriately authorised and regulated and the applicant's standing with its regulators;
- the applicant's general reputation and financial standing;
- whether the applicant or its executives are, and/or have in the past been, the subject of any investigation, disciplinary action, criminal proceedings, conviction or finding of breaches of regulatory duties (including the subject-matter and seriousness of such matters); and
- insofar as is relevant, the commercial and regulatory performance of its clients to whom it has given corporate finance advice.

Even if an applicant otherwise meets the other **eligibility criteria**, if the **Exchange** considers that an applicant, any shareholder of an applicant, or any officer of the applicant might be detrimental to the reputation and/or integrity of **AIM**, this is likely to be treated as a basis for declining the application.

4 **Qualified Executives**

A **Qualified Executive** is an employee of an applicant (or **nominated adviser** in relation to continuing eligibility), who can demonstrate a sound understanding of the UK corporate finance market and **AIM** in particular, and who satisfies one of the following:

- in respect of a person applying to be approved as a **Qualified Executive** has acted in a corporate finance advisory role, for at least the last three years and who has acted in a lead corporate finance role on at least three **Relevant Transactions** in that three-year period; or
- in respect of an existing **Qualified Executive** who was approved as a **Qualified Executive** within the last five years, and has been a **Qualified Executive** on a continuous basis within that period, has acted in a lead corporate finance role on at least three **Relevant Transactions** within the last five years; or
- in respect of an existing **Qualified Executive** who has been approved as a **Qualified Executive** for five or more years on a continuous basis, has acted in a lead corporate finance role on at least one **Relevant Transaction** in the last five-year period and can demonstrate to the satisfaction of the **Exchange** that they are involved in an active capacity in the provision of corporate finance advisory work, and in relation to **AIM** in particular.

An individual will not be considered for approval as a **Qualified Executive** by the **Exchange** (or be eligible to be a **Qualified Executive** on a continuing basis) where that person has been subject to disciplinary action or similar by a regulator or law enforcement agency in the context of financial services, corporate finance or similar or has any unspent convictions in relation to indictable offences.

As part of the **Qualified Executive** approval process, the **Exchange** reserves the right to conduct interviews in order to assess the competence and suitability of the individual. If, as a result of any interview which it conducts, the **Exchange** considers that the individual has an inadequate understanding of corporate finance, market practice, the legal or regulatory framework for corporate finance or these rules and the **AIM Rules for Companies**, it will not approve the individual as a **Qualified Executive**. Accordingly, the **Exchange** reserves the right to decline an application for **Qualified Executive** status notwithstanding that an individual otherwise meets the requirements set out in this rule.

Qualified Executive status is a designation which is granted to a **nominated adviser** firm denoting those individuals within the firm who are authorised by the **Exchange** to lead **AIM Rules for Companies** advice for that **nominated adviser**. Accordingly, **Qualified Executive** status is not an individual status or qualification. An application by a **nominated adviser** to denote an employee with **Qualified Executive** status will be considered in the wider context of the firm's obligations under rules 23 and 24. A **nominated adviser** is responsible for the conduct of a **Qualified Executive** in the respect of its obligations and responsibilities as a **nominated adviser**.

5 Relevant Transactions

A **Relevant Transaction** is:

- a transaction requiring a **Prospectus** or equivalent in any **EEA** country; or
- a transaction involving acting for the offeror on the take-over of a public company within the **UK** or an **EEA** country which requires the publication of an offer document (or similar document where it is being effected by a scheme of arrangement);

in each above case in respect of shares quoted on a **UK** regulated market or an equivalent regulated market in the **EEA** (as defined in the **FCA Handbook** as amended from time to time); or

- in the case of a proposed or current **Qualified Executive**, or in relation to the continuing eligibility a **nominated adviser**, a transaction requiring the publication of an **admission document** where he or she has been employed by the acting **nominated adviser**.

The **Exchange** will at its discretion consider similar initial public offerings or other major corporate transactions for publicly quoted companies on major stock exchanges (including mergers and acquisitions requiring the publication of a public document) whether within the **UK** or elsewhere in the world.

The **Exchange** will generally not consider a transaction as a **Relevant Transaction** unless the applicant or employee (or **nominated adviser** in relation to continuing eligibility) acted as a lead corporate financial adviser and was (in the case of an applicant or **nominated adviser**) named prominently and unequivocally as such in the public documentation pertaining to that transaction.

Copies of this public documentation must be included with the application to become a **nominated adviser**.

Where an applicant has acted as lead financial adviser on one of the above transactions but was not, for example, the **UK** Official List sponsor or **nominated adviser**, the Exchange will take into account whether the activities conducted by the applicant in relation to such transaction(s) are similar to those set out in Schedule Three to these rules.

Both a proposed **Qualified Executive** and an existing **Qualified Executive** may cite the same **Relevant Transaction** if they have each been involved to an appropriate extent.

6 Fees

At the same time that any application form is submitted, the applicant must submit the requisite fee to the **Exchange** in order for its application to be processed.

This fee is non-refundable whether or not the applicant is subsequently approved as a **nominated adviser** except in the circumstances in which an application is withdrawn prior to gazetting (see rule 9 below) where half the application fee will be refunded.

The application fee is in addition to the annual fee which is payable upon approval as a **nominated adviser**, and subsequently, at the rates set out in and in accordance with the 'AIM Fees for Companies and Nominated Advisers' as published by the **Exchange** from time to time.

In order to remain eligible, a **nominated adviser** must pay the annual fees as soon as such payment becomes due.

Process for becoming a nominated adviser

7 Application forms and documentation

An applicant seeking approval as a **nominated adviser** must complete and submit to the **Exchange** the following (all of which are available at www.londonstockexchange.com/aim):

- Form NA1;
- Form NA2 in respect of each proposed **Qualified Executive** (a minimum of 4 will therefore be required);
- all supporting documentation requested within the above Forms (and in particular at the beginning of Form NA1); and
- a cheque made payable to London Stock Exchange plc in respect of the application fee payable (the current fee is set out in the publication entitled 'AIM Fees for Companies and Nominated Advisers' as published by the **Exchange** from time to time).

The **Exchange** reserves the right to request any other information, documentation or confirmations from the applicant or other **persons** as it might require in order to consider or progress an application.

Upon receipt of the above information the **Exchange** will indicate to the applicant the likely time period required to process and consider the application.

8 Interview

The **Exchange** may conduct interviews of some or all of the proposed **Qualified Executives** put forward by an applicant to ensure that they have sufficient understanding of corporate finance, market practice and the legal or regulatory framework for corporate finance (including these rules and the **AIM Rules for Companies**). Such interviews will be conducted either at the **Exchange** or at the applicant's premises. Costs incurred by the **Exchange** (for example accommodation and travel) in visiting the applicant's premises will be reimbursed by the applicant.

9 Gazetting

At least fourteen days before the **Exchange** determines whether to approve an applicant, it will **notify** the applicant's name and its proposed **Qualified Executives** together with any other information the **Exchange** thinks necessary in order to give public notice of the application and to invite comment from market participants.

In addition, where an applicant operates mainly outside the United Kingdom, at least fourteen days before it makes its decision, the **Exchange** may issue a newspaper advertisement in a leading domestic financial newspaper(s) in the jurisdiction in which the applicant is registered or in which it operates stating the same information and inviting any objections.

The **Exchange** will take into account any comments which it receives as a result of the above gazetting process when considering whether to approve the application.

Where an application does not proceed to the gazetting stage, the **Exchange** will refund half of the application fee.

10 Appeals

An applicant will be informed privately, in writing (including by email), of the decision of the **Exchange** concerning whether to approve the applicant or not as a **nominated adviser**.

If an applicant is approved, the **Exchange** will include with its written decision a list of the **nominated adviser's** employees which it has accepted as **Qualified Executives**.

Any such decision of the **Exchange** may be appealed by an applicant (but not an individual) as a non-disciplinary appeal in accordance with the **Disciplinary Procedures and Appeals Handbook**.

Continuing eligibility for nominated advisers and notification requirements

11 Continuing eligibility

A **nominated adviser** and each **Qualified Executive** of a **nominated adviser**, once approved, must satisfy the **eligibility criteria** on a continuing basis at all times as if it/he/she were a new applicant.

A **nominated adviser** must regularly consider whether it and its **Qualified Executives** continue to meet the **eligibility criteria**. If at any time a **nominated adviser** believes it or a **Qualified Executive(s)** might not satisfy these requirements, it must inform **AIM Regulation** forthwith.

The **Exchange** may at any time request any information from a **nominated adviser** and/or a **Qualified Executive** it requires, including submission of all or any of the forms and documentation set out at rule 7, in order for it to consider and determine whether a **nominated adviser** is still eligible.

The **Exchange** may at any time conduct interviews and/or tests of the **nominated adviser** and its **Qualified Executives** in order to ensure that it has maintained an understanding of corporate finance and these rules and the **AIM Rules for Companies**. The provisions of rule 8 in relation to interviews will apply as appropriate.

If the **Exchange** finds that a **nominated adviser** has fallen below the **eligibility criteria** or a **Qualified Executive** no longer fulfils the requirements of rule 4, the **Exchange** may remove **nominated adviser** or **Qualified Executive** status or impose conditions on the **nominated adviser's** ability to act as a **nominated adviser** (including those set out in rule 27 and/or the imposition of a moratorium pursuant to rule 31). Any such decision of the **Exchange** may be appealed by such **nominated adviser** (but not an individual) as a non-disciplinary appeal in accordance with the **Disciplinary Procedures and Appeals Handbook**.

12 Changes at a nominated adviser

A **nominated adviser** must inform **AIM Regulation** as soon as possible (by telephone and by email) of any matters that may affect its operation, role or performance as a **nominated adviser**. Such notifications include (but are not limited to):

- any proposed changes to its name, its address or places of business;
- the commencement of an investigation by any other regulatory body or law enforcement authority in any jurisdiction which relates to the conduct of the **nominated adviser**;
- the commencement of any disciplinary action or criminal proceedings which relate to the conduct of the **nominated adviser** and/or any of its employees relevant to the work undertaken by the **nominated adviser**;
- the receipt of any conviction or finding of breach of duties to which the **nominated adviser** and any of its employees was subject, or any formal warning or disciplinary communication from any other regulatory body or law enforcement authority;
- any material adverse change in its financial or operating position that may affect its ability to act as a **nominated adviser**;
- as soon as any decision is made to consult, engage or appoint an administrator(s) or similar practitioners;
- any potential changes to the structuring or organisation of the directors, partners or employees which impacts the **nominated adviser** services provided by the firm. Such changes include (without limitation) the notice of resignation of a **Qualified Executive**, Head of Corporate Finance or relevant compliance officer; or
- any proposed change of control of the **nominated adviser** which is reasonably likely.

Should the **Exchange** deem a change of control to have occurred, a new application for **nominated adviser** status will be required, including the payment of the associated application fee. For the avoidance of doubt, the Exchange will consider the new controller when determining eligibility of the **nominated adviser**, in particular the ability of the new controller to satisfy the **eligibility criteria** in its own right.

13 Departing or new Qualified Executives

If a **Qualified Executive** leaves the employ or ceases to work in the corporate finance team of a **nominated adviser** for whom he/she was a **Qualified Executive**, the **nominated adviser** must inform the **Exchange** by submission of a Form NA3.

On leaving the employ or ceasing to work in the corporate finance team of a **nominated adviser**, a person who was a **Qualified Executive** will no longer be a **Qualified Executive** under these rules. However, if he/she joins another **nominated adviser**, that firm can submit a Form NA2 to apply for approval of that person as a **Qualified Executive** of that **nominated adviser**. The **Exchange** may, at its discretion, waive the requirement to submit a Form NA2 on submission by a person who was (until very recently) previously approved as a **Qualified Executive**.

A **nominated adviser** can submit at any time a Form NA2 in respect of any employee who it proposes be approved as a **Qualified Executive**.

Part Two

Continuing Obligations of a Nominated Adviser

General Obligations

14 Appropriateness of an AIM company

The **nominated adviser** to an **AIM company** is responsible to the **Exchange** for assessing the appropriateness of an applicant for **AIM**, or an existing **AIM company** when appointed as its **nominated adviser**.

Where a **nominated adviser** believes that an **AIM company** for which it acts as **nominated adviser** is no longer appropriate for **AIM** it must contact **AIM Regulation**.

15 Compliance with the rules

A **nominated adviser** shall be bound by and observe:

- these rules and the **AIM Rules for Companies**, including any guidance notes issued by the **Exchange**;
- any rules and procedures set out in any supplementary documentation issued by the **Exchange** under these rules;
- the provisions of any notices issued by the **Exchange**; and
- any requirement, decision or direction of the **Exchange**.

Each **nominated adviser** should nominate a person within its firm to act as the **Exchange's** principal contact on compliance matters. That person should be a senior person within the firm's compliance function or its corporate finance team.

16 Due skill and care

A **nominated adviser** must act with due skill and care at all times.

Nominated adviser responsibilities

17 Advising and guiding an AIM company

The **nominated adviser** is responsible to the **Exchange** for advising and guiding an **AIM company** on its responsibilities under the **AIM Rules for Companies** both in respect of its **admission** and its continuing obligations on an ongoing basis. A **nominated adviser** must be available to advise and guide **AIM companies** for which it acts at all times.

A **nominated adviser** should allocate at least two appropriately qualified staff to be responsible for each **AIM company** for which the **nominated adviser** acts in that capacity, including at least one **Qualified Executive**, in order to ensure an appropriate corporate finance contact with knowledge of the **AIM company** is available at all times.

18 Nominated adviser responsibilities

In deciding whether a **nominated adviser** has complied with these rules and the undertakings it has provided to the **Exchange** in its **nominated adviser's declaration**, the **Exchange** will have

regard to the matters set out in Schedule Three, which should be exercised with due skill and care and after due and careful enquiry.

Information obligations

19 Liaison with the Exchange

A **nominated adviser** must provide the **Exchange** with any information, in such form and within such time limits as the **Exchange** may reasonably require. A **nominated adviser** should reasonably satisfy itself that all such information provided by it is correct, complete and not misleading and, if it comes to the subsequent attention of the **nominated adviser** that the information provided does not meet this requirement, the **nominated adviser** should advise the **Exchange** as soon as practicable.

A **nominated adviser** must liaise (and be available to liaise) with the **Exchange** when requested to do so by the **Exchange** or an **AIM company** for which it acts and should be contactable at all times, in particular during the **Exchange's** market hours.

A **nominated adviser** must, at the earliest opportunity, seek the advice of the **Exchange** (via **AIM Regulation**) in any situation where it is unsure as to the application or interpretation of these rules or the **AIM Rules for Companies** or it has a concern about the reputation and/or integrity of **AIM**. It should be noted that on detailed or specific regulatory matters the **Exchange** will not liaise with **nominated advisers** (or **AIM companies** or other advisers) on a 'no-names' basis.

A **nominated adviser** should advise the **Exchange** as soon as practicable if it believes that it or an **AIM company** has breached the **AIM Rules for Companies** or these rules.

All communications between the **Exchange** and a **nominated adviser** are confidential to the **Exchange** and should not be disclosed, except as required by any other regulatory or statutory body. Such communications can be disclosed to appropriate advisers to the **nominated adviser** or to the relevant **AIM company**, unless the **Exchange** states otherwise.

20 Becoming or ceasing to be nominated adviser to an AIM company

A **nominated adviser** must submit to the **Exchange** a completed **nominated adviser's declaration** in relation to any **applicant** seeking **admission** (in accordance with the **AIM Rules for Companies**) or where that **nominated adviser** becomes **nominated adviser** to an existing **AIM company**.

Where a **nominated adviser** ceases to act for an **AIM company**, it must inform **AIM Regulation** as soon as possible (by email) and must include with that notification the reason why it has ceased to act.

Independence and conflicts

21 Independence on a continuing basis

A **nominated adviser** must be able to demonstrate to the **Exchange** that both it and its executives are independent from the **AIM companies** for which it acts such that there is no reasonable basis for impugning the **nominated adviser's** independence.

Where the **Exchange** requires a **nominated adviser** to demonstrate clearly that neither its independence nor that of any of its executives has or will be compromised by any potential conflict of interest, the burden of proof will be upon the **nominated adviser**.

In cases of doubt about its independence a **nominated adviser** should consult the **Exchange** in advance of entering into any arrangements.

Schedule One sets out further rules in relation to the independence of a **nominated adviser**.

22 Conflicts of interest

A **nominated adviser** must not have, and must take care to avoid, the semblance of a conflict between the interests of the **AIM companies** for which it acts and those of any other party.

In particular, a **nominated adviser** must not act for any other party to a transaction or take-over other than its **AIM company** client.

Procedures, staff and records

23 Proper procedures

A **nominated adviser** must ensure that it maintains procedures, systems and controls which are sufficient for it to discharge its ongoing obligations under these rules. The **nominated adviser** should ensure that its compliance and procedures manual (or similar) reflects and takes account of the requirements of these rules, as appropriate.

In particular, it must ensure that any members of staff who are not approved as **Qualified Executives** are properly supervised by a **Qualified Executive** at all appropriate times in relation to matters relating to **AIM companies**.

24 Adequacy of Staff

A **nominated adviser** must ensure that it has sufficient **Qualified Executives** (and other corporate finance staff) to discharge its obligations as a **nominated adviser** under these rules at all times. In assessing whether a **nominated adviser** has sufficient staff under these rules, the **Exchange** will have regard to the number and type of **AIM companies** for which the firm acts, and the experience in relevant corporate finance matters of the corporate finance team as a whole.

25 Maintenance of appropriate records

A **nominated adviser** must retain sufficient records to maintain an audit trail of the key discussions it holds with, advice which it has given to, and the key decisions it has made in respect of, the **AIM companies** for which it acts as **nominated adviser**. A **nominated adviser** should ensure that it is able (including by keeping appropriate records) to demonstrate the basis for advice given and key decisions taken, such as internal considerations and any actions taken prior to the advice being given. Such records must be retained whilst a firm is **nominated adviser** to a company and for at least three years after it ceases to be **nominated adviser**.

When performing a review of a **nominated adviser**, the **Exchange** will look for clear evidence that at least those matters set out in Schedule Three have been considered and that appropriate actions have been taken in order to ensure compliance with these rules and the **AIM Rules for Companies**.

Part Three

Review and Discipline of a Nominated Adviser

26 Review of nominated advisers

A **nominated adviser** may be subject to a formal review by the **Exchange** to ensure that it has fully discharged its responsibilities under these rules and the **AIM Rules for Companies**. A **nominated adviser** must ensure that its **Qualified Executives** co-operate fully with the **Exchange** and that the **Qualified Executive** who was responsible for a transaction is available to answer any questions by the **Exchange** about any relevant matter.

A **nominated adviser** must allow **Exchange** officers access to its records (hard and electronic copies) and business premises when so requested by the **Exchange**.

27 Other supervisory powers

The **Exchange** may take any of the following actions in respect of a **nominated adviser's** performance:

- a) require remedial action to be undertaken within the **nominated adviser**, including directing (pursuant to rule 15) that the **nominated adviser** take specific steps, such as the employment of additional staff.
- b) impose restrictions or limitations on the services a **nominated adviser** can provide taking into account:
 - (i) the **nominated adviser's** experience and expertise of providing certain types of **nominated adviser** responsibilities to certain types of companies; and/or
 - (ii) the **nominated adviser's** procedures, systems and controls in place taking into account the nature of the services it is undertaking or proposing to undertake.
- c) should the **Exchange** become concerned about the conduct, competency and/or suitability of a **Qualified Executive** it may review the ongoing eligibility of such **Qualified Executive**, including as part of a review of a **nominated adviser** under rule 26 and may require certain actions or restrictions in relation to that **Qualified Executive** and/or suspend a **Qualified Executive's** approval, for such a time that it considers appropriate.

In relation to (b) above the **Exchange** may make public these actions by way of an AIM notice published by **RNS** and/or mark the **register** accordingly.

The **Exchange** may take an action(s) under rules 28, 29 and/or 31 regardless of whether or not it has previously undertaken any steps under rules 26 or 27.

28 Removal of Qualified Executives

The **Exchange** may remove the **Qualified Executive** status of an employee of a **nominated adviser** where that employee is subject to bankruptcy, disciplinary action by another regulator, mentally incapacitated or has been shown by a formal review by the **Exchange** of the **nominated adviser** or otherwise to have failed to act with due skill and care or in accordance with these rules or the AIM Rules for Companies in relation to his/her employer's role as a **nominated adviser**.

29 Sanctions against a nominated adviser

If the **Exchange** considers that a **nominated adviser** is either in breach of its responsibilities under these rules or the **AIM Rules for Companies** or that the reputation and/or integrity of **AIM** has been or may be impaired as a result of its conduct or judgment, the **Exchange** may in relation to such **nominated adviser** take one or more of the following actions:

- issue a **warning notice**;
- levy a fine;
- issue a censure; or
- remove the **nominated adviser** from the **register**; and
- publish the action the **Exchange** has taken and the reasons for that action.

The **Exchange** will take any proposed disciplinary action against a **nominated adviser** in accordance with the **Disciplinary Procedures and Appeals Handbook**.

30 Jurisdiction

When a **nominated adviser** is removed from the **register**, the **Exchange** retains jurisdiction over the **nominated adviser** for the purposes of conducting an investigation or taking disciplinary action in relation to breaches or suspected breaches of these rules whilst it was approved as a **nominated adviser**.

31 Moratorium on acting for further AIM companies

The **Exchange** may prevent a **nominated adviser** from acting as a **nominated adviser** to any additional **AIM companies** where, in the opinion of the **Exchange**, a **nominated adviser**:

- no longer meets the **eligibility criteria** or it is not meeting its responsibilities under these rules;
- the **Exchange** has reasonable concerns that a **nominated adviser's** procedures, systems and controls are not appropriate to support the **nominated adviser** services;
- it has insufficient staffing levels pursuant to rule 24 of these rules;
- there is an unplanned, temporary or permanent loss of appropriately experienced member(s) of staff;
- it is the subject of disciplinary action by the **Exchange**;
- if there is a reasonable likelihood of a change of control or there has been a change in its financial position or operating position that may affect its ability to act as a **nominated adviser**.

A moratorium on acting for additional **AIM companies** will remain until that situation is resolved to the **Exchange's** satisfaction.

The **Exchange** may make the imposition of any moratorium public by way of an AIM notice published by **RNS** and/or marking the **register** accordingly.

32 Appeals by nominated advisers

Where the **Exchange** takes any steps against a **nominated adviser** or a **Qualified Executive** pursuant to these rules, any decision of the **Exchange** in relation to these rules or the **AIM Rules**

for Companies in respect of a **nominated adviser** may be appealed by that **nominated adviser** in accordance with the procedures set out in the **Disciplinary Procedures and Appeals Handbook**.

33 Publication of the removal of nominated adviser status

Where the **Exchange** removes **nominated adviser** status (for example, due to action pursuant to rule 29 of these rules or it failing to continue to meet the **eligibility criteria** set out in Part One of these rules) or where a **nominated adviser** requests to have that status removed, the **Exchange** will notify such removal by way of an AIM notice published on **RNS** and/or mark the **register** accordingly.

Glossary

The following terms have the following meanings when used in these rules unless the context otherwise requires.

Term	Meaning
AIM Regulation	The AIM Regulation team at the Exchange contactable at aimregulation@lseg.com and 020 7797 4154.
eligibility criteria	The criteria set out in rules 1 to 6 inclusive of these rules.
FSMA Recognition Requirements	Financial Services and Markets Act 2000 (Recognition Requirements for Investment Exchanges and Clearing Houses) Regulations 2001 and the FCA Handbook implementing these regulations.
nominated adviser's declaration	The declaration to be given by the nominated adviser to an AIM company as required in the AIM Rules for Companies which should be in the form set out in Schedule Two of these rules.
Qualified Executive	As defined in rule 4 of these rules.
Relevant Transaction	As defined in rule 5 of these rules.

Schedules

Schedule One - Independence in relation to rule 21

For the avoidance of doubt:

- A **nominated adviser** may not act as both reporting accountant and/or auditor on the one hand and **nominated adviser** to an **AIM company** on the other unless it has satisfied the **Exchange** that appropriate safeguards are in place;
- No partner, director, employee of a **nominated adviser** or associate of any such partner, director or employee may hold the position of a director of an **AIM company** for which the firm acts as **nominated adviser**;
- No **nominated adviser** or partner, director, employee of a **nominated adviser** or associate of any such partner, director or employee either individually or collectively may be a **substantial shareholder** (i.e. 10% or more, taking into account options, warrants or similar that it may hold as if they have been exercised) of an **AIM company** for which the firm acts as **nominated adviser**;
- A **nominated adviser** or partner, director, employee of a **nominated adviser** or associate of any such partner, director or employee may be a **significant shareholder** (i.e. 3% or more, taking into account options, warrants or similar that it may hold as if they have been exercised) of an **AIM company** for which the firm acts as **nominated adviser** provided adequate safeguards are in place to prevent any conflict of interest;
- No **nominated adviser** or partner, director, employee of a **nominated adviser** or associate of any such partner, director or employee may deal in the securities of an **AIM company** or any related financial product for which the firm acts as **nominated adviser** during any **MAR** closed period of that company;
- When calculating an interest in a client company a nominated adviser is permitted to disregard any interest in shares pursuant to rules 5.1.3 to 5.1.5 inclusive of the **DTR**; and
- If a **nominated adviser** breaches any of the above limits as a result of its underwriting activities it must make best endeavours to sell down its holding to within the guidelines as soon as reasonably practicable.

Note: As guidance, bullet points 3 - 5 inclusive above will only apply to the corporate finance function of a **nominated adviser** firm and not to other areas adequately separated by ethical walls or similar safeguards. In such situations the burden of proof required of the **nominated adviser** under rule 21 remains.

Schedule Two – Nominated adviser's declaration

This **nominated adviser** confirms that:

SECTION A:

to the best of its knowledge and belief having made due and careful enquiry and considered all relevant matters under the **AIM Rules for Companies** and **AIM Rules for Nominated Advisers** in relation to this application for **admission**, all applicable requirements of the **AIM Rules for Companies** and **AIM Rules for Nominated Advisers** have been complied with and, in particular, (i) the **admission document** complies with Schedule Two of the current **AIM Rules for Companies**, or (ii) (in the case of a **quoted applicant** only) the requirements of Schedule One and its supplement have been complied with; and

SECTION B:

- (a) it is satisfied that the **applicant** and its securities are appropriate to be admitted to **AIM**, having made due and careful enquiry and considered all relevant matters set out in the **AIM Rules for Companies** and the **AIM Rules for Nominated Advisers** and;
- (b) the directors of the **applicant** have received advice and guidance (from this **nominated adviser** and other appropriate professional advisers) as to the **applicant's** responsibilities and obligations under the **AIM Rules for Companies** in order to facilitate due compliance by the **applicant** on an ongoing basis; and
- (c) it will comply with the **AIM Rules for Companies** and **AIM Rules for Nominated Advisers** as applicable to it in its role as **nominated adviser** to this **applicant**.

NOTE:

Sections A and B must be completed where securities are being admitted to **AIM** pursuant to an **admission**.

Only Section B must be completed where this form is being completed pursuant to a change of **nominated adviser** and Section A will not be applicable. In such cases, the term **applicant** should be deemed to read **AIM company**.

Terms used in this **nominated adviser's declaration** are as defined in the **AIM Rules for Companies**.

Schedule Three – Nominated adviser responsibilities

The responsibilities set out in this Schedule Three consist of numbered principles in bold followed by a list of actions. The numbered principles must be satisfied in all cases. The actions which follow each principle represent a non-exhaustive list of tasks that the Exchange would usually expect a nominated adviser to fulfil in satisfying that principle.

Other actions can therefore be substituted in order to satisfy each overriding principle or the nominated adviser may decide that a particular action set out below is not appropriate. The reasons for this should be noted as part of the record keeping duties under rule 25 in order to evidence to the Exchange that a nominated adviser has acted with due skill and care.

Admission Responsibilities

These apply to a **nominated adviser** that is acting for an **applicant** (including in relation to a reverse takeover coming within rule 14 of the **AIM Rules for Companies** and also including, as applicable, a **quoted applicant**) in respect of its **admission** to AIM.

THE APPLICANT AND ITS SECURITIES

AR1 - In assessing the appropriateness of an applicant and its securities for AIM, a nominated adviser should achieve a sound understanding of the applicant and its business

In meeting this, the **nominated adviser** should usually:

- ensure it has, or has access to, appropriate knowledge of the **applicant's** area of business (taking into account its country of incorporation and operation), using in-house specialists or external experts where necessary to achieve this
- consider the **applicant's** sector, proposition, business plan or similar, historical financial information and other corporate information, including the due diligence performed further to AR3
- consider any issues relating to the **applicant's** country of incorporation and operation and any other issues that might affect its appropriateness
- undertake a visit to the **applicant's** material site(s) of operation and meet the **directors** and key managers. The necessity of meeting any other relevant material stakeholders (e.g. key **shareholders**) should also be considered
- consider appointing its own legal advisers who are independent from the **applicant** to assist in the **nominated adviser's** understanding of the **applicant** and to provide advice to the **nominated adviser** that is independent of the **applicant**

DIRECTORS AND BOARD

AR2 – In assessing the appropriateness of an applicant and its securities for AIM, a nominated adviser should (i) investigate and consider the suitability of each director and proposed director of the applicant; and (ii) consider the efficacy of the board as a whole for the company's needs, in each case having in mind that the company will be admitted to trading on a UK public market

In meeting this, the **nominated adviser** should usually:

- issue and review **directors'** questionnaires and review **directors'** CVs
- test the information revealed by the above questionnaires and CVs, for example by conducting press searches, Companies House checks, taking-up references and, where appropriate, obtaining third party checks. For **directors** who are not **UK**-based, appropriate investigations should be undertaken
- extend these investigations and considerations as appropriate to key managers and consultants who are discussed in the **admission document**

- consider undertaking such investigations in relation to **substantial shareholders** at **admission** as appropriate, especially where there is uncertainty as to their identity or where they are not established institutions, in particular to enquire about the existence of **persons** exerting control over the **applicant**
- analyse any issues arising from these investigations, in particular as to how they could affect the **applicant's** appropriateness to be admitted to **AIM** and be publicly traded
- consider each **director's** suitability and experience in relation to their (proposed) company role and consider whether each (proposed) **director** is suitable to be a **director** of a **UK** public company
- consider the board of **directors** as a whole in relation to the **applicant's** needs, for example given its type, size, expected profile and the fact that the **applicant** will be admitted to a **UK**-based, English-language public market
- consider, with the **directors** of an **applicant**, the adoption of appropriate corporate governance measures

DUE DILIGENCE

AR3 – The nominated adviser should oversee the due diligence process, satisfying itself that it is appropriate to the applicant and transaction and that any material issues arising from it are dealt with or otherwise do not affect the appropriateness of the applicant for AIM

In meeting this, the **nominated adviser** should usually:

- be satisfied that appropriate financial and legal due diligence is undertaken by an appropriate professional firm(s)
- be satisfied that appropriate working capital and financial reporting systems and controls reviews are undertaken (usually including reports or letters from accountants to the **applicant**)
- consider whether commercial, specialist (e.g. intellectual property) and/or technical due diligence is required and be satisfied that it is undertaken where required
- agree the scope of all such due diligence and reports (including, in relation to the working capital report, assumptions and sensitivities)
- review and assess the above due diligence, reports and adviser comfort letters, considering any material issues, recommended actions or adverse analysis raised and be satisfied that appropriate actions have been undertaken to resolve such matters or otherwise be satisfied that such matters do not affect the appropriateness of the **applicant** for **AIM**

ADMISSION DOCUMENT

AR4 – The nominated adviser should oversee and be actively involved in the preparation of the admission document, satisfying itself (in order to be able to give the nominated adviser's declaration) that it has been prepared in compliance with the AIM Rules for Companies with due verification having been undertaken

In meeting this, the **nominated adviser** should usually:

- oversee and be actively involved in the drafting of the sections of the **admission document** that relate to the business of the **applicant** (usually the Key Information and Part 1 sections) and the risk factors, being satisfied that they take into account matters raised by due diligence
- be satisfied that the financial and additional information sections have been appropriately prepared
- consider whether any specialist third party reports are required (e.g. for companies in particular sectors such as property or biotechnology)
- be satisfied that appropriate verification of the **admission document** and any related **notifications** has taken place
- be satisfied (in the terms of the **nominated adviser's declaration**) that the **admission document** (or any appendix prepared by a **quoted applicant** in relation to paragraph (k) of the supplement to Schedule One of the **AIM Rules for Companies**) complies with the **AIM Rules**

for Companies, liaising with **AIM Regulation** to the extent that rule derogations or interpretations may be required

Quoted applicants: Quoted applicants are not required to produce an **admission document** and therefore some of the provisions of AR4 will not be applicable. However, paragraph (k) of the supplement to Schedule One of the **AIM Rules for Companies** will necessitate a full consideration of the requirements of Schedule Two of the **AIM Rules for Companies**. In addition, the statements required to be given pursuant to the Supplement to Schedule One of the **AIM Rules for Companies** should be given after due and careful enquiry.

AIM RULE COMPLIANCE

AR5 – The nominated adviser should satisfy itself that the applicant has in place sufficient systems, procedures and controls in order to comply with the AIM Rules for Companies and should satisfy itself that the applicant understands its obligations under the AIM Rules for Companies

In meeting this, the **nominated adviser** should usually:

- be satisfied that procedures within the company have been established to facilitate compliance with the **AIM Rules for Companies**, e.g. release of unpublished price sensitive information, Rule 17 **notifications**, rule 21 dealing policy.
- be satisfied that the **directors** have been advised of their and the company's continuing responsibilities and obligations under the **AIM Rules for Companies** and that the **directors** are aware of when they should be consulting with or seeking the advice of the **nominated adviser**. The **nominated adviser** should be involved in the provision of this advice to the **directors** so that they are aware of the practical consequences of the requirements of the **AIM Rules for Companies**.

Ongoing Responsibilities

These apply on a continuing basis in respect of any **nominated adviser** who acts for an **AIM company**.

REGULAR CONTACT BETWEEN COMPANY AND NOMINATED ADVISER

OR1 – The nominated adviser should maintain regular contact with an AIM company for which it acts, in particular so that it can assess whether (i) the nominated adviser is being kept up-to-date with developments at the AIM company and (ii) the AIM company continues to understand its obligations under the AIM Rules for Companies

In meeting this, the **nominated adviser** should usually:

- maintain regular contact with the **AIM company**, in particular to be satisfied that the **nominated adviser** is kept up-to-date in order that it can advise the company on its obligations under the **AIM Rules for Companies** (especially the requirements of Rule 11 and to identify breaches of the **AIM Rules for Companies** (e.g. in relation to Rule 17 disclosures))
- assess whether the **AIM company** continues to understand its obligations under the **AIM Rules for Companies**, for example by having discussions with the **directors** where appropriate and be satisfied that any procedures required pursuant to AR5 continue to be effective

REVIEW OF NOTIFICATIONS

OR2 – The nominated adviser should undertake a prior review of relevant notifications made by an AIM company with a view to ensuring compliance with the AIM Rules for Companies

In meeting this, the **nominated adviser** should usually:

- review in advance (although without prejudice to the requirement of Rule 10 to release information without delay) all **notifications** to be made by an **AIM company** for which it acts to

ensure as far as reasonably possible that they comply with the **AIM Rules for Companies**. Where the **nominated adviser** reasonably believes a company's **directors** have appropriate knowledge and experience of the **AIM Rules for Companies**, review of routine announcements (e.g. pursuant to rule 17) may not be necessary

- include the **nominated adviser's** name and a contact name on all such announcements that a **nominated adviser** reviews, other than routine announcements

MONITOR TRADING

OR3 – The nominated adviser should monitor (or have in place procedures with third parties for monitoring) the trading activity in securities of an AIM company for which it acts, especially when there is unpublished price sensitive information in relation to the AIM company

In meeting this, the **nominated adviser** should usually:

- use suitable alerts or other triggers to alert the **nominated adviser** to substantial price or trading movements. This can be satisfied via the **broker**
- contact an **AIM company** where appropriate if there is a substantial movement to ascertain whether an announcement or other action is required, liaising with the **Exchange** where appropriate
- consider the necessity for arranging relevant press monitoring, particularly when there is material unpublished price sensitive information in existence

ADVISE THE AIM COMPANY ON ANY CHANGES TO THE BOARD OF DIRECTORS

OR4 – The nominated adviser should advise the AIM company on any changes to the board of directors the AIM company proposes to make, including (i) investigating and considering the suitability of proposed new directors and (ii) considering the effect any changes have on the efficacy of the board as a whole for the company's needs, in each case having in mind that the company is admitted to trading on a UK public market

In satisfying this, the **Exchange** would expect the **nominated adviser** to usually:

- be satisfied that the **AIM company** knows to liaise with the **nominated adviser** at the earliest opportunity about proposed changes to the board, in order to allow the **nominated adviser** appropriate time to comply with OR4
- in relation to new **directors**, consider the requirements of AR2 (and where relevant the guidance to admission responsibilities) and take the appropriate actions including issuing and reviewing **director's** questionnaires, reviewing the **director's** CV and testing such information
- consider whether such proposed **directors** are suitable to be a **director** of a **UK** public company and consider the effect of the appointment on the efficacy of the board as a whole for the company's needs
- in relation to the removal of **directors**, consider how this affects the efficacy of the board as a whole for the company's needs, make any recommendations it thinks fit to the **AIM company** and considering whether this in turn affects the **AIM company's** appropriateness for **AIM**

Engagement Responsibilities

These apply when a **nominated adviser** is being engaged as a **nominated adviser** to an existing **AIM company**.

In satisfying these responsibilities, a **nominated adviser** should in addition refer to AR1 (in relation to ER1 below), AR2 (in relation to ER2) and AR5 (in relation to ER3) and where relevant the guidance to admission responsibilities and consider what actions may be appropriate. The actions to be taken will depend on, for example, the circumstances surrounding the change of **nominated adviser** or the changes that have taken place in the company since **admission**. For example, it is unlikely that the

due diligence reports usually obtained in preparation for **admission** as mentioned in part of AR1 would be required on engagement pursuant to ER1 or ER3 below.

THE AIM COMPANY AND ITS SECURITIES

ER1 - In assessing the appropriateness of an AIM company and its securities for AIM when taking on an existing AIM company, a nominated adviser should achieve a sound understanding of the AIM company and its business

In satisfying this, the **nominated adviser** should usually:

- gain a knowledge of any major developments relating to the company since **admission** and consider their effect on the appropriateness of the **AIM company**
- consider contacting the outgoing **nominated adviser** to discuss their experiences with the **AIM company**. An outgoing **nominated adviser** should be constructive and open (to the extent possible) with a new **nominated adviser** who contacts them for such discussion.

DIRECTORS AND BOARD

ER2 – In assessing the appropriateness of an existing AIM company and its securities for AIM, a nominated adviser should (i) investigate and consider the suitability of each director and proposed director of the AIM company and (ii) consider the efficacy of the board as a whole for the company's needs, in each case having in mind that the company is admitted to a trading on a UK public market

AIM RULE COMPLIANCE

ER3 – The nominated adviser should satisfy itself that the AIM company has in place sufficient systems, procedures and controls in order to comply with the AIM Rules for Companies and should satisfy itself that the AIM company and its directors understand their obligations under the AIM Rules for Companies

General

In this Schedule Three:

- Where a **nominated adviser** is expected to consider or satisfy itself of a particular matter, this is expected to be after due and careful enquiry and exercising due skill and care. The **nominated adviser** should keep an appropriate record to evidence this.
- A **nominated adviser** should seek advice and assistance from other professional advisers where appropriate in fulfilling these responsibilities but should retain overall management and responsibility (i) for any **admission** process in relation to **AIM companies** for which it acts and (ii) in relation to advising **AIM companies** on their ongoing compliance with the **AIM Rules for Companies**.

Guidance to Admission Responsibilities

Before a **Schedule One** form is submitted in respect of a new **applicant**, a **nominated adviser** is required to submit an early notification form under rule 2 of the **AIM Rules for Companies**. Irrespective of the requirement for early notification, it is important for a **nominated adviser** to have early discussions with the **Exchange** where the circumstances of the **applicant** and its **AIM securities** could affect its appropriateness for **AIM**. The **Exchange** will generally consider the following non-exhaustive examples as matters that could affect appropriateness:

- questions as to the good character, skills, experience or previous history of a **director**, key manager, senior executive, consultant or major shareholder
- the rationale for seeking **admission** to **AIM** is not clear

- formal criticism of the **applicant** and/or any of its **directors** by other regulators, governments, courts, law enforcement or exchange bodies
- the **applicant** has been denied admission to trading on another trading platform or exchange
- the **applicant** has a vague or ill-defined business model or its business operations
- corporate structure and business models which may give rise to concerns regarding appropriateness for a public market, for example where there are issues regarding the legality of the **applicant's** business operations in the **UK** and any jurisdiction where they are materially carried on; or the **applicant** has not yet secured the key licences, government approvals, intellectual property rights or other property rights it will need to operate its business
- the **applicant** holds a derivative or economic interest in a material part of its assets or business operations via a risky contractual arrangement (for example contractual arrangements that are potentially unenforceable or may not be enforced or may be difficult to enforce in practice) with the owner of the assets or operations rather than by owning them itself or through a subsidiary

These factors can be of such importance that each in their own right may mean that an **applicant** is not appropriate for **AIM**. Further, there may be circumstances where an individual factor which may not on its own prevent an **admission** but when presented in combination with other factors may make an **applicant** not appropriate for **admission**.



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SCHEDULE 3 – AIM DISCIPLINARY PROCEDURES AND APPEALS HANDBOOK



London
Stock Exchange

AIM Disciplinary Procedures and Appeals Handbook

October 2018

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Introduction

- A1. This **Handbook**, which forms part of the **AIM Rules** and governs all proceedings and appeals commenced after 1 October 2018, 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**.

Our approach

- 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. Following enquiries the **Exchange** may seek to address any identified concerns through one or more of the following: (i) instructing the **AIM company** or **nominated adviser** to take remedial action; (ii) providing education to mitigate the risk of future non compliance; and/or (iii) recording 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**.

Disciplinary action and proceedings

- A6. The **Exchange** will investigate the facts of each case, seeking to understand whether a rule breach occurred and the circumstances. Upon conclusion of its investigation the **Exchange** will decide whether disciplinary action is necessary in each instance.
- 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**. The maximum number of members of a **Panel** or **Committee** shall be 7.
- B13. Save for those determinations, directions and orders which are expressly reserved under these rules to a full **Panel** or **Committee**:
- B13.1 determinations, directions or orders may be made by either a **Chairman** alone or by a full **Panel** or **Committee**; and
 - B13.2 determinations, directions or orders which are made by a **Chairman** alone shall be construed, treated and read as if made by the full **Panel** or **Committee**.

Burden of proof

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

Rules of evidence

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

New evidence

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

- B16.1 that it is relevant to the issues to be determined;
- B16.2 that it could not have been reasonably identified and adduced by the **party** seeking to rely on it at an earlier date; and
- B16.3 that the relevance 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 Three of this **Handbook** when considering any order for costs and/or a fine.

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

Payment of costs and fines

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

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

Service

- B26. References to **service** or **serve** in these rules shall be to **service** by 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. Unless otherwise directed by the **Chairman**, not later than 7 **business days** in advance of the appeal hearing or the date of any determination on the papers, the **Secretary** shall provide:
- C23.1 two copies of the appeal bundle to the **Appellant**; and
 - C23.2 a copy for each member of the **AEP**.

Written submissions

- C24. Unless otherwise directed by the **Chairman**, each **party** shall provide to the **Secretary** any written submissions by 16:00 (UK time) 5 **business days** prior to the scheduled date when the **AEP** proposes to determine the appeal at a hearing or on the papers. All written submissions shall contain cross-references to the appeal bundle, where relevant.
- C25. The **Secretary** will simultaneously provide the **parties** and the **AEP** with a copy of each **party's** written submissions.

Information requests by the AIM Executive Panel

- C26. The **AEP** may direct a question to, or request further information from, any **party** at any time. The **AEP** may, in its discretion, draw an adverse inference in respect of a **party's** failure to respond to any questions or further information requests directed of it.

Conduct of AIM Executive Panel hearings

- C27. The **AEP** or its **Chairman** may make such directions with regard to the conduct of and procedures at the hearing as the **AEP** considers appropriate.
- C28. Unless otherwise directed by the **AEP** or its **Chairman**, any oral submissions of the **parties** shall be limited to supplementing or clarifying matters set out in the **parties'** respective notice or response and written submissions.
- C29. Following conclusion of the appeal hearing, the **AEP** will then retire and proceed with its deliberations and determinations in private.

Determination of appeals by the AIM Executive Panel

- C30. The **AEP** may only determine an appeal against a **warning notice** by:
- C30.1 upholding the findings of fact and breaches of the **AIM Rules** set out in the **warning notice** and dismissing the appeal; or
 - C30.2 allowing the appeal, or part thereof, if it is satisfied that one or more of the grounds in the **Appellant's Notice** are made out on the balance of probabilities.
- C31. In the event that the **AEP** dismisses an appeal pursuant to rule C30.1 the **AEP** shall uphold the **warning notice** and may in addition do one of the following:
- C31.1 uphold any accompanying fine imposed when the **warning notice** was issued by the **Exchange**; or
 - C31.2 if not previously imposed, impose a fine; or
 - C31.3 increase or decrease the level of any previously imposed fine; or
 - C31.4 if the **AEP** is satisfied that the facts, breaches and circumstances are sufficiently serious to merit consideration by the **ADC**, remit the **warning notice** back to the

Exchange for reconsideration as to whether **disciplinary proceedings** should be commenced. The **warning notice** and any accompanying fine shall continue to be in full force and effect at all times thereafter unless, following such reconsideration, the **Exchange** commences **disciplinary proceedings**, in which case, the **warning notice** shall be treated as having been rescinded.

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

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

C32.2 vary the **warning notice**, or part thereof, and/or any accompanying fine imposed; or

C32.3 quash the **warning notice**, or part thereof, and/or any accompanying fine imposed.

Communication of the AIM Executive Panel's determinations

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

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

Appeals to the AIM Executive Appeals Panel

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

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

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

Mode of referral to the AIM Executive Appeals Panel

Permissible grounds of appeal

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

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

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

Commencement

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

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

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

Convening the AIM Executive Appeals Panel

- C42. The **Secretary** shall proceed to take steps to convene an **AEAP** and communicate to the **parties** the membership of the convened **AEAP** and name of the person appointed as **Chairman**.
- C43. The **Secretary** shall ensure that the **Chairman** is provided with a copy of the **Appellant's Notice**.

Preliminary issues

- C44. The **Chairman** shall decline to hear an appeal in the event that:
- C44.1 the **Appellant's Notice** does not disclose any permissible grounds of appeal; and/or
 - C44.2 the **Appellant's Notice** has not been validly **served**: (i) within the specified 15 **business day** timeframe for **service** pursuant to rule C41 or any extended timeframe ordered pursuant to rule B3; and/or (ii) in accordance with the **general provisions of service**; and/or
 - C44.3 the appeal has no real prospect of success.
- C45. The **Chairman** may decline to hear an appeal in the event that the **Appellant's Notice** and supporting submissions do not adequately particularise the reasons and material facts upon which the **Appellant** relies as the basis for any pleaded ground of appeal.
- C46. The **Chairman** shall determine the preliminary issues on the papers.
- 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. Unless otherwise directed by the **Chairman**, not later than 7 **business days** in advance of the scheduled date when the **AEAP** proposes to determine the appeal on the papers or hold an appeal hearing, the **Secretary** shall provide:
- 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** and may in its discretion provide reasons for doing so.

Conduct of AIM Disciplinary Committee hearings

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

Deliberations and determinations by the AIM Disciplinary Committee

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

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

The ADC Disciplinary Determination

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

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

Appeals to the AIM Disciplinary Appeals Committee

- D32. Either **party** to **disciplinary proceedings** may appeal an **ADC Disciplinary Determination** to the **ADAC**. Such appeal to the **ADAC** shall not be a rehearing, but a review by the **ADAC** of the **ADC Disciplinary Determination**.
- D33. There is no right of appeal to an **ADAC** of any case management or other procedural directions of an **ADC** or its **Chairman**.
- D34. There is no right of appeal to an **ADAC** solely on liability for and/or quantum of a costs order of the **ADC**. The **ADAC** shall determine any consequential matters relating to a costs order of the **ADC** when determining the question of the costs of the proceedings before the **ADAC**.

Mode of referral to the AIM Disciplinary Appeals Committee

Permissible grounds of appeal

- D35. Appeals of an **ADC Disciplinary Determination**, or part thereof, to the **ADAC** may only be made on one or more of the following grounds:
- D35.1 the determination was one which no **ADC**, acting reasonably, could have made on the facts and information before it; and/or
 - D35.2 the determination was based on a misapplication or misinterpretation of the **AIM Rules**.

Commencement

- D36. An **Appellant** seeking to appeal an **ADC Disciplinary Determination**, or part thereof, shall **serve** notice in writing to the **Secretary**, in the form prescribed in **Appendix 5**, copied to the **Respondent**.
- D37. The information and any documents **served** pursuant to rule D36 shall together comprise the **Appellant's Notice**.
- D38. The **Appellant's Notice** must be **served** within 15 **business days** of the effective date of the **ADC Disciplinary Determination** pursuant to rule D30.

Status of an ADC Disciplinary Determination

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

Convening the AIM Disciplinary Appeals Committee

- D40. The **Secretary** shall proceed to take steps to convene an **ADAC** and communicate to the **parties** the membership of the convened **ADAC** and name of the person appointed as **Chairman**.
- D41. The **Secretary** shall ensure that the **Chairman** is provided with a copy of the **Appellant's Notice**.
- D42. The **Secretary** will request that the **parties** provide a list of those dates to avoid for the purposes of scheduling a hearing of the appeal. In the event that a **party** does not provide dates to the **Secretary** within the timescale requested, a hearing date may be finalised without further reference to that **party's** availability.

Preliminary issues

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

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

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

D45. The **Chairman** shall determine the preliminary issues on the papers.

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

Procedural rules of the AIM Disciplinary Appeals Committee

Respondent's Notice

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

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

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

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

Case management and procedural directions

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

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

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

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

Appeal bundle

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

- D54.1 a copy of the **ADC Disciplinary Determination** under appeal;
 - D54.2 a copy of the **Statement of Case**, **Statement of Defence** and any relevant evidence that was before the **ADC** and upon which either **party** relies for the purposes of the appeal;
 - D54.3 the **Appellant's Notice**, the **Respondent's Notice** and any documents appended thereto (excluding any new evidence for which permission has not been granted pursuant to rule D50); and
 - D54.4 copies of any previous directions of the **ADAC** or its **Chairman** and relevant communications between the **parties** and the **Secretary**.
- D55. Unless otherwise directed by the **Chairman**, not later than 12 **business days** in advance of the hearing, the **Secretary** shall provide:
- D55.1 two copies of the hearing bundle to the **Appellant** or, if the **Exchange** is the **Appellant**, two copies to the **Respondent**; and
 - D55.2 a copy for each member of the **ADAC**.

Written submissions

- D56. Unless otherwise directed by the **ADAC** or its **Chairman**, each **party** shall provide to the **Secretary** its written submissions by 16:00 (UK time) 10 **business days** prior to the scheduled date of the hearing. All written submissions shall contain cross-references to the appeal bundle, where relevant.
- D57. The **Secretary** will simultaneously provide the **parties** and the **ADAC** with a copy of each **party's** written submissions.

Information requests by the AIM Disciplinary Appeals Committee

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

Conduct of AIM Disciplinary Appeals Committee hearings

- D59. The **ADAC** may make such other directions with regard to the conduct of and procedures at the hearing as the **ADAC** considers appropriate.
- D60. Unless otherwise directed by the **ADAC** or its **Chairman**, any oral submissions of the **parties** shall be limited to supplementing or clarifying matters set out in the **parties'** respective notices and written submissions.
- D61. Following conclusion of the hearing, the **ADAC** will then retire and proceed with its deliberations and determinations in private.

Determination of appeals by the AIM Disciplinary Appeals Committee

- D62. The **ADAC** may only determine an appeal against an **ADC Disciplinary Determination** by:
- D62.1 dismissing the appeal and upholding the **ADC Disciplinary Determination**, or the part thereof being appealed; or
 - D62.2 allowing the appeal, or part thereof, if it is satisfied that one or more of the grounds in the **Appellant's Notice** are made out on the balance of probabilities.
- D63. In the event that the **ADAC** allows the appeal, or part thereof, it shall then determine whether to:

- D63.1 uphold the **ADC Disciplinary Determination**, or part thereof, for such other reasons as it may determine in its discretion; or
 - D63.2 vary the **ADC Disciplinary Determination**, or part thereof; or
 - D63.3 quash the **ADC Disciplinary Determination**, or part thereof.
- D64. The **ADAC's** determination pursuant to rules D62 - D63 shall be communicated to the **parties** as soon as reasonably practicable. The **ADAC** shall proceed to provide necessary directions for the determination of any costs and fines orders.

The ADAC Appeal Determination

- D65. The **ADAC's** final determination together with any fine and costs order shall form the **ADAC Appeal Determination**. The **ADAC Appeal Determination** shall take effect from the date on which it is communicated to the **parties** and shall be final with no right of appeal.
- D66. As soon as reasonably practicable after the **ADAC Appeal Determination** has come into effect pursuant to rule D65, the **Exchange** shall publish an **AIM Disciplinary Appeal Notice**.

Settlement

Prior to commencement of disciplinary proceedings

- E1. Prior to the commencement of any **disciplinary proceedings**, the **Exchange** shall offer an **AIM company** or **nominated adviser** terms of settlement of potential **disciplinary proceedings** relating to alleged breaches of the **AIM Rules**. Any agreed settlement may, at the **Exchange's** discretion, extend to:
- E1.1 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 than 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. A **Committee** may make such order as to costs as it considers appropriate taking into account all the relevant circumstances, provided always that it shall have regard to the presumptions set out in rules G7 – G9 and to rule G11.
- G7. The presumption shall be that the **Respondent** is liable for and shall be ordered to pay the costs of the **Exchange**, the **Secretary** and of the **ADC** incurred in relation to the **disciplinary proceedings** where:

- G7.1 an **ADC** finds that the **Respondent** has breached any of the **AIM Rules** particularised in the **Exchange's Statement of Case**; or
 - G7.2 following the commencement of **disciplinary proceedings** the **Respondent** admits that it has breached any of the **AIM Rules** particularised in the **Exchange's Statement of Case**.
- G8. In the event of any discontinuance by the **Exchange** of **disciplinary proceedings** pursuant to rule D25, the **ADC** may, in its discretion, order that a **Respondent** pays the costs or part of the costs of the **Exchange**, the **Secretary** and the **ADC** incurred in relation to the discontinued **disciplinary proceedings**.
- G9. The presumption shall be that the **AIM company** or **nominated adviser** is liable for and shall be ordered to pay the costs of the **Exchange**, the **Secretary** and **ADAC** incurred: (i) in relation to the appeal; and (ii) the **disciplinary proceedings** where:
- G9.1 an **ADAC** dismisses an appeal by an **AIM company** or a **nominated adviser** of an **ADC Disciplinary Determination**, or part thereof; or
 - G9.2 after commencement of an appeal an **AIM company** or a **nominated adviser** withdraws its appeal of an **ADC Disciplinary Determination**, or part thereof.
- G10. The relevant **Committee** shall determine the quantum of any costs to be paid pursuant to any order made in accordance with rules G6 – G9.

Other costs provisions

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

Fines in disciplinary proceedings and appeals

- G12. If an **ADC** finds (or a **Respondent** admits) that the **Respondent** has breached the **AIM Rules** particularised in the **Exchange's Statement of Case** it shall determine the level of any fine to be imposed. In doing so the **ADC** shall have regard to the following principles:
- G12.1. That amongst other matters, the purpose of **disciplinary proceedings**, including any fine, is to maintain confidence in the **AIM** regulatory framework and uphold the integrity and reputation of **AIM** by holding to account those who fail to comply with obligations owed to the **Exchange**.
 - G12.2. That the level of any fine should reflect the nature, circumstances and gravity of the breaches and of the **Respondent's** conduct.
 - G12.3. That the level of any fine should be sufficient to act as both: (i) a deterrent to the **Respondent** from committing future breaches of its obligations pursuant to the **AIM Rules**; and (ii) a deterrent to others from committing similar breaches.
- G13. Following any determination of the **ADC** as to the level of any fine to be imposed, the **ADC** may consider submissions from the **parties** for any supplemental order relating to the fine imposed.
- G14. When determining the imposition of and/or quantum of a fine in an appeal, the **ADAC** or a **Panel** shall have regard to the principles contained in rule G12.

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

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

Identify warning notice
Identify the warning notice , or any part thereof, which the Appellant seeks to appeal:
Permissible grounds of appeal
Confirm the ground(s) pursuant to rule C2 upon which the appeal is based, and provide written submissions and a summary of all material facts upon which the Appellant seeks to rely:
C2.1 The findings of fact or of breach of the AIM Rules set out in the warning notice were unsupported by the information or evidence upon which such findings were based:
C2.2 The findings of breach in the warning notice involved a misinterpretation or erroneous application of the AIM Rules by the Exchange :
Evidence
List and append copies of any relevant documents upon which the Appellant relies:
Attendance at hearing
Provide a list of those individuals that the Appellant wishes to be present during any hearing, together with details of each named individual's relationship to the Appellant and the capacity in which each individual is attending:
Contact details
Provide the contact details to which all further communications and documents regarding the appeal shall be sent including, if relevant, the name and contact details of any legal representative instructed to represent the Appellant :

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

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

Identify final determination of AEP
Identify the final determination of the AEP , or part thereof, being appealed:
Permissible grounds of appeal
Confirm the ground(s) pursuant to rule C38 upon which the appeal is based, and provide written submissions and a summary of all material facts upon which the Appellant seeks to rely:
C38.1 the AEP's determination was one which no AEP , acting reasonably, could have made on the information or evidence before it
C38.2 the AEP's determination was based on a misapplication or misinterpretation of the AIM Rules :
Determination sought
Set out any alternative determination sought:
Evidence
List and identify (by page references to the AEP hearing bundle) documents relied upon:
For any new documentary evidence sought to be relied upon, a copy shall be appended to this form, together with submissions in accordance with rule C51 for permission to adduce that documentary evidence:
Attendance at hearing
Provide a list of those individuals that the Appellant wishes to be present during the hearing, together with details of each named individual's relationship to the Appellant and the capacity in which each individual is attending:
Contact details
Provide the contact details to which all further communications and documents regarding the appeal shall be sent including, if relevant, the name and contact details of any legal representative instructed to represent the Appellant :

Appendix 3 - Case Management Memorandum

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

Name and contact details of party
Name and contact details of legal representative
Request for witness of fact
Details relating to proposed witness of fact, being an explanation of why the party wishes to adduce such witness evidence, the identity and qualification/role of the witness and a brief description of the area/issue each proposed witness will address:
Request for expert witness evidence
Details relating to proposed expert witness evidence, being an explanation of why the party wishes to adduce such expert witness evidence, the identity and qualification of the expert, if known, and a brief description of the area/issue the proposed expert witness will address:
Timetable
Having regard and with reference to the indicative directions and timescales set out in Appendix 4 , identify any requested variation of those indicative timescales, any proposed alternative timescale and provide the reasons for any requested variation.
Other case management or procedural directions sought
Provide details (together with a draft) of any further or additional directions sought and any proposed timescale relating to compliance with such additional directions, together with the grounds for that request.

Appendix 4 - Indicative standard directions and timetable for disciplinary proceedings

<u>Date of directions</u>	
1.	These directions were made by the Chairman of the ADC [insert name] / ADC on [Insert date].
<u>Witness evidence of fact</u>	
2.	The Exchange is permitted to adduce witness evidence of fact of the following individuals:
	[name and role of each witness]
3.	The Respondent is permitted to adduce witness evidence of fact of the following individuals:
	[name and role of each witness]
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.
5.	Each witness statement of fact shall:
	<ul style="list-style-type: none"> (a) provide the full name and address of the witness; a summary of his or her present and past relationship (if any) with any of the parties; and a description of his or her background, qualifications, training and experience; (b) provide a full and detailed description of the facts, and the source of the witness' information as to those facts, which is sufficient to serve as that witness's evidence in chief; (c) exhibit a copy of any documents to which the witness refers or (if already provided) provide a cross reference. (d) include a contents page if the witness statement is over 25 pages; (e) include an affirmation of the truth of the witness statement and confirmation that the witness is able and willing to attend the hearing of the disciplinary proceedings; and (f) include the signature of the witness and the date.
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.
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.
<u>Expert evidence</u>	
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 .
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.

10.	<p>The written evidence of the experts shall be with respect to:</p> <p><i>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</i></p>
11.	<p>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.</p>
12.	<p>Each expert report shall:</p> <ul style="list-style-type: none"> (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>"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."</i> (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.	<p>Each expert must make it clear:</p> <ul style="list-style-type: none"> (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.	<p>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.</p>
<u>ADC hearing bundle</u>	
15.	<p>The Exchange shall prepare and provide the Secretary with copies of the hearing bundle. The hearing bundle shall contain:</p> <p><i>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.</i></p> <ul style="list-style-type: none"> (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;

	<p>(e) any expert reports and supplemental expert reports and exhibits;</p> <p><i>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</i></p> <p>(f) copies of any previous directions of the ADC or its Chairman and relevant communications between the parties and the Secretary.</p>
16.	The Secretary shall provide the parties with the ADC hearing bundle no later than <i>[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.</i>
<u>Parties attending the hearing</u>	
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 <i>[Insert date that shall usually be 16:00 (UK time) [20] business days prior to hearing]</i> .
<u>Opening submissions</u>	
18.	<p>Each party shall provide to the Secretary their written opening submissions by</p> <p><i>[Insert date that shall usually be 16:00 (UK time) [20] business days following the provision of the ADC hearing bundle]</i>.</p> <p>The Secretary will simultaneously provide the parties and the ADAC with a copy of each party's written submissions.</p>
19.	Opening submissions shall not exceed [30] pages in length and shall contain cross-references to the hearing bundle.
<u>Commencement and duration of the disciplinary hearing</u>	
<p><i>Guidance Note: In determining the duration of the hearing of the disciplinary proceedings the Chairman shall have regard to:</i></p> <p>(a) <i>the likely estimated time required for the hearing and determination of all issues of liability; and</i></p> <p>(b) <i>subject to any finding of liability, the likely estimated time for determining any fine and costs orders.</i></p> <p><i>Unless otherwise directed, the duration for a hearing to determine whether the Respondent has breached the AIM Rules shall usually be as follows:</i></p> <ul style="list-style-type: none"> • <i>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.</i> • <i>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.</i> 	
20.	The matter is listed for a final hearing before the ADC to begin at 10:00 on <i>[insert date which shall usually not be earlier than [10] business days following the last of any scheduled dates</i>

	<i>in the case management timetable above], with a time estimate of [] days, with a [] day in reserve.</i>
21.	The parties shall make every reasonable effort to adhere to hearing durations.
22.	The hearing shall take place at <i>[usually London Stock Exchange plc at 10 Paternoster Square]</i>
23.	The ADC will hear the matter <i>[usually from 10:00 – 13:00 and from 14:00 to 16:30 on each day that it sits].</i>

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**.

Identify ADC Disciplinary Determination
Identify the ADC Disciplinary Determination , or part thereof, being appealed:
Permissible grounds of appeal
Confirm the ground(s) pursuant to rule D35 upon which the appeal is based, and provide written submissions and a summary of all material facts upon which the Appellant seeks to rely:
D35.1 the determination or direction was one which no ADC , acting reasonably, could have made on the facts and information before it
D35.2 the determination was based on a misapplication or misinterpretation of the AIM Rules
Determination sought
Set out any alternative determination sought:
Evidence
List and identify (by page references to the ADC hearing bundle) documents relied upon: For any new documentary evidence sought to be relied upon, a copy shall be appended to this form, together with submissions in accordance with rule D50 for permission to adduce that documentary evidence:
Attendance at hearing
Provide a list of those individuals that the Appellant wishes to be present during the hearing, together with details of each named individual's relationship to the Appellant and the capacity in which each individual is attending:
Contact details
Provide the contact details to which all further communications and documents regarding the appeal shall be sent including, if relevant, the name and contact details of any legal representative instructed to represent the Appellant :

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

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

Identify non disciplinary decision
Identify the non disciplinary decision , or any part thereof, which the Appellant seeks to appeal:
Permissible grounds of appeal
Confirm the ground(s) pursuant to rule F2 upon which the appeal is based, and provide written submissions and a summary of all material facts upon which the Appellant seeks to rely:
F2.1 the non disciplinary decision involved a misinterpretation or erroneous application of the AIM Rules by the Exchange :
F2.2 the non disciplinary decision was one which could not have been reached by the Exchange , acting reasonably, on the information or evidence before it:
Evidence
List and append copies of any relevant documents upon which the Appellant relies:
Attendance at hearing
Provide a list of those individuals that the Appellant wishes to be present during any hearing, together with details of each named individual's relationship to the Appellant and the capacity in which each individual is attending:
Contact details
Provide the contact details to which all further communications and documents regarding the appeal shall be sent including, if relevant, the name and contact details of any legal representative instructed to represent the Appellant :

Glossary

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

Term	Meaning
ADAC Appeal Determination	The determination of an ADAC pursuant to rule D65 of this Handbook .
ADC Disciplinary Determination	The determination of an ADC pursuant to rule D30 of this Handbook .
AIM Disciplinary Appeals Committee ("ADAC")	An external committee (see rule A14) convened to hear and determine appeals of an ADC Disciplinary Determination .
AIM Disciplinary Appeal Notice	A public notice issued by the Exchange pursuant to rule D66 of this Handbook upon the conclusion of an appeal of an ADC Disciplinary Determination : <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (a) name the relevant AIM company or nominated adviser; and (b) summarise the alleged breaches of the AIM Rules.
AIM Disciplinary Committee ("ADC")	An external committee (see rule A14), 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 : <ul style="list-style-type: none"> (a) naming the relevant AIM company or nominated adviser; (b) confirming whether or not the ADC has found that the relevant AIM company or nominated adviser has breached the AIM Rules and summarising the nature of the breaches; and (c) confirming the ADC's determination on any level of fine.
AIM Executive Appeals Panel ("AEAP")	A panel (see rule A13) convened to hear and determine an appeal of a final determination of the AEP .
AIM Executive Panel ("AEP")	A panel (see rule A13) 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 Memorandum (“CMM”)	A standard form memorandum to be completed and submitted by each party to disciplinary proceedings pursuant to rules D16 - D17 of this Handbook .
Chairman	A person appointed from time to time to carry out the functions of a chairman of a Panel or Committee .
disciplinary proceedings	Proceedings against an AIM company or nominated adviser commenced by the Exchange pursuant to rule D2 of this Handbook and to be determined before an ADC .
Exchange’s Response	The information and documents submitted by the Exchange in accordance with the provisions of this Handbook in response to an Appellant’s Notice .
general provisions	Rules B1 - B32 inclusive of this Handbook .
non disciplinary decision	A decision of the Exchange pursuant to the AIM Rules , save for a decision to take formal disciplinary action as described at rule A7 of this Handbook .
Party or Parties	As the context so requires: <ul style="list-style-type: none"> (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 .



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