

TISE

The International
Stock Exchange
Authority

Membership Rules

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Preface

The **Authority** is responsible for the supervision of Members of the Exchange and is licensed to operate an investment exchange under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended).

Authority's Purpose:

Our purpose is to provide a well-regulated listing and trading venue for issuers of global securities and their investors, thus promoting responsible economic growth..

Authority's Mission:

Our mission is to constantly add value for all our stakeholders by providing a secure and high quality service across a trusted, cost effective and efficient marketplace.

The Membership Rules:

- Govern the requirements for applicants to gain admission to membership;
- Govern the continuing obligations requirements of membership;
- Govern the supervision and discipline of Members to ensure their compliance with the Membership Rules;
- Are subject to revision. Current copies of the Membership Rules are available on the Exchange's website. The Authority will inform Members of the Exchange of any revisions;
- Are not exhaustive. The Authority may impose additional requirements or special conditions where it considers it appropriate, in order to ensure that Members demonstrate suitability for membership; and
- May be waived or modified by the Authority where it determines the Member still demonstrates suitability for membership.

A Member is expected to comply with all Membership Rules applicable to them, and provide to the Authority without delay all the information and explanations that the Authority may reasonably require for the purpose of deciding whether to admit an applicant to membership, ensure the orderly operation of the market, or to verify compliance with the Membership Rules.

Any decision of the Authority regarding the interpretation, administration or enforcement of these Membership Rules shall be final, conclusive and binding. The Authority may publish notes of interpretation, from time to time, to assist in interpreting and complying with the Membership Rules.

The admission of any applicant to membership of the Exchange shall not constitute a warranty or representation by the Authority as to the competence of the Member, service providers or any other party connected with a Member. The Authority accepts no liability for any loss, damage, cost or expense whatsoever incurred by any person.

The Authority may provide additional guidance on any aspect of the Membership Rules and discussions take place in strict confidence subject to any legal or regulatory obligations with which the Authority must comply. Please consult with us at an early stage if you are unsure about an applicant's suitability for admission to membership, need to clarify potential issues, or have questions regarding the process.

Principles

The Membership Rules require Members to adhere to the following Principles, for investors to have and maintain confidence in the markets we operate.

Members should:

1. Observe high standards of integrity and fair dealing at all times;
2. Conduct themselves in a manner which positively contributes to the market operated by the Authority being fair, efficient and transparent;
3. Act with due skill, care and diligence;
4. Observe high standards of market conduct;
5. Manage conflicts of interest fairly; and
6. Deal with the Authority in an open and transparent manner at all times.

Glossary of terms

Throughout these Membership Rules, the following terms, except where the context otherwise requires, have the following meanings:

agent

a person or legal entity acting on behalf of or in the name of a Member whether by way of a contractual relationship or otherwise;

Appeals Committee

a committee established by the Board for the purposes of considering certain final decisions of the Listing and Membership Committee or the Disciplinary Committee;

applicant

a company, partnership or other legal entity that wishes to apply, or is applying, to become a Member;

associate

in relation to any director or controller of an applicant or Member:

- i. who is an individual:
 - that individual's family members; and
 - any company of which that individual acts as director or whose directors are accustomed to act in accordance with the individual's directions or instructions.
- ii. who is a company:
 - any person who is an employee of the company;
 - any company in whose equity securities the company is directly or indirectly interested so as to exercise or control the exercise of 15% or more of the voting power at general meetings, or to control the appointment and/or removal of directors holding a majority of voting rights at board meetings and any other company that is its subsidiary; and
 - any person who is an employee of any subsidiary of the company;

Authority

The International Stock Exchange Authority Limited, also known as TISEA;

Board

the Board of Directors of the Authority;

business day

any day on which the Exchange is open for business, as published on the Exchange's website;

company

a body corporate, wherever incorporated;

compliance officer

a person who acts as a compliance officer or who fulfils an equivalent role;

controller

in relation to an applicant or Member:

- i. who is a company:
 - any person in accordance with whose directions or instructions, either alone or with any associate or associates, the directors are accustomed to act (but disregarding advice given in a professional capacity); or
 - any person who, either alone or with any associate or associates, is entitled to exercise, or control the exercise of, 15% or more of the voting power at any general meeting of the company of which it is a subsidiary.
- ii. who is an unincorporated association:
 - any person in accordance with whose directions or instructions, either alone or with any associate or associates, the officers or members of the governing body of the association are accustomed to act (but disregarding advice given in a professional capacity); or
 - any person who, either alone or with any associate or associates, is entitled to exercise, or control the exercise of, 15% or more of the voting power at any general meeting of the association;

Glossary of terms continued

director

a person who acts as a director or who fulfils an equivalent role;

Disciplinary Committee

a committee established by the Board for the purposes of considering disciplinary matters;

employee

a person, whether under a contract of service or for services (including a training contract) or any person seconded, whose duties or responsibilities are concerned with the applicant or Member's activities as a Member;

Exchange

the investment exchange known as The International Stock Exchange, TISE or any previous or successor name, which is operated by the Authority;

insider dealing

has the meaning as set out in the Company Securities (Insider Dealing) [Bailiwick of Guernsey] Law, 1996 as amended;

investment vehicle

an undertaking, which is either an open-ended investment vehicle or a closed-ended investment vehicle, (in the form of a company, unit trust, limited partnership, REIT or any combination thereof, or other entity) which is not a trading company and which raises capital from one or more investors with a view to investing it in accordance with a defined investment policy for the benefit of its investors;

Listing and Membership Committee

a committee established by the Board for the purposes of managing, operating and regulating the Exchange including, without limitation, the functions set out in Section 2 of Operational Matters in the Membership Rules, which may be further delegated to the staff of the Authority or any committee;

listed

admitted to the Official List (the list of securities admitted to listing and trading on the Exchange, which is published and maintained by the Authority) and "listing" shall be construed accordingly;

Listing Agent

a Listing Member appointed by an issuer as a listing agent for the purposes of listing of certain debt securities;

Listing Document

means a listing document prepared in accordance with the Listing Rules;

Listing Member

a Member entitled to act as a Sponsor or Listing Agent for the purposes of obtaining and maintaining a listing of securities on the Exchange;

Listing Rules

the rules of the Authority governing the listing of securities on the Exchange, as amended from time to time;

Listing Undertaking

the undertaking made by an issuer to the Authority in the form set out in Appendix IV [Listing Undertaking] to the Listing Rules;

market abuse

has the meaning as set out in the Protection of Investors [Bailiwick of Guernsey] Law, 1987 as amended and the Code of Market Conduct as issued by the Guernsey Financial Services Commission;

Member

a company, partnership or other legal entity which has been admitted to membership of the Exchange;

Membership Rules

the rules of the Authority concerning, inter alia, its requirements for membership of the Exchange, code of conduct, trading, settlement of securities transactions, arbitration and discipline, as amended from time to time;

Personal Questionnaire

the personal questionnaire form as required by the Authority, or any similar form acceptable to the Authority;

Sponsor

a Listing Member of the Exchange appointed by an issuer as sponsor for the purpose of listing certain equity and retail debt securities;

Glossary of terms continued

Supervised

a firm that is directly licensed, regulated or supervised by a regulatory body recognised by the Authority;

trader

an individual who is a director, employee or agent of a Trading Member and who is involved in trading on the Exchange;

Trading and Settlement Rules

a subset of the Membership Rules concerning inter alia its requirements for trading;

Trading Member

a Member who is involved with the trading and settlement of transactions effected under the rules of the Exchange;

trading system

the trading system operated by or on behalf of the Authority;

Unsupervised

a firm that is not itself directly licensed, regulated or supervised, but is either:

- i. a wholly owned subsidiary of; or
- ii. a member of a group containing;
 - an entity which is directly licensed, regulated or supervised by a regulatory body recognised by the Authority.

TISE

**The International
Stock Exchange
Authority**

Rules

Chapter 1 - Membership

Chapter 2 - Continuing obligations

Chapter 3 - Sponsors and listing agents

Chapter 4 - Code of conduct

Chapter 5 - Compliance

Chapter 6 - Discipline

Membership

1.1. Conditions for Membership

1.1.1. A Member must at all times:

- be duly incorporated or otherwise established according to the relevant laws of its place of incorporation or establishment or as may be otherwise acceptable to the Authority;
- be either Supervised or Unsupervised;
- if Unsupervised, satisfy the Authority that it has, and will continue to, adopt and apply the anti-money laundering and countering the financing of terrorism policies, procedures and controls of its Supervised group entity;
- satisfy the Authority that it is of good financial standing and integrity and that it is fit and proper to be a Member;
- satisfy the Authority that it has sufficient financial, human and technical resources, including directors, traders and/or employees, with adequate knowledge, experience, training and competence;
- satisfy the Authority that it has adequate systems and internal policies, procedures and controls;
- comply with the rules of the Exchange, and such other requirements for membership as the Authority may from time to time prescribe; and
- not carry on any other business activities which may be inconsistent with its membership of the Exchange or which may bring the Exchange or the Authority into disrepute.

1.1.2. In addition to the above, a Trading Member must at all times:

- satisfy the Authority that it has sufficient financial, human and technical resources, including directors, traders and/or employees, with adequate knowledge, experience, training and competence to undertake trading activities; and
 - i subject to the prior agreement of the Authority, may deploy other suitably qualified staff from within the Trading Member's wider organisation; or
 - ii subject to the prior approval of the Authority, may deploy other suitably qualified professionals who are contracted to undertake an assignment as part of the Trading Member's team;
- exercise strict supervision over the activities and/or actions of its directors, traders, employees and any other persons associated with or engaged by the Trading Member; and
- satisfy the Authority that it has adequate systems and internal policies, procedures and controls for acting as a Trading Member.

Membership continued

1.2 Suitability and Application for Membership

- 1.2.1 An applicant must satisfy the Authority that it is suitable to carry on business as a Member and that it is committed to maintaining the highest standards of integrity and market conduct.
- 1.2.2 In considering whether an applicant is suitable for admission to membership, the Authority's assessment may include the:
- scope of the applicant's proposed business activities and, where applicable, its relevant dealing and/or trading capability;
 - sufficiency of financial, human and technical resources, including directors, traders and/or employees with adequate knowledge, experience, training and competence for the proper performance of the Member's duties;
 - adequacy of systems and internal policies, procedures and controls; and
 - scope of regulation, supervision or authorisation under relevant legislation.
- 1.2.3 The Authority may also take into account any information relating to any:
- director, trader, employee or agent of the applicant;
 - controller or associate of the applicant;
 - other companies in the applicant's group, or any director or controller of any such company; and
 - other information that it considers appropriate in relation to the applicant.
- 1.2.4 An applicant that wishes to become a Member must provide the Authority with the following initial application documents:
- a completed application in the form prescribed by the Authority;
 - its memorandum and articles of association, partnership agreement or other equivalent constitutional document;
 - its certificate of incorporation;
 - its latest annual accounts prepared according to a recognised international standard or in line with what is commonly accepted for the jurisdiction in which it is based, or as otherwise agreed with the Authority, or, if the applicant has not yet commenced business or has not produced annual accounts, a budgeted profit and loss account and balance sheet for the twelve-month period following the date of commencement of the business and any consolidated group accounts;
 - evidence that it has the necessary human and technical resources (including employees, systems and documented policies, procedures and controls) in place to carry out its duties and responsibilities as a Member;
 - a Personal Questionnaire and appropriate due diligence for all directors, compliance officers, traders and other relevant employees;
 - evidence that it has adequate professional indemnity insurance in place;
 - a structure chart setting out the applicant's (i) subsidiary(s); (ii) immediate owner(s); (iii) ultimate parent(s); and (iv) the percentage ownership in the structure; and
 - the application fee.

Membership continued

1.2.5 The Authority may at any time after receiving an application require the applicant to furnish additional information (whether relating directly to the applicant or not) which, in the opinion of the Authority, is or could be material to its determination of the application.

1.2.6 The application fee is not refundable, even if the application is unsuccessful.

1.3 Approved Applications for Membership

1.3.1 If the Authority approves an application for membership of the Exchange, it may do so subject to conditions. The Authority shall within 10 business days of its decision, give the applicant notice of its decision and any conditions applicable, together with details of the applicant's right of appeal in respect of the conditions.

1.4 Rejected Applications for Membership

1.4.1 If the Authority rejects an application for membership of the Exchange, it shall within 10 business days of its decision, give the applicant notice of its decision and include the grounds for the decision, the principal facts and matters relied upon in making the decision, and details of the applicant's right of appeal.

Continuing obligations

2.1 General Obligations

- 2.1.1 A Member must ensure that it is able to discharge all its duties and responsibilities in accordance with the Membership Rules and Listing Rules.
- 2.1.2 A Member must confirm to the Authority on an annual basis in the manner prescribed that it is still eligible to act as a Member.
- 2.1.3 A Member must notify the Authority immediately upon the occurrence of:
- the imposition of disciplinary measures or sanctions on the Member (or its Supervised group entity) or any director, trader and/or employee by any statutory, professional or other body exercising a regulatory or disciplinary jurisdiction;
 - an intervention order or an order having equivalent effect being served on the Member (or its Supervised group entity) by an Authority responsible for the licensing, regulation, supervision or membership of the Member (or its Supervised group entity);
 - any material change to any matter previously notified to the Authority that is or may be pertinent to the Authority's consideration of the Member's suitability for membership; or
 - its non-compliance with the Membership Rules or Listing Rules unless the Authority has already confirmed its knowledge of such non-compliance to the Member in writing.

Where the Authority deems it necessary, action may be taken under this rule without prior notice to the Member concerned. Such action may include suspension of the Member from membership of the Exchange.

- 2.1.4 In addition to the above, a Trading Member must notify the Authority immediately upon the occurrence of any change of circumstances which may affect the ability of the Trading Member to discharge its duties and responsibilities.

2.2 Name, Office and Constitutional Documents

- 2.2.1 A Member must not undertake business as a Member under a name which the Authority considers to be misleading. A Member must notify the Authority of the name under which it carries on its business as a Member. A Member must not change its name unless the Authority has been notified in writing in advance of the proposed name and the Authority has notified the Member that it does not object to the name.
- 2.2.2 A Member shall ensure that the details of the address or addresses at which it carries on its business as a Member are up to date and that the Authority is notified within 10 business days of any changes to such details.
- 2.2.3 A Member must not make any material changes to its memorandum and articles of association, partnership agreement or other equivalent constitutional documents, unless the Authority has been notified in advance of the proposed changes and the reason for them.

2.3 Accounts, Audit and Insurance

- 2.3.1 A Member must produce annual accounts prepared according to a recognised international standard or in line with what is commonly accepted for the jurisdiction in which it is based, or as otherwise agreed with the Authority, and any consolidated group accounts. A Member must submit a copy of its annual accounts to the Authority within 10 business days of the approval of its annual accounts.
- 2.3.2 Where a Member is required to appoint an auditor, the Member must notify the Authority within 10 business days of the appointment or resignation of an auditor and, where this relates to a resignation, the Member must provide the Authority with the reason for the resignation.

Continuing obligations continued

2.3.3 A Member must at all times maintain adequate insurance cover in respect of professional indemnity and/or such other policies as may from time to time be specified by the Authority. A Member must, upon request, provide evidence to the Authority that such cover is in place.

2.4 Structure, Ownership and Winding Up

2.4.1 A Member must provide the Authority with prior notice of any material change in the structure of the Member.

2.4.2 A Member must provide the Authority with prior notice of any material change in the shareholding, ownership or beneficial ownership of the Member.

2.4.3 A Member must provide the Authority with 20 business days prior notice of any intention to enter voluntary liquidation or otherwise commence voluntary winding up of the Member.

2.4.4 A Member must notify the Authority immediately upon the occurrence of:

- an application for the winding up of the Member or of a company which is a subsidiary or parent company of the Member and, if it is an Unsupervised Member, of its licensed, regulated or supervised group entity;
- the appointment of a receiver, administrator or trustee of the Member;
- the making of a composition or arrangement with creditors of the Member;
- where the Member is a partnership, an application or the giving of notice to dissolve the partnership; or
- an event equivalent to the foregoing under a Member's local legislation.

Where the Authority deems it necessary, action may be taken under this rule without prior notice to the Member concerned. Such action may include suspension of the Member from membership of the Exchange.

2.5 Directors, Traders, Employees, Agents and Authorised Persons

2.5.1 A Member shall take all reasonable steps to ensure that its directors, traders, employees and/or agents comply with the Membership Rules and Listing Rules and shall be liable for the acts and omissions of its directors, traders, employees and/or agents in connection with these rules.

2.5.2 Any director, trader, employee and/or agent of a Member shall together with that Member be liable under these Membership Rules for any breach, non-compliance, violation or contravention that was committed or caused with the consent or connivance of, or attributable to any neglect on the part of, such director, trader, employee and/or agent.

2.5.3 A Member must ensure that all its directors, traders, employees and/or agents are suitable to carry out its duties and responsibilities as a Member and are appropriately trained, qualified, supervised and authorised.

2.5.4 A Member shall ensure that the details provided to the Authority of the persons authorised to represent the Member are kept up to date and that the Authority is notified promptly of any changes to such details. A Member must notify the Authority within 10 business days of the appointment of such a person or immediately where authority has been withdrawn.

Continuing obligations continued

2.6 Directors and their Responsibilities

- 2.6.1 A Member must notify the Authority within 10 business days of the appointment of a director and must provide a Personal Questionnaire and appropriate customer due diligence documentation in a form acceptable to the Authority.
- 2.6.2 Following receipt of a notification, if the Authority objects to any such appointment it shall, within 10 business days of its decision, notify the Member in writing of its decision and include the grounds for the decision and the principal facts and matters relied upon in making it. The decision of the Authority shall be final.
- 2.6.3 Following receipt of a notification, if the Authority does not object to the appointment it shall, within 10 business days of its decision, notify the Member in writing of its decision.
- 2.6.4 A Member shall ensure that the details provided to the Authority of its directors are kept up to date and that the Authority is notified promptly of any changes to such details.
- 2.6.5 A Member must notify the Authority within 10 business days of the resignation of a director (or where they have otherwise ceased to act) and must provide the Authority with the reason for the resignation or cessation.
- 2.6.6 A Member shall take all reasonable steps to ensure that its directors comply with the Membership Rules and Listing Rules and shall be liable for the acts and omissions of its directors in connection with these rules.

2.7 Compliance Officers and their Responsibilities

- 2.7.1 Where a Member, or in the case of an Unsupervised Member its licensed, regulated or supervised group entity, has appointed a compliance officer it must notify the Authority within 10 business days of the appointment and must provide a Personal Questionnaire.
- 2.7.2 A Member must notify the Authority within 10 business days of the resignation of a compliance officer (or where they have otherwise ceased to act) and must provide the Authority with the reason for the resignation or cessation.
- 2.7.3 A Member shall ensure that the details provided to the Authority of its compliance officer are kept up to date and that the Authority is notified promptly of any changes to such details.

2.8 Traders and their Responsibilities

- 2.8.1 A Trading Member must not appoint a trader unless the Authority has been notified in advance of the proposed appointment and the Authority has notified the Trading Member that it does not object to the appointment. Notification of the proposed appointment of a trader must be accompanied by a Personal Questionnaire in a form acceptable to the Authority.
- 2.8.2 Following receipt of a notification, if the Authority objects to any such appointment it shall, within 10 business days of its decision, give the Trading Member written notice of its decision and include the grounds for the decision and the principal facts and matters relied upon in making it. The decision of the Authority shall be final.
- 2.8.3 Following receipt of a notification, if the Authority does not object to the appointment, it shall, within 10 business days of its decision, give the Trading Member written notice of its decision.
- 2.8.4 A Trading Member shall ensure that the details provided to the Authority of its appointed traders are kept up to date and that the Authority is notified promptly of any changes to such details.

Continuing obligations continued

- 2.8.5 A Trading Member must notify the Authority within 10 business days of the resignation of a trader (or where they have otherwise ceased to act) and must provide the Authority with the reason for the resignation or cessation.
- 2.8.6 A Trading Member shall be liable under these Membership Rules for all transactions made on its behalf by any directors, traders and/or employees and shall complete such transactions according to these Membership Rules. A Trading Member shall also be responsible for settlement of any unauthorised transaction entered into the trading system through that Member's facilities.
- 2.8.7 A Trading Member shall ensure that its directors, traders, employees and/or agents comply with the Membership Rules, including the Trading and Settlement Rules, and Listing Rules and shall be liable for the acts and omissions of its directors, traders, employees and/or agents in connection with those rules.

2.9 Resignation of Membership

- 2.9.1 A Member who wishes to resign as a Listing Member or Trading Member of the Exchange must serve at least three months' notice to that effect to the Authority. In exceptional circumstances, the Authority may permit a reduced notice period.
- 2.9.2 A Member shall supply, when required by the Authority, such information concerning the circumstances of the resignation as shall, in the opinion of the Authority, be necessary for it to determine whether to exercise its powers under these Membership Rules.
- 2.9.3 Before the resignation will be deemed effective by the Authority, the resigning Member must satisfy all obligations to (i) the Authority; (ii) other Members; (iii) its issuers; and (iv) its clients, to the extent considered reasonable by the Authority.
- 2.9.4 The Authority may postpone the effective date of resignation and may request further information or impose other obligations on a Member where it considers it necessary to do so.
- 2.9.5 The Authority may, in its absolute discretion, refuse to accept a notice of resignation given by a Member, or reject such a notice after it has been served but prior to its taking effect, if the Authority considers that:
- any matter affecting such Member should be investigated under the disciplinary procedures or for any other reason;
 - it is necessary or desirable for the protection of investors who may be clients or counterparties of the Member when the resignation would otherwise have become effective; or
 - a prohibition or requirement should be imposed on such Member under the Authority's powers or that any prohibition or requirement imposed on such Member under those powers should continue in force.

Sponsors and listing agents

3.1 General

- 3.1.1 An issuer must have a Sponsor or Listing Agent appointed at all times while it is an applicant for listing or is listed.
- 3.1.2 The Authority has three categories of Listing Members, the eligibility requirements for which are set out in Membership Rules 3.3, 3.4 and 3.5 respectively:
- “Category 1” Listing Members may act as Listing Agents only in respect of the listing of non-retail debt securities;
 - “Category 2” Listing Members may act as Sponsors only in respect of the listing of the securities of investment vehicles; and
 - “Category 3” Listing Members may act as Sponsors in respect of the listing of securities that the Authority permits to be listed on its market, but which are not covered by Categories 1 or 2.

3.2 Qualifications

- 3.2.1 A Sponsor or Listing Agent must be:
- a Listing Member of the Exchange; and
 - approved by the Authority as meeting the eligibility criteria for one or more of the categories of membership as set out below.
- 3.2.2 A Sponsor or Listing Agent must notify the Authority immediately if at any time it has reason to believe that it no longer meets the relevant eligibility criteria set out below.

3.3 Category 1 Eligibility Criteria

- 3.3.1 Category 1 Listing Agents must:
- have relevant and satisfactory experience to undertake listing activities in relation to non-retail debt securities;
 - employ suitably qualified staff;
 - i subject to the prior agreement of the Authority, deploy other suitably qualified staff from within their wider organisation; or
 - ii subject to the prior agreement of the Authority, deploy other suitably qualified professionals who are contracted to undertake an assignment as part of their team;
 - have adequate and documented policies, procedures and controls in place for acting as a Category 1 Listing Agent; and
 - confirm to the Authority on an annual basis and in the manner prescribed that it is still eligible to act as a Category 1 Listing Agent.

Sponsors and listing agents **continued**

3.4 Category 2 Eligibility Criteria

3.4.1 Category 2 Sponsors must:

- have relevant and satisfactory experience to undertake listing activities in relation to the securities of investment vehicles;
- employ suitably qualified staff or, subject to the prior agreement of the Authority, deploy other suitably qualified staff from within their wider organisation;
- have adequate and documented policies, procedures and controls in place for acting as a Category 2 Sponsor; and
- confirm to the Authority on an annual basis and in the manner prescribed that it is still eligible to act as a Category 2 Sponsor.

3.5 Category 3 Eligibility Criteria

3.5.1 Category 3 Sponsors must:

- have relevant and satisfactory experience to undertake listing activities in relation to securities that the Authority permits to be listed on its market, but which are not covered by Categories 1 or 2;
- employ suitably qualified staff or, subject to the prior agreement of the Authority, deploy other suitably qualified staff from within their wider organisation;
- have adequate and documented policies, procedures and controls in place for acting as a Category 3 Sponsor; and
- confirm to the Authority on an annual basis and in the manner prescribed that it is still eligible to act as a Category 3 Sponsor.

3.6 Rejected Application – Sponsor or Listing Agent

- 3.6.1 If the Authority rejects an application to act as a Sponsor or Listing Agent, or grants it subject to conditions, it shall, within 10 business days of its decision, give the applicant written notice of its decision and include the grounds for the decision, the principal facts and matters relied upon in making the decision, and details of the applicant's right of appeal.

Sponsors and listing agents **continued**

3.7 Sponsor or Listing Agent Responsibilities

- 3.7.1 A Category 1 Listing Agent must, in relation to each listing application, satisfy itself, to the best of its knowledge and belief, and having made reasonable enquiry of the issuer and its advisers, that:
- all of the documents required by the Listing Rules in relation to a listing application have been supplied to the Authority;
 - all of the relevant conditions and other requirements of the Listing Rules have been complied with;
 - there are no matters other than those disclosed in the relevant listing document or otherwise in writing to the Authority which should be taken into account by the Authority and the Listing and Membership Committee in considering the suitability for listing of the securities for which application is made;
 - it understands the nature and purpose of the application for listing;
 - the directors of the issuer have been advised of the nature of their responsibilities under the Listing Rules and the Listing Undertaking;
 - appropriate due diligence has been undertaken in relation to the issuer in accordance with the Member's documented anti-money laundering and countering the financing of terrorism policies and procedures; and must
 - in respect of each issuer for which it is acting as Listing Agent, undertake to the Authority in the prescribed form set out in the Listing Rules, to accept the responsibilities of a Listing Agent and discharge those responsibilities at all times to the satisfaction of the Authority.
- 3.7.2 A Category 2 or Category 3 Sponsor must, in relation to each listing application, satisfy itself, to the best of its knowledge and belief, and having made due and careful enquiry of the issuer and its advisers, that:
- all of the documents required by the Listing Rules to be included in the application for listing have been supplied to the Authority;
 - all of the relevant conditions for listing and other requirements of the Listing Rules have been complied with;
 - there are no matters other than those disclosed in the relevant listing document or otherwise in writing to the Authority which should be taken into account by the Authority and the Listing and Membership Committee in considering the suitability for listing of the securities for which application is made;
 - it understands the nature and purpose of the application for listing;
 - the directors of the issuer appreciate the nature of their responsibilities and can be expected to honour their obligations under the Listing Rules and the Listing Undertaking;
 - the issuer is not in breach of the Listing Rules;
 - appropriate due diligence has been undertaken in relation to the issuer in accordance with the Member's documented anti-money laundering and countering the financing of terrorism policies and procedures;
 - the issuer is guided and advised as to the application of the Listing Rules; and must
 - in respect of each issuer for which it is acting as Sponsor, undertake to the Authority in the prescribed form set out in the Listing Rules, to accept the responsibilities of a Sponsor and discharge those responsibilities at all times to the satisfaction of the Authority.

Sponsors and listing agents **continued**

- 3.7.3 The Sponsor or Listing Agent is responsible for the following in relation to any application for listing:
- communications and dealings with the Authority on all matters arising in connection with the application for listing;
 - preparing the formal application for listing and lodging it and all the documents supporting the application with the Authority; and
 - seeking the approval of the Authority for the Listing Document.

3.8 Appointment of an Agent by a Sponsor or Listing Agent

- 3.8.1 A Sponsor or Listing Agent may, at its discretion, appoint a third party as its agent to discharge on its behalf some or all of the responsibilities set out in Membership Rule 3.7.
- 3.8.2 A Sponsor or Listing Agent who wishes to appoint an agent under this rule must not do so unless the Authority has been notified in advance of the proposed appointment and the Authority has notified the Sponsor or Listing Agent that it does not object to the appointment. Any such agent appointed must have sufficient knowledge, experience, training and competence to be able to properly discharge the functions for which it has been appointed.
- 3.8.3 Following receipt of a notification, if the Authority objects to any such appointment it shall, within 10 business days of its decision, notify the Sponsor or Listing Agent in writing of its decision and include the grounds for the decision and the principal facts and matters relied upon in making it. The decision of the Authority shall be final.
- 3.8.4 Following receipt of a notification, if the Authority does not object to the appointment it shall, within 10 business days of its decision, notify the Sponsor or Listing Agent in writing of its decision.
- 3.8.5 The Sponsor or Listing Agent shall be fully responsible for the acts and omissions of its agent and shall take all reasonable steps to ensure that the agent complies with the obligations arising under the Membership Rules and Listing Rules.
- 3.8.6 The Sponsor or Listing Agent shall ensure that the details provided to the Authority of its appointed agent are kept up to date and that the Authority is notified promptly of any changes to such details.
- 3.8.7 The Sponsor or Listing Agent must notify the Authority within 10 business days of the resignation of an agent (or where they have otherwise ceased to act) and must provide the Authority with the reason for the resignation or cessation.

3.9 Resignation of Sponsor or Listing Agent

- 3.9.1 A Sponsor or Listing Agent who wishes to resign from one or more categories of membership must serve at least 20 business days' notice to that effect on the Authority. In exceptional circumstances, the Authority may permit a reduced notice period.
- 3.9.2 The Sponsor or Listing Agent shall supply, when required by the Authority, such information concerning the circumstances of the resignation as shall, in the opinion of the Authority, be necessary for it to determine whether to exercise its powers under these Membership Rules.
- 3.9.3 Before the resignation will be deemed effective by the Authority, a resigning Sponsor or Listing Agent must:
- give sufficient notice to any issuers affected by the resignation to enable them, should they wish to remain listed, to appoint an alternative Sponsor or Listing Agent; and
 - satisfy all of its obligations to the Authority and its issuers to an extent considered reasonable by the Authority.
- 3.9.4 The Authority may postpone the effective date of resignation and may request further information or impose other obligations on the Sponsor or Listing Agent where it considers it necessary to do so.

Code of conduct

4.1 Scope

- 4.1.1 These Membership Rules govern the Code of Conduct expected of all Members of the Exchange and, where appropriate, Members shall be expected to comply strictly with, and adhere to, the provisions of these rules.

4.2 Principles of Best Practice

- 4.2.1 Failure to comply with these principles of best practice may give rise to suspension or restriction of the types of business that the Member can undertake or, in more serious cases, expulsion or other sanctions in accordance with the Authority's disciplinary procedures.
- 4.2.2 A Member should observe high standards of integrity and fair dealing at all times.
- 4.2.3 A Member should at all times act with due skill, care and diligence.
- 4.2.4 A Member should observe high standards of market conduct.
- 4.2.5 A Member should either avoid any conflicts of interest arising or, where conflicts do arise, have in place and maintain, policies, procedures and controls which ensure that such conflicts do not adversely affect, or give the perception of adversely affecting, its ability to perform its functions as a Member.
- 4.2.6 Save as required by law, the Membership Rules or the Listing Rules a Member should not unfairly place its interests above those of its clients and, where a properly informed client would reasonably expect that the Member would place the client's interests above its own, the Member should live up to the client's reasonable expectation.
- 4.2.7 A Member should organise and control its internal affairs in a responsible manner, keeping proper records, and should have adequate arrangements to ensure that all directors and employees are suitable, adequately trained and properly supervised, together with defined compliance procedures and controls.
- 4.2.8 A Member should deal with the Authority in an open and co-operative manner and keep the Authority promptly informed of anything concerning the Member, which the Authority might reasonably be expected to be disclosed to it.
- 4.2.9 Members are required to comply with the laws and regulations applicable in all jurisdictions relevant to their activities as Members of the Exchange.

4.3 Conduct of Business

- 4.3.1 A Member shall not do anything that would adversely affect the reputation or public image of the Exchange, the Authority or its Members.
- 4.3.2 Except with the prior approval of the Authority, a Member shall not trade in a security that has been suspended.
- 4.3.3 Under no circumstances shall a Member trade with another Member whose trading rights have been suspended, except to settle a trade executed prior to the suspension of the Member.
- 4.3.4 A Member must take all reasonable steps to ensure that neither it nor any of its agents, directors or employees offers or gives, or solicits or accepts, any inducement that conflicts with the duties owed to its clients.
- 4.3.5 Where a Member has an interest in a transaction to be entered into with or for a client, or a relationship which gives rise to a conflict of interest in relation to such a transaction, the Member must not either advise, or trade in the exercise of discretion, in relation to that transaction unless it takes all reasonable steps to ensure fair treatment for, and to inform, the client.

Code of conduct **continued**

4.3.6 A Member must take all reasonable steps, including the establishment and maintenance of policies, procedures and controls, to ensure that its directors and employees act in conformity with:

- the Member's duties and responsibilities under these rules;
- the requirements of any statutory restrictions on market abuse including insider dealing; and
- appropriate arrangements on propriety in personal dealings.

4.4 **Forbidden Market Practices**

4.4.1 A Member shall not intentionally create or cause to be created, or do anything with the intention of creating, or knowingly assist any other person in the creation of a:

- false or misleading appearance of active trading in any securities listed or traded on the Exchange;
- false market in respect of any securities listed or traded on the Exchange; or
- fictitious trade or false trade price to be inputted into the trading system.

4.4.2 For the purposes of Membership Rule 4.4.1 a "false market" is a market in which a movement in the price of a share is brought about or sought to be brought about by contrived factors including, but not limited to;

- buyers and sellers acting in collaboration with each other;
- any action, or inaction, which has the effect of preventing or inhibiting the free negotiation of market prices; or
- the employment of any fictitious device or any other form of deception or contrivance.

4.4.3 A Member shall not effect or purport to effect any purchase or sale of securities:

- with the intention of depressing, raising or causing fluctuations in the market price of any securities; or
- which involves no actual change in the beneficial ownership of those securities;

nor shall any Member knowingly assist any other Member or any other person to effect any such purchases or sales.

4.4.4 A Member shall not circulate or disseminate or authorise or assist in the circulation or dissemination of any statement or information to the effect that the price of any securities will or is likely to rise or fall when, to the Member's knowledge, the rises or falls or likely rises or falls are attributable to any action which, if done by a Member, would be in contravention of Section 4.4 of the Membership Rules.

4.4.5 A Member shall not, directly or indirectly, in connection with any transaction with any Member or any other person, involving the purchase, sale or exchange of securities employ any device, scheme or artifice to defraud that Member or person, or engage in any act, practice, or course of business which operates as a fraud or deception or is likely to operate as a fraud or deception of that Member or person.

4.4.6 A Member shall not, either alone or with another Member or any other person, effect or knowingly assist in effecting any series of transactions for the purchase or sale of any securities for the purpose of fixing the price of such securities. Temporary stabilisation to cushion the effect of short-term disparities in supply and demand is allowed within Trading and Settlement Rule 1.15, if disclosure of this activity has been made with the approval and guidance of the Authority.

Code of conduct **continued**

4.4.7 A Member shall not, directly or indirectly, for the purposes of inducing the sale of the securities of any issuer, make or knowingly assist any other person to make with respect to the operations or the past or future performance of the issuer:

- any statement which is at the time and in the light of the circumstances in which it is made, false or misleading with respect to any material fact and which the Member knows or has reason to believe to be false or misleading; or
- any statement which is, by reason of the omission of a material fact, rendered false or misleading and which the Member knows or has reasonable grounds for knowing is rendered false or misleading by reason of the omission of that fact.

4.4.8 A Member shall not participate in any insider dealing in relation to any securities listed or traded on the Exchange or knowingly encourage or assist any Member or any other person to participate in any such insider dealing.

4.5 Anti-Money Laundering and Countering the Financing of Terrorism

4.5.1 A Supervised Member must ensure that it applies all necessary measures in relation to all applicable anti-money laundering and countering the financing of terrorism legislation and regulatory standards in its relevant jurisdiction, place of incorporation or establishment when undertaking its activities as a Member of the Exchange.

4.5.2 An Unsupervised Member must:

- undertake, to the satisfaction of the Authority, that it has, and will continue to, adopt, and apply, the anti-money laundering and countering the financing of terrorism policies, procedures and controls of its Supervised group entity;
- on request, provide copies of;
 - i. those policies, procedures and controls along with any supporting evidence as may be required by the Authority; and
 - ii. the client due diligence material relied upon in order to assess the money laundering and terrorist financing risks posed in relation to each applicant;
- confirm at the time of each listing application, in the form prescribed by the Authority, that;
 - i. it has undertaken appropriate due diligence in relation to each issuer in accordance with its anti-money laundering and countering the financing of terrorism policies and procedures; or
 - ii. that the relevant issuer has a client relationship with the Member's Supervised group entity and that such entity has undertaken appropriate anti-money laundering and countering the financing of terrorism due diligence in relation to that issuer; and
- confirm annually, in the form prescribed by the Authority, in respect of the issuers for which it acts as Sponsor or Listing Agent, that it meets its ongoing anti-money laundering and countering the financing of terrorism obligations in accordance with its policies and procedures.

Compliance

5.1 General

5.1.1 In discharging its responsibility to oversee and regulate Members' compliance with the Membership Rules, including the Trading and Settlement Rules, and the Listing Rules, the Authority may, at any time, on notice or otherwise conduct an onsite visit and/or request documentation and explanations from a Member.

5.2 Co-operation of Member Required

5.2.1 A Member shall co-operate and comply fully with any compliance activities that may be carried out by or on behalf of the Authority under these Membership Rules and shall give all necessary assistance including but not limited to:

- furnishing the Authority with such information as it may require within a reasonable timeframe and verified in such a manner as the Authority may require;
- making available its directors, compliance officer, traders, employees and/or agents to be interviewed by or on behalf of the Authority, ensuring as far as possible that they answer truthfully and fully any questions put to them;
- giving full access to any premises where the Member carries on its business and/or maintains records;
- permitting documents, records or other material in its possession or under its control to be produced, inspected and copied by the Authority; and
- completing, within a reasonable timeframe and verified in such a manner as the Authority may require, all remedial actions identified by the Authority.

5.3 Failure to Comply

5.3.1 Where, as a result of its compliance activities, the Authority has reason to believe that a Member is not compliant with any part of the:

- Membership Rules, including the Trading and Settlement Rules;
- Listing Rules; or
- Remedial actions identified by the Authority;

the Authority may initiate disciplinary action.

Discipline

6.1 Inspection by the Authority

6.1.1 Where the Authority has reason to believe that a Member is not or may not be compliant with any part of the Membership Rules, including the Trading and Settlement Rules, or Listing Rules it may, at any time, on notice or otherwise:

- conduct an inspection to satisfy itself that a Member is in compliance with the Membership Rules or Listing Rules; and/or
- require a Member to furnish the Authority with such information and accounts as it may require within a reasonable time and verified in such a manner as the Authority may specify.

6.2 Investigation by the Authority

6.2.1 The Authority may, at any time, on notice or otherwise, conduct an investigation in respect of a Member where it appears to the Authority that such action is or may be appropriate or desirable for the protection of investors, or as a result of a complaint or information received, or as a result of an inspection or compliance activities.

6.2.2 An investigation may be instigated under Membership Rule 6.2.1 where one or more of the following events has occurred:

- there are circumstances suggesting that the Member has or may have ceased to be fit and proper to carry on the business of a Member;
- there has or may have been a contravention by the Member of the Membership Rules or Listing Rules, or decisions taken by the Authority; or
- the Member has or may have provided the Authority with false, inaccurate or misleading information in purported compliance with any requirement under the Membership Rules or Listing Rules.

6.2.3 The Authority may appoint such individuals to conduct an investigation and may call upon such outside assistance in connection with any such investigation as it sees fit.

6.2.4 The Authority shall notify the Member of the reasons for an investigation, unless it appears to the Authority that such notification may inhibit the conduct of the investigation.

6.3 Co-operation of Member Required

6.3.1 A Member shall co-operate and comply fully with any inspection or investigation that may be carried out by or on behalf of the Authority under these Membership Rules and shall give all necessary assistance including but not limited to:

- furnishing the Authority with such information as it may require within a reasonable timeframe and verified in such a manner as the Authority may require;
- making available its directors, compliance officer, traders, employees and/or agents to be interviewed by or on behalf of the Authority, ensuring as far as possible that they answer truthfully and fully any questions put to them;
- giving full access to any premises where the Member carries on its business and/or maintains records; and
- permitting documents, records or other material in its possession or under its control to be produced, inspected and copied by the Authority.

Discipline continued

6.4 Failure to Comply

6.4.1 Where as a result of compliance action, or otherwise, the Authority has reason to believe that a Member is not compliant with any part of the Membership Rules, including the Trading and Settlement Rules, or Listing Rules it may:

- impose on the Member conditions relating to their staffing, training, policies, procedures and controls or any other relevant matters;
- restrict the scope of Exchange business conducted by the Member (including Sponsor, Listing Agent and/or trading activities);
- initiate disciplinary action, including referring the Member to the Disciplinary Committee [OPERATIONAL MATTERS 3];
- suspend the Member from membership of the Exchange for such time as it thinks fit; and/or
- terminate the Member's membership of the Exchange.

6.5 Referral to the Disciplinary Committee

6.5.1 The Authority may refer a Member to the Disciplinary Committee [OPERATIONAL MATTERS 3] where it considers that:

- the Member has or may have ceased to be fit and proper to carry on the business of a Member of the Exchange;
- the Member has or may have contravened any provision of the Membership Rules or Listing Rules, or decisions taken by the Authority;
- the Member has or may have provided the Authority with false, inaccurate or misleading information in purported compliance with any requirement under the Membership Rules or Listing Rules; and/or
- such action is or may be appropriate or desirable for the protection of investors.

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Authority

Operational matters

1. Payment of fees and charges
2. Role of the listing and membership committee
3. Role of the disciplinary committee
4. Appeals [disciplinary]
5. Appeals [non-disciplinary]

1. Payment of fees and charges

1. The Authority may, from time to time, for the purposes of the administration of the Exchange, impose fees and charges in such respects and on such terms as the Authority may prescribe.
2. The applicable fees and charges imposed by the Authority may, from time to time, be revised by the Authority without prior notice as it shall in its absolute discretion think fit.
3. A Member (or applicant) shall pay to the Authority all applicable fees and charges as set out in the fees and charges schedule published by the Authority from time to time and all other sums notified by the Authority.
4. Unless otherwise specified by the Authority, a Member (or applicant) shall pay all applicable fees, charges or other sums due to the Authority in full and in accordance with the terms and conditions specified on the invoice.
5. Where a Member fails to pay in accordance with these Membership Rules, other than in the case of a legitimate dispute, the Authority may at any time suspend or terminate its membership without prejudice to any other action which the Authority may take.

2. Role of the listing and Membership committee

Subject to the appeals procedure set out in OPERATIONAL MATTERS 4 and OPERATIONAL MATTERS 5, the terms of reference of the Listing and Membership Committee include the following responsibilities:

1. operating and regulating the Exchange;
2. determining the suitability and approval of applications for admission to or resignation as a Member of the Exchange;
3. determining the suitability and approval of applications for admission to or resignation from the Exchange's register of Sponsors and Listing Agents;
4. supervising Members' compliance with their obligations; and
5. interpreting, applying and enforcing the Membership Rules.

3. Role of the disciplinary committee

1. The Authority must serve notice in writing of its referral of any matters to the Disciplinary Committee. The notice should set out the name of the Member, the grounds for the actual or alleged failure or breach and all material facts and shall have attached to it copies of all documents relevant to the matter. A copy of the notice will be forwarded by the Disciplinary Committee to the Member.
2. The Member may, within 10 business days (or, by exception, such other period agreed between the parties) of receipt of notice of disciplinary action, submit to the Chairman of the Disciplinary Committee a statement in response setting out all the material facts and having attached to it copies of all documents relied upon.
3. Following receipt of all relevant papers, the Member will be given not less than 15 business days' notice of the date, time and place of the hearing by the Chairman or the Secretary of the Disciplinary Committee. The notice period may be shortened with the consent of the parties. Once a hearing time and date have been set, all parties should assume that the hearing will proceed as notified unless notified to the contrary.
4. No party may rely on any statement or document not served on the Disciplinary Committee more than 2 business days before the hearing save with the leave of the Disciplinary Committee and, at its discretion, to adjourn the hearing to a later date in order to consider such additional statement or document.
5. The Chairman of the Disciplinary Committee will notify the parties to the proceedings of the names of the members of the Disciplinary Committee who will be participating in the disciplinary hearing and any proposed legal adviser. If any party to the proceedings believes that a potential conflict of interest exists, it shall notify the Chairman of the Disciplinary Committee, at the earliest possible opportunity, who will take appropriate action.
6. Other than between the Disciplinary Committee and its legal adviser, either party may require that the Disciplinary Committee holds any document submitted to it as confidential and not to be divulged to any other parties.
7. All parties shall keep confidential any matters related to the disciplinary action save where disclosure is permitted or required by law or compelled by court order or a valid request by a competent authority.
8. Disciplinary Committee hearings shall be conducted in private.
9. As part of any disciplinary hearing the Member shall be given an opportunity to appear before the Disciplinary Committee to make written or oral representations and to cross examine any witnesses called against it. The Disciplinary Committee may, at its discretion, permit the Member to be legally represented and to call witnesses to give evidence at the hearing. Where a legal representative is to be appointed, the Secretary of the Disciplinary Committee must be advised in writing at least 2 business days prior to the hearing of the person's full name and professional qualification.
10. If the Member elects not to attend, the hearing may proceed in the absence of the Member.
11. The Disciplinary Committee may determine the issue on written representations if, having regard to the nature and gravity of the matter in issue, it is satisfied that it is suitable for such determination and the Member consents to such a procedure being adopted.
12. The order of proceedings and all practices shall be at the discretion of the Disciplinary Committee.
13. The parties will be asked to confirm that there is no reasonable objection to any of the Disciplinary Committee members participating in the hearing (or their legal adviser) on the grounds of conflict of interest. Such confirmation shall not be unreasonably withheld.

3. Role of the disciplinary committee **continued**

14. A record of the hearing will be made and, for the avoidance of doubt, it shall be sufficient for such record to be in the form of minutes taken by the Secretary of the Disciplinary Committee. A transcription or copy of the record will be available to any party, on payment of the cost of making such transcription as the Chairman of the Disciplinary Committee in his discretion shall determine. The deliberations of the Disciplinary Committee will not be recorded.
15. Following the hearing, the Disciplinary Committee may deliberate at any time and make any decision in the absence of the parties. The Disciplinary Committee may adjourn the hearing at any time as it thinks fit. The Disciplinary Committee is entitled to reach decisions on a majority basis. In the case of an equality of votes, the Chairman of the Disciplinary Committee shall have a second or casting vote. The Disciplinary Committee shall not be required to disclose the reason for its decision, including on appeal.
16. In making its decision, the Disciplinary Committee may exercise any of the following powers delegated to it by the Authority:
 - declare that there is no case for the Member to answer;
 - decide that no further action should be taken;
 - issue a private warning or reprimand to the Member;
 - issue a notice of public censure against the Member;
 - impose a financial penalty on the Member in such amount as may be considered appropriate; and
 - suspend or revoke the registration of the Member's directors, traders and/or employees;and shall in each such case make a written record of any action so taken.
17. In making its determination, where the Disciplinary Committee is satisfied that:
 - the Member has ceased to be fit and proper to carry on the business of a Member of the Exchange;
 - the Member has contravened any provision of the Membership Rules, Listing Rules, or decisions taken by the Authority;
 - the Member has provided the Authority with false, inaccurate or misleading information in purported compliance with any requirement under the Membership Rules or Listing Rules; and/or
 - action is considered to be appropriate for the protection of investors;it may exercise any of the following powers delegated to it by the Authority:
 - expel a Member from membership of the Exchange (an 'Expulsion Order'); or
 - suspend all or any of a Member's rights of membership for a fixed or continuing period (a 'Suspension Order').
18. Where the matter in issue against a Member is found to be proved, which shall be on a balance of probabilities, the Disciplinary Committee shall, before exercising its disciplinary powers, allow the Member, or anyone on its behalf, to address the Disciplinary Committee in mitigation of the penalty.

3. Role of the disciplinary committee

19. Following the conclusion of the proceedings, the Disciplinary Committee will notify the parties in writing of:
 - its final decision(s), including any penalty;
 - any statement intended for publication; and
 - any further charges payable, including costs payable by either party which, regardless of the outcome of the case, in the Disciplinary Committee's view have been unnecessarily caused.
20. At the conclusion of any disciplinary proceeding (other than one in which (i) no charge is found proven; or (ii) no penalty is imposed other than a private warning or reprimand; or (iii) the financial penalty imposed does not exceed £25,000 in total), including the time for appeal or, if appropriate, upon delivery of the decision of the Appeals Committee, the Authority shall publicise by such means as it thinks fit the name of the Member and the terms and/or summary of the final decision of the Disciplinary Committee and, if appropriate, the Appeals Committee.
21. Only final decisions of the Disciplinary Committee are subject to the appeals procedure set out in OPERATIONAL MATTERS 4.

4. Appeals (disciplinary)

1. Only final decisions of the Disciplinary Committee may be appealed to the Appeals Committee in accordance with the procedures set out below.
2. An appellant must serve notice in writing of its appeal to the Authority within 10 business days of the service of the final decision of the Disciplinary Committee. The notice should set out the name of the appellant, the final decision appealed against, the grounds of appeal and all material facts and shall have attached to it copies of all documents relevant to the appeal. A copy of the notice will be forwarded by the Authority to the Secretary of the Appeals Committee.
3. Where the requirements for serving notice of an appeal are not met, the final decision of the Disciplinary Committee shall be final and binding on all parties.
4. A minimum fee (as set out in the fees and charges schedule on the Exchange's website which is subject to change from time to time) will be payable by the appellant to the Authority for an appeal hearing to be conducted. The fee will be dependent upon the nature and complexity of the appeal and will be proportionate to the time taken to consider the appeal. Further charges may, at the absolute discretion of the Chairman of the Appeals Committee, be incurred for more complex or lengthy appeals.
5. The Authority may, within 10 business days (or such other period agreed between the parties) of receipt of notice of an appeal, submit to the Chairman of the Appeals Committee a statement in response setting out all the material facts and having attached to it copies of all documents relied upon.
6. Following receipt of all relevant papers, the appellant will be given not less than 15 business days' notice of the date, time and place of the hearing by the Chairman or the Secretary of the Appeals Committee. The notice period may be shortened with the consent of the parties. Once a hearing time and date have been set, all parties should assume that the hearing will proceed as notified unless notified to the contrary.
7. No party may rely on any statement or document not served on the Appeals Committee more than 2 business days before the hearing save with the leave of the Appeals Committee and, at its discretion, to adjourn the hearing to a later date in order to consider such additional statement or document.
8. The Chairman of the Appeals Committee will notify the parties to the proceedings of the names of the members of the Appeals Committee who will be hearing the appeal and any proposed legal adviser. If any party to the proceedings believes that a potential conflict of interest exists, it shall notify the Chairman of the Appeals Committee, at the earliest possible opportunity, who will take appropriate action.
9. Other than between the Appeals Committee and its legal adviser, either party may require that the Appeals Committee holds any document submitted to it as confidential and not to be divulged to any other parties.
10. All parties shall keep confidential any matters related to the appeal save where disclosure is permitted or required by law or compelled by court order or a valid request by a competent authority.
11. Appeals Committee hearings shall be conducted in private.
12. As part of any appeal the appellant shall be given an opportunity to appear before the Appeals Committee to set out the grounds for its appeal. Similarly, the Disciplinary Committee shall be given an opportunity to submit a statement in response setting out all the material facts and having attached to it copies of all documents relied upon and to appear before the Appeals Committee.

4. Appeals (disciplinary) continued

13. The parties may attend the hearing but any hearing may proceed in the absence of one or both of the parties.
14. Any party may be legally represented at the hearing. Where a legal representative is to be appointed, the Secretary of the Appeals Committee must be advised in writing at least 2 business days prior to the hearing of the person's full name and professional qualification.
15. The order of proceedings at the hearing shall be at the discretion of the Appeals Committee.
16. The parties will be asked to confirm that there is no reasonable objection to any of the Appeals Committee members hearing the appeal (or their legal adviser) on the grounds of conflict of interest. Such confirmation shall not be unreasonably withheld.
17. A record of the hearing will be made and, for the avoidance of doubt, it shall be sufficient for such record to be in the form of minutes taken by the Secretary of the Appeals Committee. A transcription or copy of the record will be available to any party, on payment of the cost of making such transcription as the Chairman of the Appeals Committee in his discretion shall determine. The deliberations of the Appeals Committee will not be recorded.
18. Following the hearing, the Appeals Committee may deliberate at any time and make any decision in the absence of the parties. The Appeals Committee may adjourn the hearing at any time as it thinks fit. The Appeals Committee is entitled to reach decisions on a majority basis. In the case of an equality of votes, the Chairman of the Appeals Committee shall have a second or casting vote. The decision of the Appeals Committee in any matter shall be final and the Appeals Committee shall not be required to disclose the reason for its decision on appeal.
19. In making its decision, the Appeals Committee may uphold or reverse the Disciplinary Committee's earlier final decision.
20. The Appeals Committee will only reverse or vary the Disciplinary Committee's earlier final decision if it is satisfied, on the balance of probabilities, that the final decision is a misinterpretation of or an erroneous application of the Membership Rules or Listing Rules, or is not justified by the evidence on which it is based.
21. Where the matter in issue against a Member is found to be proved, which shall be on a balance of probabilities, the Appeals Committee may increase or decrease the penalty imposed by the Disciplinary Committee and make any order which the Disciplinary Committee could have made.
22. Following the conclusion of the proceedings, the Appeals Committee will notify the parties in writing of:
 - Its final decision(s), including any penalty;
 - any statement intended for publication; and
 - and any further charges payable, including costs payable by either party which, regardless of the outcome of the case, in the Appeal Committee's view have been unnecessarily caused.
23. At the conclusion of any appeal proceeding [other than one in which (i) no charge is found proven; or (ii) no penalty is imposed other than a private warning or reprimand; or (iii) the financial penalty imposed does not exceed £25,000 in total], the Authority shall publicise by such means as it thinks fit the name of the Member and the terms and/or summary of the decision of the Disciplinary Committee and, if appropriate, the Appeals Committee.

5. Appeals (non-disciplinary) continued

1. Only final decisions of the Listing and Membership Committee relating to the following matters may be appealed to the Appeals Committee in accordance with the procedures set out below:
 - approval of an application to be a Member which is granted subject to conditions;
 - rejection of an application to be a Member;
 - approval of an application to be a Sponsor or Listing Agent which is granted subject to conditions; and
 - rejection of an application to act as Sponsor or Listing Agent.
2. An appellant must serve notice in writing of its appeal to the Authority within 10 business days of the service of the final decision of the Listing and Membership Committee. The notice should set out the name of the appellant, the final decision appealed against, the grounds of appeal and all material facts and shall have attached to it copies of all documents relevant to the appeal. A copy of the notice will be forwarded by the Authority to the Secretary of the Appeals Committee.
3. Where the requirements for serving notice of an appeal are not met, the final decision of the Listing and Membership Committee shall be final and binding on all parties.
4. A minimum fee [as set out in the fees and charges schedule on the Exchange's website which is subject to change from time to time] will be payable by the appellant to the Authority for an appeal hearing to be conducted. The fee will be dependent upon the nature and complexity of the appeal and will be proportionate to the time taken to consider the appeal. Further charges may, at the absolute discretion of the Chairman of the Appeals Committee, be incurred for more complex or lengthy appeals.
5. The Authority may, within 10 business days (or such other period agreed between the parties) of receipt of notice of an appeal, submit to the Chairman of the Appeals Committee a statement in response setting out all the material facts and having attached to it copies of all documents relied upon.
6. Following receipt of all relevant papers, the appellant will be given not less than 15 business days' notice of the date, time and place of the hearing by the Chairman or the Secretary of the Appeals Committee. The notice period may be shortened with the consent of the parties. Once a hearing time and date have been set, all parties should assume that the hearing will proceed as notified unless notified to the contrary.
7. No party may rely on any statement or document not served on the Appeals Committee more than 2 business days before the hearing save with the leave of the Appeals Committee and, at its discretion, to adjourn the hearing to a later date in order to consider such additional statement or document.
8. The Chairman of the Appeals Committee will notify the parties to the proceedings of the names of the members of the Appeals Committee who will be hearing the appeal and any proposed legal adviser. If any party to the proceedings believes that a potential conflict of interest exists, it shall notify the Chairman of the Appeals Committee, at the earliest possible opportunity, who will take appropriate action.
9. Other than between the Appeals Committee and its legal adviser, either party may require that the Appeals Committee holds any document submitted to it as confidential and not to be divulged to any other parties.
10. All parties shall keep confidential any matters related to the appeal save where disclosure is permitted or required by law or compelled by court order or a valid request by a competent authority.

5. Appeals (non-disciplinary) continued

11. Appeals Committee hearings shall be conducted in private.
12. As part of any appeal the appellant shall be given an opportunity to appear before the Appeals Committee to set out the grounds for its appeal. Similarly, the Listing and Membership Committee shall be given an opportunity to submit a statement in response setting out all the material facts and having attached to it copies of all documents relied upon and to appear before the Appeals Committee.
13. The parties may attend the hearing but any hearing may proceed in the absence of one or both of the parties.
14. Any party may be legally represented at the hearing. Where a legal representative is to be appointed, the Secretary of the Appeals Committee must be advised in writing at least 2 business days prior to the hearing of the person's full name and professional qualification.
15. The order of proceedings at the hearing shall be at the discretion of the Appeals Committee.
16. The parties will be asked to confirm that there is no reasonable objection to any of the Appeals Committee members hearing the appeal (or their legal adviser) on the grounds of conflict of interest. Such confirmation shall not be unreasonably withheld.
17. A record of the hearing will be made and, for the avoidance of doubt, it shall be sufficient for such record to be in the form of minutes taken by the Secretary of the Appeals Committee. A transcription or copy of the record will be available to any party, on payment of the cost of making such transcription as the Chairman of the Appeals Committee in his discretion shall determine. The deliberations of the Appeals Committee will not be recorded.
18. Following the hearing, the Appeals Committee may deliberate at any time and make any decision in the absence of the parties. The Appeals Committee may adjourn the hearing at any time as it thinks fit. The Appeals Committee is entitled to reach decisions on a majority basis. In the case of an equality of votes, the Chairman of the Appeals Committee shall have a second or casting vote. The decision of the Appeals Committee in any matter shall be final and the Appeals Committee shall not be required to disclose the reason for its decision on appeal.
19. In making its decision, the Appeals Committee may uphold or reverse the Listing and Membership Committee's earlier final decision or, in the case of a rejection of an application for membership or to act as Sponsor or Listing Agent, may approve the application subject to the applicant complying with any conditions imposed by the Appeals Committee.
20. The Appeals Committee will only reverse or vary the Listing and Membership Committee's earlier final decision if it is satisfied, on the balance of probabilities, that the final decision is a misinterpretation of or an erroneous application of the Membership Rules, or is not justified by the evidence on which it is based.
21. Following the conclusion of the proceedings, the Appeals Committee will notify the parties in writing of its decision(s) and any further charges payable.

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