



DISCIPLINARY PROCESS

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DEFINITIONS

The following terms and expressions shall, unless the context otherwise require, have the following meanings in the FMDQ Disciplinary Process:

“Act”	means the Investments and Securities Act 2007 (as amended or supplemented)
“Applicable Law”	means any law, statute, code, ordinance, decree, rule, or regulation (including rules and regulations of self-regulatory organisations) as may relate to activities within the FMDQ markets (as may be revised, updated, and/or amended from time to time)
“Authorised Representative”	means employees authorised by FMDQ members to perform activities on their behalf on FMDQ OTC Securities Exchange. Authorised Representatives include but are not limited to managing director, executive directors, dealers, investment advisers, compliance officers, risk officers and control & audit officers and such other functions as may be prescribed by FMDQ from time to time.
“Board”	means the Board of Directors of FMDQ OTC Securities Exchange
“BRRMC”	means the Board Regulation and Risk Management Committee of FMDQ OTC Securities Exchange
“CBN”	means Central Bank of Nigeria
“Commission” or “SEC”	means the Securities and Exchange Commission
“Committee” or “FDC”	means the FMDQ Disciplinary Committee
“DMO”	means Debt Management Office, Nigeria
“Examination Group” or “EXG”	means the group responsible for the surveillance, investigation, and enforcement functions of the Exchange in its capacity as a self-regulatory organisation (“SRO”)
“FMDQ” or the “Exchange”	means FMDQ OTC Securities Exchange
“FMDQ Rules”	means rules, guidelines, market bulletins, agreements and such other regulation as may be prescribed by FMDQ from time to time
“Member”	means a member of FMDQ OTC Securities Exchange
“Panel” or “FIP”	means the FMDQ Investigative Panel
“Platform”	means the FMDQ-organised market place for the registration, listing, quotation, order execution, and trade reporting of fixed income, currency, and derivative products/instruments, <i>inter alia</i> .

1. INTRODUCTION

- 1.1. The FMDQ Disciplinary Process is made pursuant to the FMDQ OTC General Market Rules approved by the Commission on December 5, 2014. The Process outlines the courses of action to be adopted where any of the following circumstances occur:
- (i) FMDQ launches an investigation into a Member's conduct and activities on the FMDQ Platform.
 - (ii) FMDQ initiates disciplinary proceedings against a Member for a violation of the FMDQ Rules or of any allegation that the integrity and reputation of FMDQ based on substantive evidence from an investigation conducted by the Examination Group or the Investigative Panel.
 - (iii) Where a Member lodges an appeal pursuant to the FMDQ Rules against any disciplinary action taken by the FMDQ Disciplinary Committee with respect to the appellant Member.
 - (iv) Such other circumstance(s) as may be prescribed by FMDQ from time to time.
- 1.2. The FMDQ approach to regulation is aimed at maintaining the integrity, orderliness, and transparency within its markets; and setting new standards in line with global best practices. FMDQ shall investigate the facts of each case with a view to understanding why the rule violation occurred. FMDQ shall also assess whether any remedial action taken by the Member is sufficient to mitigate any damage which might have been caused by the Member's violation and adequate to prevent similar future occurrences and if none has been taken, may instruct the Member concerned (via email, or at a meeting) to take such action.
- 1.3. This Disciplinary Process, shall be read in conjunction with the FMDQ OTC General Market Rules, FMDQ Codified Rule Books, FMDQ Bond Listing and Quotation Rules, E-Bond Trading Rules, E-Bond Trading Infractions and Penalties Guide, FMDQ Complaints Management Framework, FMDQ OTC Market Bulletins and such other regulation as may be prescribed by FMDQ from time to time.
- 1.4. The provisions of this Disciplinary Process are non-exhaustive and FMDQ may revise, amend, supplement same from time to time.

2. SUMMARY OF THE DISCIPLINARY PROCESS

- 2.1. Where there is a written complaint to EXG regarding a Member's conduct or activities, the EXG shall investigate the complaint. In addition, where the EXG believes there is enough justification to warrant an investigation into a Member's activities, it shall refer the matter to the Panel for deliberation within five (5) business days (or such other period as may be advised from time to time) of its receipt of the complaint. After conducting a review of the outcome of the investigations taking into consideration all facts involved in the matter and the response of the Member to the allegations, the Panel shall issue a report to the Committee outlining its recommendations on whether disciplinary action is required or not.
- 2.2. The Committee shall deliberate on the report alongside the response of the Member (if any) and where appropriate, order the Member to take remedial action and/or determine penalties to be imposed on a Member found to be in violation of FMDQ Rules. Where a greater penalty than the Committee is authorised to impose is deemed appropriate, the Committee shall refer

the matter to the BRRMC whose decision is binding on all parties except in circumstances where a further appeal is filed to the FMDQ Board.

- 2.3. The Committee shall take into account several factors when considering what disciplinary action to prescribe in relation to a rule violation including but not limited to:
- (i) The nature and severity of the rule violation.
 - (ii) The duration and frequency of misconduct.
 - (iii) How the rule violation was identified.
 - (iv) The actual or potential market impact of the rule violation, and any other repercussions.
 - (v) The extent to which the rule violation was deliberate, reckless or negligent.
 - (vi) The compliance record of the Member, and specific history regarding the rule violation in question.
 - (vii) Consistent and fair application of FMDQ Rules.
 - (viii) The responsiveness and conduct of the Member in relation to the matter in question.
- 2.4. The Committee is made up of selected FMDQ management staff and experienced financial markets experts that may be invited from time to time. The Committee may impose a wide range of penalties and has discretion to publicise its findings. Appeals against a final decision of the Committee shall be filed with the BRRMC. There shall be no appeals against interim procedural directives or decisions of the Committee.
- 2.5. The BRRMC is made up of select members of the Board and for the purpose of its disciplinary adjudication may invite subject matter experts or other FMDQ directors to support its deliberations. The procedures to be adopted by the BRRMC (and the Board on appeals) are set out in section 5.6 below. The BRRMC has the power to uphold, revoke or vary any decision of the Committee.

3. GENERAL GUIDELINES

3.1. *Imposition of Penalties*

- (i) Where EXG considers that a Member has violated any of FMDQ Rules, it may issue a warning notice and/or refer the matter to the Panel for investigation.
- (ii) The Panel shall conduct all investigations within fifteen (15) business days of receipt of a referral by the EXG.
- (iii) Pending the outcome of any investigations against a Member, FMDQ reserves the right to suspend the Member under investigation from activities on the FMDQ Platform. The resultant effect of any suspension pending the outcome of investigations shall be that all rights and privileges that accrue to the Member by virtue of its membership of the Exchange shall cease to exist until conclusion of the investigation.
- (iv) In considering if relevant penalties are appropriate, FMDQ shall consider all the circumstances of the case and in particular, shall have regard to the matters outlined in section 2.3 above.
- (v) Where cases against more than one (1) Member on related matters are to be brought before the Panel, the Committee, the BRRMC or the Board (together referred to as “**Disciplinary Bodies**”), the EXG may decide, with the agreement of the appropriate Disciplinary Body, to bring such cases at the same time, if it would be fair and practicable

to do so and upon consultation with the Members concerned.

3.2. Burden and Standard of Proof

The burden of proof shall reside with the Panel. The Committee, BRRMC or Board (as appropriate) shall not find an allegation proven unless it is satisfied on a balance of probabilities.

3.3. Market Guidance

FMDQ reserves the right to publish, in part or in full, the findings of the Disciplinary Bodies or details of warning notices issued, where FMDQ reasonably believes that to do so would act as a deterrence against further rule violations by market participants.

3.4. Warning Notices

- (i) FMDQ may issue a warning notice to a Member for a violation of FMDQ Rules.
- (ii) Warning notices shall form part of a Members' formal compliance records.
- (iii) Warning notices issued to Members are required to be reported to the relevant regulators including but not limited to the Commission, CBN and DMO.

4. FMDQ INVESTIGATIVE PANEL

4.1. Role of the Panel

The Panel shall investigate and determine the validity of the charges against a Member in respect of a violation of FMDQ Rules.

4.2. Constitution of the Panel

- (i) The Panel shall be constituted of the following persons:
 - (a) One (1) representative of the FMDQ Market Development Group.
 - (b) One (1) representative of the FMDQ Market Regulation Group.
 - (c) One (1) representative of the FMDQ Examination Group.
 - (d) One (1) representative of the FMDQ Market Services Group.
- (ii) The quorum at meetings of the Panel shall be by simple majority of the members present.

4.3. Confidentiality

The Panel shall hold a duty of confidentiality with respect to all proceedings except in circumstances where disclosure is permitted or required by law.

4.4. Mode of Referral for Investigation

- (i) Where EXG considers that investigations into a potential violation of FMDQ Rules are necessary, it shall refer such matters to the Panel.
- (ii) Proceedings before the Panel shall commence by the submission of a statement to the Member (as appropriate). The statement shall set out the allegation(s) and all material facts to be considered and shall have attached to it copies of all documents relevant to the allegation(s).

- (iii) The Member shall be expected to, within five (5) business days of receipt of the statement, submit to FMDQ, a statement in response setting out all material facts and attaching copies of all documents supporting its response.
- (iv) The Chairman of the Panel may extend the period referred to in section 4.4 (iii) above at the request of the Member.
- (v) The Member's statement of response (if any), together with copies of all other relevant documents shall be submitted to the Panel.

4.5. **Investigations**

- (i) Investigations shall be conducted through the consideration of documents/information received from all the parties, interviews and all other means as may be required by the Panel.
- (ii) Where there is to be an interview, it shall be conducted by the Panel in private.
- (iii) The Panel shall give not less than five (5) business days' notice of the time and place of any interviews to be conducted. The notice period may be shortened with the consent of the Member or other relevant party.
- (iv) Where the investigation of the alleged violation of the FMDQ Rules reveals the infractions were solely due to the actions of the Member's Authorised Representatives (lacking his or her institution's support or awareness), the matter may be referred to the relevant capital market association for disciplinary action and advised to the Member and appropriate regulators. Where the Panel finds the Member to be culpable, the matter shall be referred to the Committee.
- (v) The Panel may vary any of its procedures to adapt to the circumstances of any particular case to the extent that it shall be acting judiciously and in the interest of justice.
- (vi) Where the Panel finds substantive evidence against the Member to commence disciplinary proceedings, it shall refer the matter to the Committee.

5. FMDQ DISCIPLINARY COMMITTEE

5.1. **Role of the Committee**

- (i) The Committee shall, as a tribunal of first instance, hear and determine charges against a Member in respect of a violation of the FMDQ Rules or of any allegation that the integrity and reputation of FMDQ has been or may be impaired as a result of its conduct or judgment.
- (ii) The Committee may also grant a consent order in respect of any settlement that may be negotiated between FMDQ and a Member (as appropriate) in relation to any disciplinary action taken by FMDQ.

5.2. **Constitution of the Committee**

- (i) The Committee shall be constituted of the following persons:
 - (a) All substantive or acting Divisional Heads responsible for overseeing the Exchange's SRO function.
 - (b) Group Head, Market Regulation.

- (c) Group Head, Examination.
 - (d) Group Head, Legal & Company Secretariat.
 - (e) Group Head responsible for the compliance function within the Exchange.
 - (f) Group Head responsible for the audit function within the Exchange.
 - (g) A representative of the membership category of the Member subject to the disciplinary proceedings.
- (ii) The most senior FMDQ Staff present at the meeting shall serve as the chairman of the Committee.
 - (iii) Members of the Committee shall notify the Secretariat of the Committee or the chairman of any possible conflict of interest at the earliest possible opportunity and in any event prior to any hearing to be held under section 5.8 below.
 - (iv) The chairman will take appropriate action and notify the parties to the disciplinary proceedings, of the names of the Committee members. If any party to the disciplinary proceedings believes that a potential conflict of interest exists, it shall notify the chairman at any time before the proceedings, and the chairman will take appropriate action.

5.3. **Secretariat**

- (i) The Committee shall have a secretariat (the “**Secretariat**”).
- (ii) The Secretariat shall carry out any administrative functions. Any notices, notifications and other documents required to be submitted to the Committee shall be filed with the Secretariat who shall ensure that copies are provided to the other parties and Committee members. Where the Committee wishes to notify the parties of any matter, it shall do so through the Secretariat.
- (iii) Any notices or other documents required to be served shall be delivered by hand, email (with receipt acknowledgement) or posting by courier service (with an acknowledgment copy) to the addressees set out below, save that the Secretariat may agree on a different place of service with any of the parties:
 - (a) In the case of a Member, to its registered office.
 - (b) In the case of FMDQ, to the Secretary of the Committee with a copy to the Company Secretary of FMDQ, at the FMDQ registered office.
 - (c) In the case of any other party, to a place agreed with the Secretary.
- (iv) Unless otherwise stated by FMDQ, service shall be deemed effective on the date of delivery by hand, date of receipt of email, or upon successful delivery of post.

5.4. **Confidentiality of Proceedings**

- (i) All communications relating to the proceedings between the parties and with the Committee shall be channelled through the Secretariat.
- (ii) If any Committee member is approached by any person to discuss matters connected with the proceedings, such Committee member shall, without delay, notify the chairman who shall take appropriate action.
- (iii) Unless otherwise determined by FMDQ or where disclosure is permitted or required by

Applicable Law, all parties shall keep confidential any matters relating to any proceedings.

5.5. Mode of Referral by the Panel

The Panel shall refer cases to the Committee by service of a report on the Secretariat. Depending on the recommendation of the Panel, the Secretariat shall in turn, serve a copy of a case statement on the relevant Member within five (5) business days of receipt of the report of the Panel. The statement shall set out the allegations and a summary of the main facts to be relied on.

5.6. Pre-Hearing Procedures

- (i) Following the service of the statement referred above:
 - (a) The Member in question may submit to the Committee a statement in response which shall contain all material facts and attach to it copies of all documents to admitted as evidence.
 - (b) The Member may also request a pre-hearing review and highlight the relevant reliefs to be sought at the review. The Committee, at its discretion may decide that a pre-hearing review is necessary.
- (ii) The Secretariat may by agreement with relevant parties set a timetable for the completion of the procedures set out above. If no agreement is reached, the chairman of the Committee may specify by a written notice to the parties, the time limits within which the directives set out in section 5.7 below must be carried out.

5.7. Directives of the Committee

- (i) Upon completion of the procedures set out above, the chairman (or any nominated member of the Committee), may issue directives and take any other steps considered appropriate for the just, efficient, and expeditious determination of the matters in issue.
- (ii) The directives may include the following, *inter alia*:
 - (a) Fixing a time and place for any pre-hearing review and hearing.
 - (b) Directing that the hearing or any part of the hearing proceeds by written representations, upon receipt of written consent of the Member or other relevant party.
 - (c) Recording any admissions made by the Member or other relevant party and any request by the Member or other relevant party to make admissions.
 - (d) Directing the Member or other relevant party to indicate whether it admits any particular fact(s) or document(s).
 - (e) Directing the Member or other relevant party to disclose and serve copies of any documents.
 - (f) Setting time limits for any purpose of the proceedings.
 - (g) Extending or abridging time limits.
 - (h) Adjourning the pre-hearing review, with such orders as it thinks fit.
 - (i) Granting leave to amend (including providing additional documents to) a case

statement.

- (j) Making any order for the payment of costs in connection with pre-hearing preparation or any pre-hearing review.
- (k) Such other directive as may be determined.

5.8. The Hearing

- (i) The Committee shall conduct hearings in private, although a Member that is subject to proceedings shall have the right to request for such hearing to be conducted in public. A Member requesting for such hearing to be conducted in public shall notify the Chairman at least five (5) business days prior to commencement of the hearing.
- (ii) The Member or other relevant party may be represented by counsel or on its own behalf at any pre-hearing review or hearing.
- (iii) The Member or other relevant party may submit evidence to the Committee at any time not exceeding two (2) business days before the hearing.
- (iv) The Member or other relevant party shall be given not less than three (3) business days' notice of the time and place of a pre-hearing review and five (5) business days' notice of the time and place of the hearing by the Secretary. Any shorter notice period may apply if agreed by the parties.
- (v) If the Member or other relevant party fails to attend or is not represented at a pre-hearing review or a hearing, the Committee may proceed in its absence.
- (vi) At the hearing:
 - (a) The Committee members shall be introduced to the Member or other relevant party by the chairman who shall confirm that each Committee member has conducted their due diligence and has no conflict of interest in hearing the case.
 - (b) The Member or other relevant party will be asked to confirm that there is no reasonable objection to any of the Committee members hearing the case on the grounds of conflict of interest; and
 - (c) If there is an objection and the Committee upholds such objection, the relevant Committee member shall be excluded from the hearing.
 - (d) Where no quorum is formed due to such objection, another person shall be appointed by the chairman to replace the excluded member.
- (vii) Unless otherwise ordered by the Committee, the order of proceedings at the hearing shall be as follows:
 - (a) The allegation(s) made by FMDQ shall be read and the Member shall state whether the allegation(s) is/are admitted.
 - (b) Each party may present its evidence and/or call witnesses, who may be examined, cross-examined, and re-examined by the parties and questioned by the Committee, and may make submissions to the Committee.
 - (c) Where the Committee is satisfied that any allegation has been proven, it shall consider any representations made by the Member or other relevant party to determine whether penalties should be imposed.
- (viii) At the hearing, the Committee may:

- (a) Admit any evidence whether oral or written, without any requirement that it be on oath and whether or not the same would be admissible in a court of law.
 - (b) Make any directives which may be given at a pre-hearing review, and vary any directive which has been made.
 - (c) Make all such directives regarding the conduct of and procedure at the hearing as it considers appropriate for the just, efficient, and expeditious determination of the matter.
- (ix) A record of the pre-hearing review may be made at the request of the Member or other relevant party or as directed by the chairman. A transcription or copy of the record shall be made available to a party upon payment of the cost of making such transcription or copy or a proportion of such costs as may be determined by FMDQ. For the avoidance of doubt, it shall be sufficient for such record to be in the form of minutes taken by the Secretary.

5.9. *Deliberations and Decisions of the Committee*

- (i) The Committee may deliberate at any time and make any decision in the absence of the Member or other relevant party. The Committee may adjourn any hearing as it deems fit.
- (ii) Decisions and resolutions of the Committee shall be determined on a majority basis and in the case of an equality of votes, the chairman shall have a second or casting vote.
- (iii) Following the conclusion of the proceedings, the Committee within ten (10) business days of the proceedings shall notify the parties in writing of:
 - (a) Its decision(s), including any penalties as may be prescribed by the Committee and any statement intended for publication.
 - (b) The reason(s) for its decision(s).
 - (c) Any order for costs to be imposed.
 - (d) The time limit for the lodging of any appeal against the written decision or any part thereof which will be not less than ten (10) business days from the date of service on the parties of the written decision except where the Committee orders a shorter period.
- (iv) Any fines imposed shall not be executed until after ten (10) business days of receipt of the written decision of the Committee or the conclusion of any appeal against that decision.
- (v) Any costs ordered to be paid shall be paid within ten (10) business days of receipt of any order of costs.
- (vi) The Committee may publish part or all of its decision or a summary of it, and the reasons for the decision. Where the penalty imposed is a warning, the Committee may publish its decision in part or a summary of it and the reasons for the decision without revealing the identity of the Member penalised.

5.10. Penalties

- (i) If the Committee finds an allegation against a Member proven on a balance of probabilities, it may take one or more of the following actions:
 - (a) Impose a fine on the Member.
 - (b) Censure the Member.
 - (c) Reject the application for the admission of securities to the Platform (where applicable).
 - (d) Disqualify the Member from rebate and FMDQ OTC GOLD award.
 - (e) Suspend the Member.
 - (f) Expel the Member.
 - (g) Publish the details of the proceedings and the reasons for the decision made by the Committee.
 - (h) Impose such other penalty as may be prescribed from time to time.
- (ii) Members shall disclose, in their published annual accounts and reports, details of all penalties paid to FMDQ as a result of violation of FMDQ Rules.

5.11. Appeals Against Decisions of the Committee

- (i) Appeals against final decisions of the Committee shall be made to the BRRMC.
- (ii) Appeals shall not act as a stay of execution of the decision of the Committee.
- (iii) Appeals must be filed by service on the Secretary of a notice in writing, within ten (10) business days of the service of the written decision of the Committee setting out the name of the appellant, the decision appealed against, the grounds of appeal, the principal matters relied upon and attaching copies of any document(s) to be relied upon.
- (iv) The Secretary shall as soon as practicable, ensure service of a copy of the aforementioned notice and accompanying document(s) on the other party(ies).
- (v) Where the appellant wishes to rely on evidence or documentation which was not before the Committee, this shall be stated in the notice together with details of such evidence and copies of such documentation.
- (vi) On receipt of a notice, the Secretary will notify the Chairman of the BRRMC who will convene a hearing as soon as reasonably practicable.
- (vii) The BRRMC may extend the time for appeal.

5.12. Changes to the procedures

The Committee may vary any of these procedures to adapt to the circumstances of any particular case to the extent that is required to expeditiously resolve the case.

6. FMDQ BOARD REGULATION AND RISK MANAGEMENT COMMITTEE

6.1. Role of the BRRMC

- (i) The BRRMC shall hear and determine appeals against decisions of the Committee.
- (ii) The BRRMC may also hear and determined any matter referred to it by the Committee.
- (iii) The BRRMC may uphold, revoke or vary any decision of the Committee.

6.2. Membership of the BRRMC

- (i) The BRRMC may invite any subject-matter expert to its proceedings from time to time. The subject matter expert shall be a person with bona fide expert knowledge in the relevant question in issue. Recognition as a subject matter expert in any proceedings shall be achieved through a combination of academic background, years of professional experience, and skill set in capital market matters.
- (ii) No member of the Committee whose decision is the subject of the appeal may be invited by the BRRMC for appeal purposes.
- (iii) Members of the BRRMC shall notify the Company Secretary or the BRRMC Chair of any possible conflict of interest no later than two (2) business days prior to the hearing and the BRRMC Chair will take appropriate action.
- (iv) Where due to a conflict of interest, a quorum is not formed, the BRRMC Chair may with the approval of the Chairman of the Board of Directors of FMDQ, request for a director of FMDQ to be seconded to the BRRMC for the purpose of its proceedings.

6.3. Secretary

- (i) The Company Secretary of FMDQ shall act as the secretary of the BRRMC for the purposes of any proceedings of the BRRMC under this Disciplinary Process.
- (ii) The Company Secretary will carry out any administrative functions. Any notices, notifications and other documents required to be submitted to the BRRMC must be served upon the Company Secretary who shall ensure that copies are provided to the Member(s) or other relevant party, the members of the BRRMC. Where the BRRMC wishes to notify the parties of any matter, it shall do so through the Company Secretary.
- (iii) Any notices or other documents required to be served shall be delivered by hand, email (with receipt acknowledgement) or posting by courier service (with an acknowledgment copy) to the addressees set out below, save that the Secretary may agree a different place of service with any of the parties:
 - (a) In the case of an appellant, to its registered or head office.
 - (b) In the case of FMDQ, to the Company Secretariat, at FMDQ's registered office.
 - (c) In the case of any other party, to a place agreed with the Company Secretary.
- (iv) Unless otherwise stated by FMDQ, service shall be deemed effective on the date of delivery by hand, date of receipt of email, or upon successful delivery of post.

6.4. Confidentiality

- (i) All communications relating to the proceedings between the parties and with the BRRMC shall be channelled through the Company Secretary.
- (ii) If any BRRMC member is approached by any person to discuss any matter connected with the proceedings, such BRRMC member shall, without delay, notify the BRRMC Chair who shall take appropriate action.
- (iii) Unless otherwise determined by FMDQ or where disclosure is permitted or required by Applicable Law, all parties shall keep confidential any matters relating to any proceedings.

6.5. Pre-Appeal Procedure

- (i) Following service of a notice of appeal:
 - (a) The appellant may submit to the BRRMC a statement amending or expanding upon the notice served.
 - (b) Any party to the proceedings wishing to rely on evidence or documents not already before the BRRMC shall submit a statement containing details thereof and attach to it copies of any such documents.
- (ii) If the Member or other relevant party consents in writing, the appeal may be by way of written submissions only.

6.6. Directives of the BRRMC

The BRRMC may make any directives as set out in section 5.7 above which may have been taken by the Committee and such other steps it considers appropriate, including but not limited to holding pre-hearing reviews for the just, efficient, and expeditious determination of the appeal.

6.7. The Hearing

- (i) The BRRMC will usually conduct hearings in private, although an appellant which is subject to proceedings has the right to request that such hearing to be conducted in public. An appellant requiring such hearing to be conducted in public shall notify the BRRMC Chair at least five (5) business days prior to commencement of the hearing or such shorter period as may be approved by the BRRMC.
- (ii) Parties may be represented by counsel at any hearing.
- (iii) The parties shall be given not less than ten (10) business days' notice of the time and place of the hearing by the Company Secretary. The notice period may be shortened with the consent of the Member or other relevant party.
- (iv) Where the Member or other relevant party fails to attend, or be represented at any hearing or pre-hearing review, the BRRMC may proceed in its absence.
- (v) At the hearing:
 - (a) The BRRMC members will be introduced to the Member or other relevant parties by the BRRMC Chair who will state that each of the BRRMC members believes himself to have no conflict of interest in hearing the appeal.
 - (b) The Member or other relevant party will be asked to confirm that there is no reasonable objection to any of the BRRMC members hearing the appeal on the grounds of conflict of interest.
 - (c) Where there is an objection and the BRRMC upholds such objection, the relevant BRRMC member shall be excluded from the appeal.
- (vi) The order of proceedings shall be determined by the BRRMC.
- (vii) No party may rely on any statement or document not filed with the BRRMC at least two (2) business days before the hearing except with the approval of the BRRMC.
- (viii) Unless otherwise approved by the BRRMC, no party may present evidence (including calling new witnesses) that was not available to the Committee.
- (ix) The procedure for the admission of fresh evidence shall be determined by the BRRMC

on a case by case basis.

- (x) A record of all proceedings will be made. A transcription or copy of the record shall be available to the Member or other relevant party upon payment of the cost of making such transcription or copy or a proportion of such costs as the Company Secretary in his discretion shall determine. For the avoidance of doubt, it shall be sufficient for such record to be in the form of minutes taken by the Company Secretary.

6.8. ***Deliberations and decisions***

- (i) The BRRMC may:
 - (a) Deliberate at any time and make any decision in the absence of the Member or other relevant party.
 - (b) Adjourn any proceedings at any time as it thinks fit.
- (ii) Decisions and resolutions of the BRRMC shall be determined on a majority basis and in the case of an equality of votes, the chairman shall have a second or casting vote.
- (iii) The BRRMC may revoke or vary a decision of the Committee if it is satisfied, on the balance of probabilities, that the decision is a misinterpretation of or an erroneous application of any of the FMDQ Rules or is not justified by the evidence on which it is based.
- (iv) Following the conclusion of the appeal, the BRRMC shall notify the parties in writing, within ten (10) business days, of the following:
 - (a) The decision(s), including any statement intended for publication.
 - (b) The reason(s) for its decision.
 - (c) Any order for costs to be imposed.
- (v) Any fines imposed shall not be executed until after ten (10) business days of receipt of the written decision of the BRRMC or the conclusion of any appeal against that decision.
- (vi) Any costs ordered to be paid shall be paid within ten (10) business days of receipt of any order of costs.
- (vii) The BRRMC may publish part or all of its written decision or a summary, and the reasons for the decision.

6.9. ***Changes to the procedures***

The BRRMC may vary any of the procedures set out above to adapt to the circumstances of any particular case.

7. APPEALS TO THE BOARD

- 7.1. Following the outcome of the decision made by the BRRMC, where a party is dissatisfied with the decision, it may file a notice of appeal against the decision of the BRRMC to the Board.

7.2. **Procedure**

- (i) It shall be the responsibility of the BRRMC to inform the Board of a pending notice of appeal filed by a dissatisfied Member. Upon receiving the notice of appeal, the Chairman of the Board shall within fourteen (14) business days convene a plenary

session of the Board to hear the case.

- (ii) At the plenary session, the quorum shall be two-thirds of the Board.
- (iii) Where a member of the Board is directly or indirectly connected with the appellant, such Board member must recuse himself upon direction from the Board.
- (iv) Unless otherwise approved by the Board, no oral representations shall be made by the appellant to the Board.
- (v) The Board shall conduct its proceedings by reviewing the appellant's notice of appeal supported by documented arguments outlining the grounds for appeal as well as the written decisions of the Committee and BRRMC.
- (vi) The decision arrived at by the Board shall be communicated to the appellant through the BRRMC and this decision shall be final and binding on all the parties.
- (vii) The Board may vary any of the procedures set out above to adapt to the circumstances of any particular case.

8. APPEALS TO THE SECURITIES AND EXCHANGE COMMISSION

Any further appeals shall be lodged with the Commission in accordance with Section 34 of the Act and the SEC Rules made pursuant to the Act.

9. CONSENT ORDERS

- 9.1. At any time after FMDQ has decided to commence investigative action but prior to the decision of the Committee, the Member may, without prejudice, make an application to the Committee seeking a consent order. The application must state that the Member has agreed to the allegations outlined by the Panel.
- 9.2. The disciplinary process may, at the discretion of the Committee be stayed pending the determination of an application for a consent order.
- 9.3. Where the Committee approves the application, the consent order shall take immediate effect and the Committee shall issue such directive as it deems appropriate.
- 9.4. The consent order issued by the Committee shall have the same effect as a decision made by the Committee sitting as a tribunal of first instance.
- 9.5. There shall be no appeal against the consent order, and penalties imposed for any violations shall take immediate effect.
- 9.6. Where the Committee does not approve the application for a consent order, the disciplinary proceedings shall resume and there shall be no reference to the application at any hearings of the Committee or any subsequent appeals.

10. REPORT TO THE SECURITIES AND EXCHANGE COMMISSION

- 10.1. Section 33 of the Act requires FMDQ to report all disciplinary actions to the Commission. The Commission will carry out its independent investigation into the violation.
- 10.2. The Commission may suspend or expel the Member from engaging in the capital markets.