

PART I

RESPONSIBILITIES, POWERS AND FUNCTIONS OF COMMITTEES, DIVISIONS, DEPARTMENTS, SECTIONS, UNITS AND SEOCH CONCERNING DISCIPLINARY MATTERS

4. Disciplinary Committee

The responsibilities and functions of the Disciplinary Committee include the following:-

- 4.1 to hear appeals from disciplinary measures taken by the Chief Executive against a Participant under Rule 704;
- 4.2 to hear charges brought against any Participant;
- 4.3 to refer the matter to SEOCH if the charges may lead to the expulsion of the Exchange Participant charged from SEOCH;
- 4.4 to fix a date for the disciplinary hearing and instruct the Secretary to the Disciplinary Committee to serve the notice of the disciplinary hearing upon the Participant charged and the Enforcement Section;
- 4.5 to summon the Participant charged and the Enforcement Section to attend before it to give evidence in relation to the charges made against the Participant;
- 4.6 to consider and determine, after conclusion of the hearing, whether or not each charge has been proved;
- 4.7 to hear and consider pleas in mitigation;
- 4.8 to impose any of the penalties listed in Rule 702;
- 4.9 to order payment to or by a Participant charged of costs and expenses incurred in obtaining external legal representation for the purposes of the disciplinary hearing, such costs and expenses to be limited to professional legal fees and expenses at the disciplinary hearing;

- 4.10 to notify the Participant charged of the decision in writing including any award of costs and its right to refer the decision of the Disciplinary Committee to the Disciplinary Appeals Committee;
- 4.11 in the event that the Participant charged requires the matter to be referred to the Disciplinary Appeals Committee in accordance with Clause 4.14.1 of Part II, the Disciplinary Committee to produce a written statement of findings of fact, the reasons for its verdict and the reasons for any penalty imposed to the Participant charged, the Enforcement Section and the Secretary to the Disciplinary Appeals Committee;
- 4.12 in the event that the Enforcement Section requires the matter to be referred to the Disciplinary Appeals Committee in accordance with Clause 4.14.2 of Part II, the Disciplinary Committee to produce to the Participant charged, the Enforcement Section and the Secretary to the Disciplinary Appeals Committee a decision in writing setting out its reasons for the penalty;
- 4.13 in the event that the Enforcement Section requires the decision to be referred to the Disciplinary Appeals Committee in accordance with Clause 4.14.3 of Part II, the Disciplinary Committee to produce a written statement of findings of fact, the reasons for its verdict and the reasons for any penalty imposed to the Enforcement Section and the Secretary to the Disciplinary Appeals Committee;
- 4.14 to review the disciplinary rules and procedures from time to time and make recommendations to the Board if appropriate;
- 4.15 to extend, vary or waive any period of time referred to in the Disciplinary Procedures or as previously ordered by the Disciplinary Committee;
- 4.16 to require the Participant charged or the Enforcement Section to supply such further information and documents in its possession or under its control relating to the case as the Disciplinary Committee sees fit;
- 4.17 to delegate to a member of the Disciplinary Committee the power to give instructions to the Participant charged and the Enforcement Section through the Secretary to the Disciplinary Committee on procedural matters relating to the disciplinary proceedings; and
- 4.18 to reconsider the verdict and the penalty of disciplinary cases remitted by the Disciplinary Appeals Committee under Clause 5.8 of Part II.