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## **FINAL NOTICE**

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To: Mr Kevin Gorman  
Born: December 1962  
Date: 12 December 2019

### **1. ACTION**

- 1.1. For the reasons given in this Final Notice, the Authority hereby imposes on Mr Gorman a financial penalty of £45,000 for breaching Article 19(1) of MAR.
- 1.2 Mr Gorman agreed to resolve this matter and qualified for a 30% (stage 1) discount under the Authority's executive settlement procedures. Were it not for this discount, the Authority would have imposed a financial penalty of £64,300 on Mr Gorman.

### **2. SUMMARY OF REASONS**

- 2.1. Braemar Shipping Services plc ("Braemar") is listed on the main market of the London Stock Exchange. Mr Gorman was employed as the Managing Director of Braemar's Logistics Division. He was a senior employee and a member of Braemar's Executive Committee.
- 2.2. As a senior executive at Braemar with regular access to confidential management information and therefore having or likely to have inside information and the power to make managerial decisions affecting its future development and business prospects, Mr Gorman was a person discharging managerial responsibilities

("PDMR") as defined under Article 3(1)(25) of the Market Abuse Regulations ("MAR").

- 2.3. Mr Gorman breached Article 19(1) of MAR on three occasions between 31 August 2016 and 24 January 2017 ("the Relevant Period").
- 2.4. Article 19(1) of MAR sets out what Mr Gorman was required to do as a PDMR when selling his shares in Braemar. Specifically, it required him to notify Braemar and the Authority of transactions conducted on his own trading account in relation to Braemar shares promptly and no later than three business days after the dates of the transactions.
- 2.5. On three separate occasions during the Relevant Period Mr Gorman sold Braemar shares, as follows:
  - 2.5.1. on 24 August 2016, he sold 2,221 Braemar shares at £4.13 per share for a total of £9,172.73 ("Trade 1");
  - 2.5.2. on 10 November 2016, he sold 4,644 Braemar shares at £3.2788 per share for a total of £15,226.75 ("Trade 2"); and
  - 2.5.3. on 18 January 2017, he sold 15,356 Braemar shares at £3.05 per share for a total of £46,835.80 ("Trade 3").
- 2.6. Mr Gorman failed to notify Braemar or the Authority of all three sale transactions promptly and no later than within three business days, in breach of Article 19(1) of MAR. As a result, Braemar was not in a position to announce the necessary PDMR notifications to the market in accordance with Article 19(3) of MAR. Mr Gorman also failed to seek prior authorisation from Braemar to trade, as required by Braemar's internal policies, which resulted in Braemar not being given the opportunity to approve or reject his personal account dealing.
- 2.7. The Authority therefore hereby imposes on Mr Gorman a financial penalty of £45,000 for breaching Article 19(1) of MAR. Were it not for the 30% discount for which Mr Gorman qualified by agreeing to resolve this matter, the Authority would have imposed a financial penalty of £64,300.
- 2.8. The prompt notification to issuers and the Authority of transactions in the shares of the issuer conducted by PDMRs on their own account, or by persons closely associated with them, provides a means for the Authority to supervise markets.

- 2.9. Article 19(3) of MAR requires issuers to announce PDMR notifications to the market promptly and no later than three days after the relevant transaction. Hence, the prompt notification to the issuer and the Authority by PDMRs is also valuable information for market participants.
- 2.10. The Article 19 notification regime is a preventative measure against market abuse, and can provide valuable timely information to investors. In addition, market transparency is a prerequisite for the confidence of markets and of the company's shareholders.
- 2.11. Failure to notify dealing transactions by PDMRs in the shares of their issuers undermines the Authority's strategic objective of ensuring that the relevant markets function well, and its operational objective of protecting and enhancing the integrity of the UK financial system.

### **3. DEFINITIONS**

- 3.1. The definitions below are used in this Notice:

**"the Authority"** means the Financial Conduct Authority

**"Braemar"** means Braemar Shipping Services plc

**"DEPP"** is the Decision Procedures and Penalties Manual, which forms part of the Authority's Handbook

**"FSMA"** means the Financial Services and Markets Act 2000

**"MAR"** means the Market Abuse Regulations

**"PDMR"** means a person discharging managerial responsibilities, as defined in Article 3(1)(25) of MAR

**"Relevant Period"** means the period during which Mr Gorman breached Article 19(1) of MAR on three separate occasions between 31 August 2016 and 24 January 2017

**"Trade 1"** means Mr Gorman's sale of 2,221 Braemar shares at £4.13 per share for a total of £9,172.73 on 24 August 2016

**"Trade 2"** means Mr Gorman's sale of 4,644 Braemar shares at £3.2788 per share for a total of £15,226.75 on 10 November 2016

**“Trade 3”** means Mr’s Gorman’s sale of 15,356 Braemar shares at £3.05 per share for a total of £46,835.80 on 18 January 2017

**“the Tribunal”** means the Upper Tribunal (Tax and Chancery Chamber)

#### **4. FACTS AND MATTERS**

##### **Mr Gorman’s Role at Braemar**

- 4.1. Mr Gorman joined Braemar as a Commercial Director in 2006, and after promotion to Managing Director became a member of Braemar’s Executive Committee from March 2014.
- 4.2. By letter dated 22 July 2016, Mr Gorman was informed that Braemar considered him to be a PDMR as he “[has], or [is] likely to have, access to inside information about the Company”.
- 4.3. Under Article 3(1)(25) of MAR a PDMR is a senior executive who has regular access to inside information relating directly or indirectly to the issuer and power to take managerial decisions affecting the future developments and business prospects of the issuer.
- 4.4. Mr Gorman was a member of the Executive Committee which only had four other members, all with senior positions at Braemar. These included the CEO of Braemar and the individuals who directly reported to the CEO within the senior management group. Although Mr Gorman was not a member of the Board of Braemar, as a member of the Executive Committee he received Group Management Accounts on a monthly basis, and board-level, confidential information was also discussed at its meetings. He therefore had or was likely to have inside information.
- 4.5. The Authority considers that Mr Gorman was a PDMR for the purposes of MAR in light of the facts above.

##### **The PDMR requirements**

- 4.6. On 3 July 2016, MAR came into effect. Article 19(1) requires PDMRs, and persons closely associated with them, to notify the Authority and the issuer of every transaction conducted on their own account in their issuer’s shares, debt instruments, derivatives or other linked financial instruments promptly and no later than three business days after the transactions if the total amount of transactions per calendar year has reached €5,000.

- 4.7. The issuer in turn must publicly announce that information promptly and no later than within three business days after the transactions under Article 19(3) of MAR.
- 4.8. During the Relevant Period Braemar had policies and codes in relation to share dealing that set out the circumstances and procedures under which directors, PDMRs and other employees of the firm could trade. Specifically, under the Braemar share dealing code, PDMRs had to comply with the following requirements prior to trading:
  - 4.8.1. they must make a written application for clearance from the Chief Executive or Group Finance Director; and
  - 4.8.2. dealing could not take place until clearance to deal had been received, and must take place within two days of receiving clearance.
- 4.9. The Braemar share dealing code also set out the provisions for PDMRs that covered the requirements after trading. These stated that:
  - 4.9.1. they must notify Braemar (as soon as practicable and within one business day of the transaction date) and the Authority in writing of every notifiable transaction in company securities conducted on their accounts; and
  - 4.9.2. all notifications to the Authority must be made within three business days of the transaction date.
- 4.10. The policy requiring staff members to notify Braemar prior to trading in its shares had been available on Braemar's staff intranet from at least 2014. The Authority notes that on 22 July 2016, PDMRs at Braemar, including Mr Gorman, were sent a briefing pack of documents explaining their responsibilities arising from the changes brought about by MAR. However, they were not provided with any training to explain how MAR impacted them individually. For the avoidance of doubt, the Authority makes no finding (whether here or elsewhere in this Notice) as to the adequacy of Braemar's compliance with, and its policies and procedures in relation to MAR.
- 4.11. On 22 July 2016, Mr Gorman was notified by email that MAR had recently come into effect, and that he would shortly be provided with a pack of information with formal paperwork to be completed and returned.

- 4.12. The email was addressed only to Braemar's PDMRs, including Mr Gorman. Considering his senior position and responsibilities at Braemar, it would be reasonable to expect Mr Gorman to understand that this email contained important information relevant to a small group of senior individuals with positions of responsibility within Braemar, and that he would be expected to pay it close attention.
- 4.13. The paperwork which was sent to Mr Gorman and the other PDMRs by letter also dated 22 July 2016 included the following documents:
- 4.13.1. a memorandum on MAR which confirmed that Mr Gorman was a PDMR within Braemar;
  - 4.13.2. the Braemar Share Dealing policy;
  - 4.13.3. the Braemar Share Dealing code; and
  - 4.13.4. a memorandum on Inside Information.
- 4.14. The memorandum on MAR required Mr Gorman to confirm with his signature that he had received and read the information and that he understood his legal and regulatory obligations. The cover letter, addressed directly to Mr Gorman, invited him to contact a specified individual should he have any questions. The Authority considers that Mr Gorman was on notice of his PDMR obligations.
- 4.15. On 23 August 2016, Mr Gorman was again contacted by email, requesting confirmation that he had received the pack of information. The email stated that he was required to return the signed acknowledgement forms. Mr Gorman replied by email on 24 August 2016 that he had received and would sign and return the papers.
- 4.16. Towards the end of November 2016, Mr Gorman was contacted again regarding the need to sign and return the forms. Mr Gorman returned the signed acknowledgment forms on or around 28 November 2016.
- 4.17. Despite returning the signed acknowledgment forms, Mr Gorman has stated to the Authority that he did not read or check the documents at that time and consequently was not aware of his PDMR obligations throughout the Relevant Period. The Authority does not consider a claim of ignorance of the obligations outlined in MAR to be a defence for a breach.

- 4.18. In his role as Managing Director and Executive Committee member, the Authority considers it is reasonable to expect Mr Gorman to read important documentation setting out his regulatory obligations that he is required to sign and acknowledge.
- 4.19. The Authority considers that Mr Gorman must have been aware that by signing a document relating to his PDMR obligations without reading or checking, he was knowingly taking a risk that by action or inaction he could breach his PDMR obligations.

### **The Trading**

- 4.20. Mr Gorman was awarded Braemar shares on 14 May 2013 upon his appointment as Managing Director. On 14 May 2016, these vested in the amount of 22,221 shares.
- 4.21. On 24 August 2016, Mr Gorman sold 2,221 Braemar shares from his own account at £4.13 per share for a total of £9,172.73 (Trade 1). Mr Gorman did not seek prior approval to deal from Braemar, and therefore Braemar did not have the opportunity to consider whether to approve or reject Mr Gorman's request.
- 4.22. The value of the transaction exceeded the annual cumulative threshold of €5,000 set out in Article 19(8) of MAR which requires a PDMR to notify their issuer and the Authority. Following the trade Mr Gorman failed to notify either Braemar or the Authority within the three business days required. Notification of Trade 1 was ultimately given after the deadline under Article 19(1) when the Authority interviewed Mr Gorman on 31 May 2017.
- 4.23. On 10 November 2016, Mr Gorman sold 4,644 Braemar shares from his holding at £3.2788 per share for a total of £15,226.75 (Trade 2). As with his prior trade, he did not seek prior approval to deal from Braemar, and therefore Braemar did not have the opportunity to consider whether to approve or reject Mr Gorman's request.
- 4.24. Following the transaction Mr Gorman did not make any notification to either Braemar or the Authority within the three business days required. Notification of Trade 2 was ultimately given after the deadline under Article 19(1) when the Authority interviewed Mr Gorman on 31 May 2017.
- 4.25. On 18 January 2017, Mr Gorman sold 15,356 Braemar shares at a price of £3.05 per share, for a total of £46,835.80 (Trade 3). The transaction constituted the sale of the rest of his holding of Braemar shares. As with his prior trades, Mr

Gorman did not seek prior approval to deal from Braemar, and Braemar did not have the opportunity to consider whether to approve or reject Mr Gorman's request. Following the transaction Mr Gorman did not make any notification to either Braemar or the Authority within the three business days required by Article 19(1) of MAR.

### **Notification of Share Dealings**

- 4.26. On 24 January 2017, in response to a reminder email that day about Braemar's policy in relation to share dealing, Mr Gorman notified the company of his sale of shares on 18 January 2017 (Trade 3).
- 4.27. Braemar notified the market and the Authority on 25 January 2017 of Trade 3.
- 4.28. As a result of the Authority's investigations, two prior instances of trading by Mr Gorman in the Relevant Period were identified, namely Trades 1 and 2.
- 4.29. However, Mr Gorman only notified Braemar of Trades 1 and 2 on 18 October 2017. When asked why he informed Braemar that any previous share trades were made before July 2016, he stated that he had completely forgotten about the November trade and had thought the August trade was made before July 2016 when he was identified as a PDMR. The Authority considers that Mr Gorman was given sufficient opportunity to disclose these two trades and did not.
- 4.30. Mr Gorman was unable to explain why he did not notify Braemar or the Authority of Trades 1 and 2 at the point he was made aware of his notification obligations for these trades in May 2017.
- 4.31. On 31 October 2017, Braemar issued an announcement to the market in relation to Trades 1 and 2.

## **5. FAILINGS**

- 5.1. A brief chronology of events is set out in Annex A.
- 5.2. The statutory and regulatory provisions relevant to this Notice are referred to in Annex B.
- 5.3. For the following reasons, the Authority considers that Mr Gorman breached Article 19(1) of MAR on three occasions between 31 August 2016 and 24 January 2017.

- 5.4. Mr Gorman was a Managing Director and member of the Executive Committee, with regular access to confidential information in relation to Braemar. He was informed that he was a PDMR by Braemar by letter dated 22 July 2016.
- 5.5. Article 19(1) of MAR sets out what Mr Gorman was required to do as a PDMR when selling his shares in Braemar. Specifically, it required him to notify Braemar and the Authority of transactions conducted on his own trading account in relation to Braemar shares promptly and no later than three business days after the dates of the relevant transactions.
- 5.6. On three separate occasions during the Relevant Period Mr Gorman sold Braemar shares, as follows:
- 5.6.1. on 24 August 2016, he sold 2,221 Braemar shares at £4.13 per share for a total of £9,172.73;
- 5.6.2. on 10 November 2016, he sold 4,644 Braemar shares at £3.2788 per share for a total of £15,226.75; and
- 5.6.3. on 18 January 2017, he sold 15,356 Braemar shares at £3.05 per share for a total of £46,835.80.
- 5.7. Mr Gorman failed to notify Braemar or the Authority of all three sale transactions promptly and no later than within three business days. As a result, Braemar was not in a position to announce the necessary PDMR notifications to the market in accordance with Article 19(3) of MAR.

## **6. SANCTION**

- 6.1. The Authority's policy for imposing a financial penalty is set out in Chapter 6 of DEPP. In respect of conduct occurring on or after 6 March 2010, the Authority applies a five-step framework to determine the appropriate level of financial penalty. DEPP 6.5B sets out the details of the five-step framework that applies in respect of financial penalties imposed on individuals in non-market abuse cases.
- 6.2. The total penalty that the Authority hereby imposes on Mr Gorman is £45,000. In summary, this penalty is calculated as follows.

### **Step 1: disgorgement**

- 6.3. Pursuant to DEPP 6.5B.1G, at Step 1 the Authority seeks to deprive an individual of the financial benefit derived directly from the breach where it is practicable to quantify this.
- 6.4. The Authority has not identified any personal financial benefit that Mr Gorman derived directly from the breach.
- 6.5. Step 1 is therefore £0.

**Step 2: the seriousness of the breach**

- 6.6. Pursuant to DEPP 6.5B.2G, at Step 2 the Authority determines a figure that reflects the seriousness of the breach. That figure is based on a percentage of the individual's relevant income. The individual's relevant income is the gross amount of all benefits received by the individual from the employment in connection with which the breach occurred, and for the period of the breach.
- 6.7. Mr Gorman's breaches of Article 19(1) of MAR are related to his employment at Braemar during the Relevant Period. The Authority is of the view that Mr Gorman received remuneration commensurate with his responsibilities and so it is reasonable to base the amount of penalty on his remuneration. The Authority has therefore determined a figure based on a percentage of Mr Gorman's relevant income during the period of the breaches.
- 6.8. The period in which Mr Gorman committed these breaches was from 31 August 2016 to 24 January 2017. DEPP 6.5B.2G(2) states that where the period of breach lasted less than 12 months, the relevant income will be that earned by the individual in the 12 months preceding the end of the breach. Mr Gorman's relevant income for this period was £643,684.
- 6.9. In deciding on the percentage of the relevant income that forms the basis of the Step 2 figure, the Authority considers the seriousness of the breach and chooses a percentage between 0% and 40%. This range is divided into five fixed levels which represent, on a sliding scale, the seriousness of the breach; the more serious the breach, the higher the level. For penalties imposed on individuals there are the following five levels:  
  
Level 1 – 0%  
  
Level 2 – 10%  
  
Level 3 – 20%

Level 4 – 30%

Level 5 – 40%

- 6.10. In assessing the seriousness level, the Authority takes into account various factors which reflect the impact and nature of the breach, and whether it was committed deliberately or recklessly.
- 6.11. DEPP 6.5B.2G(12) lists factors likely to be considered 'level 4 or 5 factors'. Of these, the Authority finds the following factors to be relevant:
- 6.11.1. Mr Gorman, by signing and returning forms confirming his understanding of his responsibilities as a PDMR under MAR on or around 28 November 2016 (on his own admission without having read or checked them) was aware there was a risk that he could breach his PDMR obligations through either action or inaction;
  - 6.11.2. he signed the forms after conducting Trades 1 and 2, but before conducting Trade 3; and
  - 6.11.3. therefore, the Authority considers that Mr Gorman committed the breach relating to Trade 3 recklessly.
- 6.12. DEPP 6.5B.2G(13) lists factors likely to be considered 'level 1, 2 or 3 factors'. Of these, the Authority finds the following factors to be relevant:
- 6.12.1. as a result of Mr Gorman's conducting Trades 1 and 2 after receiving the relevant pack of information concerning his PDMR responsibilities but before returning the signed acknowledgment forms on or around the 28 November 2016, the Authority considers that Mr Gorman committed the breaches related to Trades 1 and 2 negligently;
  - 6.12.2. although there was a press report about Trade 3 which may have had an impact on confidence in the market, there is no evidence that any of Mr Gorman's breaches had a material adverse impact on the market or significantly impacted Braemar's share price.
- 6.13. The Authority also finds that the following factors are relevant to the nature and impact of the breaches:
- 6.13.1. Mr Gorman was a member of Braemar's Executive Committee and a PDMR;

- 6.13.2. Mr Gorman was not an Approved Person;
  - 6.13.3. although Mr Gorman received a pack of documents explaining his PDMR responsibilities arising from the changes brought about by MAR, he was not provided with any individual training on MAR and his responsibilities as a PDMR;
  - 6.13.4. Mr Gorman failed to properly consider that his trading was contrary to Braemar's share dealing policy;
  - 6.13.5. although Mr Gorman's conduct occurred over a relatively short period of time, it did not consist of an isolated breach; and
  - 6.13.6. Mr Gorman's failure to notify Braemar meant that Braemar was not in a position to announce the necessary PDMR notifications to the market in accordance with Article 19(3) of MAR.
- 6.14. Taking all of these factors into account, the Authority considers the seriousness of the breach to be level 2 and so the Step 2 figure is 10% of £643,684.
- 6.15. Step 2 is therefore £64,368.

### **Step 3: Mitigating and aggravating factors**

- 6.16. Pursuant to DEPP 6.5B.3G, at Step 3 the Authority may increase or decrease the amount of the financial penalty arrived at after Step 2, but not including any amount to be disgorged as set out in Step 1, to take into account factors which aggravate or mitigate the breach.
- 6.17. The Authority considers that the following factors aggravate the breach:
- 6.17.1. Mr Gorman only notified Trades 1 and 2 after the Authority disclosed that it was aware of these trades through its investigation; and
  - 6.17.2. in the months prior to MAR coming into force, the FCA and other agencies published a large volume of materials relating to the implementation of MAR, including the obligations of PDMRs, and such materials were widely accessible.
- 6.18. The Authority considers that the following factors mitigate the breach:
- 6.18.1. Mr Gorman notified Braemar about Trade 3 as soon as he was reminded of his obligations as a PDMR by Braemar; and

6.18.2. Mr Gorman has not been subject to any prior disciplinary action by the Authority.

6.19. The Authority also considered that it has not previously taken enforcement action in relation to this type of breach of the PDMR obligations.

6.20. Having taken into account the factors above, the Authority does not find it necessary to make any adjustment for Step 3.

6.21. Step 3 is therefore £64,368.

#### **Step 4: adjustment for deterrence**

6.22. Pursuant to DEPP 6.5B.4G, if the Authority considers the figure arrived at after Step 3 is insufficient to deter the individual who committed the breach, or others, from committing further or similar breaches, then the Authority may increase the penalty.

6.23. The Authority considers that the Step 3 figure of £64,368 represents a sufficient deterrent to Mr Gorman and others, and so has not increased the penalty at Step 4.

6.24. Step 4 is therefore £64,368.

#### **Step 5: settlement discount**

6.25. Pursuant to DEPP 6.5B.5G, if the Authority and the individual on whom a penalty is to be imposed agree the amount of the financial penalty and other terms, DEPP 6.7 provides that the amount of the financial penalty which might otherwise have been payable will be reduced to reflect the stage at which the Authority and the individual reached agreement. The settlement discount does not apply to the disgorgement of any benefit calculated at Step 1.

6.26. The Authority and Mr Gorman reached agreement at Stage 1 and so a 30% discount applies to the Step 4 figure.

6.27. The Authority has rounded down the final penalty to the nearest £100. Step 5 is therefore £45,000.

#### **Penalty**

6.28. The Authority therefore hereby imposes a total financial penalty of £45,000 on Mr Gorman for the breaches of Article 19(1) MAR.

## **7. PROCEDURAL MATTERS**

7.1. This Notice is given to Mr Gorman under and in accordance with section 390 of the Act. The following statutory rights are important.

### **Decision maker**

7.2. The decision which gave rise to the obligation to give this Notice was made by the Settlement Decision Makers.

### **Manner and time for payment**

7.3. The financial penalty must be paid in full by Mr Gorman to the Authority in the manner outlined as follows:

7.3.1. £5,000 on or before 1 April 2020;

7.3.2. £8,000 on or before 1 October 2020;

7.3.3. £12,000 on or before 1 May 2021; and

7.3.4. £20,000 on or before 1 November 2021.

### **If the financial penalty is not paid**

7.4. If any or all of the instalments of the financial penalty is outstanding after its due date for payment, the full amount outstanding of the financial penalty shall then become immediately due and payable including all future instalments, and the Authority may recover the outstanding amount as a debt owed by Mr Gorman to the Authority, including interest thereon at a rate of 8% per annum.

### **Publicity**

7.5. Sections 391(4), 391(6) and 391(7) of the Act apply to the publication of information about the matter to which this notice relates. Under those provisions, the Authority must publish such information about the matter to which this notice relates as the Authority considers appropriate. The information may be published in such manner as the Authority considers appropriate. However, the Authority may not publish information if such publication would, in the opinion of the

Authority, be unfair to you or prejudicial to the interests of consumers or detrimental to the stability of the UK financial system.

- 7.6. The Authority intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

**Authority contacts**

- 7.7. For more information concerning this matter generally, contact Evan Benge (direct line: 020 7066 1660 / email: [Evan.Benge@fca.org.uk](mailto:Evan.Benge@fca.org.uk)) or Shirin Lim (direct line: 020 7066 2281 / email: [Shirin.Lim@fca.org.uk](mailto:Shirin.Lim@fca.org.uk)) at the Authority.

Mario Theodosiou

Head of Department

Financial Conduct Authority, Enforcement and Market Oversight Division

## ANNEX A

### CHRONOLOGY

<b>2006</b>	Mr Gorman starts working for Braemar as Commercial Director
<b>Approximately 2010-2013</b>	Mr Gorman appointed as Managing Director by Braemar
<b>14 May 2013</b>	Mr Gorman awarded 40,000 Braemar shares
<b>March 2014</b>	Mr Gorman joins the Executive Committee of Braemar
<b>14 May 2016</b>	Mr Gorman's Braemar shares vest in the sum of 22,221 shares
<b>3 July 2016</b>	Market Abuse Regulations comes into effect
<b>22 July 2016</b>	Mr Gorman receives information including a memorandum on MAR which confirmed he was a PDMR within Braemar, the Braemar Share Dealing Policy and Code and a memorandum on Inside Information. This information includes a form to sign, confirming he has read and understood the contents
<b>23 August 2016</b>	Mr Gorman emailed by Braemar requesting confirmation that he received the pack of information
<b>24 August 2016</b>	Mr Gorman confirms by reply email that he has received the pack of information regarding MAR and will sign and return the relevant pages  Mr Gorman later sells 2,221 Braemar shares from his own account at a price of £4.13 per share for a total of £9,172.73
<b>10 November 2016</b>	Mr Gorman sells 4,644 Braemar shares from his holding at a price of £3.2788 for a total of £15,226.75
<b>On or around 28 November 2016</b>	Mr Gorman acknowledges and returns to Braemar the signed forms indicating he has read and understood his obligations as a PDMR under MAR

<b>18 January 2017</b>	Mr Gorman sells 15,356 Braemar shares at a price of £3.05 per share, for a total of £46,835.80
<b>24 January 2017</b>	Braemar sends an email to PDMRs with a reminder of the need for permission to deal under Braemar's share dealing policy. In response to this email, Mr Gorman notifies Braemar of Trade 3
<b>25 January 2017</b>	Braemar issues an announcement to the market and notifies the Authority of Trade 3
<b>2 February 2017</b>	Braemar conducts internal investigation into Mr Gorman's trading. Braemar is not informed of Trades 1 or 2
<b>31 May 2017</b>	Mr Gorman confirms Trades 1 and 2 to the FCA
<b>18 October 2017</b>	Mr Gorman informs Braemar of Trades 1 and 2
<b>31 October 2017</b>	Braemar issues an announcement to the market in relation to Trades 1 and 2

## **ANNEX B**

### **RELEVANT STATUTORY AND REGULATORY PROVISIONS AND GUIDANCE**

#### Relevant provisions of the Market Abuse Regulations

1. Article 19(1) provides that persons discharging managerial responsibilities, as well as persons closely associated with them, shall notify the issuer of every transaction conducted on their own account relating to the shares or debt instruments of that issuer or to derivatives or other financial instruments linked thereto. Such notifications shall be made promptly and no later than three business days after the date of the transaction. The provisions of Article 19(1) apply once the total amount of transactions has reached the threshold set out in Article 19(8) or (9) as applicable, within a calendar year.

2. Article 19(2) provides that transactions conducted on the own account of the persons referred to in paragraph 1, shall be notified by those persons to the competent authorities.

3. Article 19(3) provides that the issuer shall ensure that the information that is notified in accordance with [Article 19(1)] is made public promptly and no later than three business days after the transaction.

4. Article 19(1) applies to any subsequent transaction once a total amount of EUR 5,000 has been reached within a calendar year. The threshold of EUR 5,000 shall be calculated by adding without netting all transactions referred to in Article 19(1).

#### Relevant statutory provisions

5. The Authority's general duties established under section 1B of the Act include the strategic objective of ensuring that the relevant markets function well, and the operational objective of protecting and enhancing the integrity of the UK financial system.

6. Sections 123(1)(b) and 123(2) give the Authority the power to impose a penalty of such amount as it considers proportionate on a person who has contravened a provision of MAR other than Articles 14 or 15.

#### Relevant regulatory provisions

7. In exercising its power to impose a financial penalty and to impose a restriction in relation to the carrying on of a regulated activity, the Authority has had regard to the relevant regulatory provisions published in the Authority's Handbook. The main provisions that the Authority considers relevant are set out below.

8. Chapter 6 of DEPP, which forms part of the Authority's Handbook, sets out the Authority's statement of policy with respect to the imposition and amount of financial penalties under the Act. In particular, DEPP 6.5B sets out the five steps for penalties imposed on individuals in non-market abuse cases.