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NSX Limited

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BSX Services Pty Ltd (t/a) BSX Taxi Markets

ABN 57 084 885 683

The Waterexchange Pty Ltd

ABN 19 084 332 132

NSX Managing Conflict of Interest Procedures.

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1. INTRODUCTION

The National Stock Exchange of Australia Limited (“NSX”) is committed to conducting its business in a way that is open and accountable to shareholders and the wider marketplace. We believe our corporate governance practices as a public company are of a high standard.

In reading these procedures, reference should also be made to the relevant sections in the following documents:

- NSX Code of Ethics and Conduct
- NSX Employee Manual
- NSX Procedures for Dealing in Securities.
- NSX Provision of Services by Directors or Director Related Parties Procedures

Definition: A conflict of interest is a situation where your own interest and NSX interest(s) are in conflict and you give preference to your interest usually for a financial gain or other benefit, ahead of the interest(s) of NSX.

2. PURPOSE OF THE PROCEDURES

These procedures are a guide for NSX Director’s and Staff to help manage conflict of interest situations.

3. BUSINESS CODE OF CONDUCT AND ETHICS

As an employee or a director of NSX you will be a representative of our reputation. It is vital that the conduct of each employee and director is at all times to the highest standard. This includes a commitment to satisfy the standards of honesty and fair trade at all times. All employees or directors should adhere to the fundamental ethical practices and principles of this company as outlined in our mission statement and other related documentation.

Further information can be obtained from reading the document “NSX Ethics and Code of Conduct”.

4. CONFLICTS OF INTEREST

Employees and Directors have the responsibility to work in the best interests of the NSX and avoid situations and actions by them that may be, or create, the appearance of being, in conflict with the company’s overall objectives and principles.

The following are examples of activities that have the potential to cause conflict of interest and should be avoided:

- Holding, directly or indirectly, a substantial financial interest in any company with whom NSX has business dealings (eg competitors, suppliers and customers), including participants, listed entities and nominated advisers.
- The acceptance by an employee from any party or supplier of services involved with NSX, either directly or indirectly, of cash payments (other than reimbursements for reasonable out-of-pocket expenses), services, loans (except



from banks or other financial institutions) or discounts (except those offered to all employees of the company).

- Accepting gifts from any business party involved with the NSX unless the declared value is less than \$110.00 including GST. All gifts above this amount should be declared to the General Manager, CEO or Board as appropriate.
- Related parties, for instance those related to a Director or Officer of the NSX, being a signatory on NSX bank accounts or having control over assets of the NSX.

5. WAYS TO AVOID CONFLICT OF INTEREST SITUATIONS

Problems arising through these situations can usually be avoided by conducting any business transactions in an ethical and honest manner. The following guidelines may assist in determining what is considered proper; they are not exhaustive:

- Payment for an appropriate lunch or meal in connection with a business meeting, as long as they are kept on a reciprocal basis and maintain relevance to the business at hand.
- Advertising novelties, provided that they do not appreciate in value and are widely distributed to others under essentially the same business relationship with the donating party (eg give-aways such as pens, coasters, watches).
- Company products made available under customer or PR programs (such as product samples).
- Relationships with commercial clients where reciprocal gifts or dealings are exchanged without inference of unethical conduct. In certain countries local custom dictates exchange of gifts as a matter of courtesy (Asia is an example).

6. PROCUREMENT OF GOODS & SERVICES

Employees and directors should ensure fair and ethical dealings in the procurement process and not allow their conduct to warrant any suspicion of conflict between their official duty and their private interest.

An employee's or director's behaviour in an official capacity should not give the impression that he or she has been influenced by a gift or consideration to show favour or disfavour to any person or organisation.

Dealings with suppliers should at all times be honest, fair, even-handed and based on merit. Employees and Directors should ensure, as far as possible, that the confidentiality of commercially-sensitive material is maintained. Where possible, three quotes should be obtained for major expenditure as determined by the Board.

Authorised Officers should not approve purchase orders or petty cash claims that are payable to themselves. They are to seek and obtain approval from the General Manager or supervisor.

7. CONFLICTS OF INTEREST IN EMPLOYMENT OF STAFF

NSX management reserves the right in the selection process of new or existing employees to ask applicants about potential conflicts of interests. Applicants may be advised of the need to abandon or divest an interest to avoid any conflict if their application is successful.

Employment of staff should follow the policies and procedures outlined in the NSX Employee Manual.

8. MANAGING CONFLICT OF INTERESTS SITUATIONS

Employees' Responsibility

It is the responsibility of employees to advise their supervisor/manager of an actual or potential conflict of interest. If employees have any queries these should promptly raised at the appropriate level.

General Managers' Responsibility

It is the responsibility of the General Manager to:

- decide whether there is, or could be, a conflict of interests;
- having determined that there is, or could be, a conflict of interests, make recommendations to senior management to address the situation which, dependant upon the particular circumstances may include that;
- the employee discontinue in his or her duties;
- the employee be directed to divest him or herself from that interest;
- the employee's duties be rearranged;
- the employee be reassigned to an equivalent position with duties involving no such actual or potential conflict of interests; or
- any other recommendation that may be appropriate in the particular circumstances.

Chief Executive Officer's Responsibility

It is the responsibility of the senior manager to assess the supervisor's/manager's recommendations, ensuring that natural justice has been exercised, and make a decision on its merits.

Refer the matter to the full NSX Board if the situation involves NSX Director's. The CEO should absent themselves and refer the matter to the full board if the conflict involves the CEO.

Director's Responsibility



Director's have the responsibility to promptly review conflicts of interest reports when received where they involve other Director's or are of a serious enough nature to as to warrant a review of staff conduct in the situation.

Director's must declare their interests at each board meeting and review this declaration whenever director services are to be utilised for the benefit of the NSX consistent with the "NSX Provision of Services by Directors and Related Parties Procedures".

9. REPORTING CONFLICTS

If you are in a situation in which you believe that you may have a conflict of interest or have become aware of a conflict of interest involving other parties, you should discuss the matter with your immediate supervisor or, alternatively, the General Manager or an officer in charge that you believe is not involved with the situation of concern.

The form provided in Appendix A should be used for registering a conflict of interest situation.

The NSX operates and encourages an open communicative environment. There are substantial benefits in operating in such an environment in a small business but It is recognised that sometimes times staff and director's may feel uncomfortable in reporting a conflict of interest. In these cases it is recommended that staff seek advice from managers that are not directly involved in the situation as to the best course of action.

Similarly, there can be situations where there are reports that are more a nuisance or of a vexatious nature than factual. The NSX management treats all reports on an equal basis and will promptly investigate all reports. Staff are reminded to be sure of the facts of the situation before making reports that could lead the organisation to spend large amounts of money or time in clarifying the conflict.





10. APPENDIX A: FORM FOR REPORTING CONFLICTS OF INTEREST

TO:	[REPORTING OFFICER]
FROM:	[DIRECTOR OR STAFF MEMBER NAME]
DATE OF REPORT:	
DETAILS OF CONFLICT SITUATION	<p>Include the following:</p> <p>Date of event(s)</p> <p>Description of event(s). Describe, as best you can, what are the facts and circumstances giving rise to the conflict of interest situation.</p> <p>Staff or Director(s) involved in event</p>
Signed: (reporting staff members name and signature)	<p>Signature:</p> <p>Name:</p> <p>Date: ____ / ____ / ____</p>

ACTION	<p>Action taken by NSX to resolve situation:</p> <p>Date of resolution</p> <p>Referral to the Board Yes/No</p> <p>Referral to the Compliance Officer Yes/No</p> <p>Description of Resolution</p>
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