



Disciplinary panels

INTRODUCTION

This practice note is intended to assist issuers, participants and their advisers understand NSX procedures relating to disciplinary proceedings, including appeals from disciplinary proceedings.

STRUCTURE OF PRACTICE NOTE

- Disciplinary process..... 2**
- Selection of disciplinary panels..... 2**
- Appeal process..... 2**
- Attendance before disciplinary panels..... 2**
- Disciplinary panels' procedure and rules of evidence.. 2**
- More information..... 2**
- Roadmap for NSX disciplinary procedures..... 3**
- Appendix 1: Defined terms..... 4**

Practice Note History

First Issued –
 Circulated Exposure
 Draft.....Sept 2007

Qualifications

National Stock Exchange of Australia Limited (NSX) issues practice notes to promote commercial certainty, reduce costs to business and assist market participants. We are available to discuss any questions you have in relation to a practice note. NSX may replace practice notes at any time. Issuers should contact NSX to ensure that they have the latest version of a practice note. As a practice note is only a guide to NSX practice, issuers are advised to contact NSX to discuss their particular circumstances and the application of the listing rules. NSX cannot give legal advice to issuers and recommends that they consider taking advice from a qualified professional person.



Disciplinary process

The procedures provide the procedural framework within which NSX identifies and deals with Disciplinary Matters. As defined in the procedures, a Disciplinary Matter is any matter that could affect the fair, orderly and transparent operation of the NSX market.

It is the role of Senior Management to identify Disciplinary Matters. Once a Disciplinary Matter is identified, it is the responsibility of Senior Management to: log the suspected breach, if appropriate inform ASIC, obtain appropriate documentation of the suspected breach and, where relevant, obtain further information from the NSX Client.

In circumstances where Senior Management is of the view that the Disciplinary Matter requires further action, the Disciplinary Matter may be referred to either the Compliance Officer or Compliance Committee. As a Disciplinary Panel, the Compliance Committee has broad powers of investigation and may require NSX Clients to provide such information as is necessary to properly consider the Disciplinary Matter.

Where the Compliance Officer or the Compliance Committee is of the view that there has been a breach of the Rules they may take whatever steps they consider necessary to ensure the integrity of the market including: deciding to suspend, censure or fine NSX Clients.

In certain circumstances the NSX Client may appeal a decision of either the Compliance Officer or Compliance Committee to the Appeal Panel.

Selection of Disciplinary Panels

It is the role of the Compliance Officer to maintain a register of Eligible Members of the Disciplinary Panels. The register will contain the names of at least five (5) Eligible Members and it is from this list that the Compliance Officer will select Disciplinary Panels for the purposes of convening the Compliance Committee or the Appeal Panel.

Appeal process

As outlined in the procedures, certain decisions may be appealed by the NSX Client. If the NSX Client does decide to appeal, it must lodge appeal documents within 14 days of receiving the formal written decision from the Compliance Officer or Compliance Committee.

The appeal documents must contain: a description of the decision with respect to which the NSX Client is seeking review, a statement outlining the reasons why the NSX Client considers that the decision is an appealable decision under the procedures and finally a statement outlying the NSX Client's grounds for appeal.

There is only a limited right of appeal from Compliance Officer and Compliance Committee Decisions. Decisions of an interim nature cannot be appealed. This includes decisions of a procedural nature, such as whether the Compliance Officer or Compliance Officer will hear the matter. Only decisions which decide the actual outcome of the Disciplinary Matter are appealable.

Furthermore, the appeal must not otherwise be vexatious or affect the fair, orderly and transparent operation of the NSX Market. Finally, there are a number of specific decisions from which an NSX Client cannot appeal, these are enumerated in the procedures.

Attendance before Disciplinary Panels

NSX Clients may decide whether or not to attend Disciplinary Panels and there is provision for Disciplinary Matters to be heard by way of written submissions, however Disciplinary Panels do have the discretion to require NSX Clients to attend in person where they are of the view that this would assist the Disciplinary Panel in properly dealing with the Disciplinary Matter.

Disciplinary Panels' procedure and rules of evidence

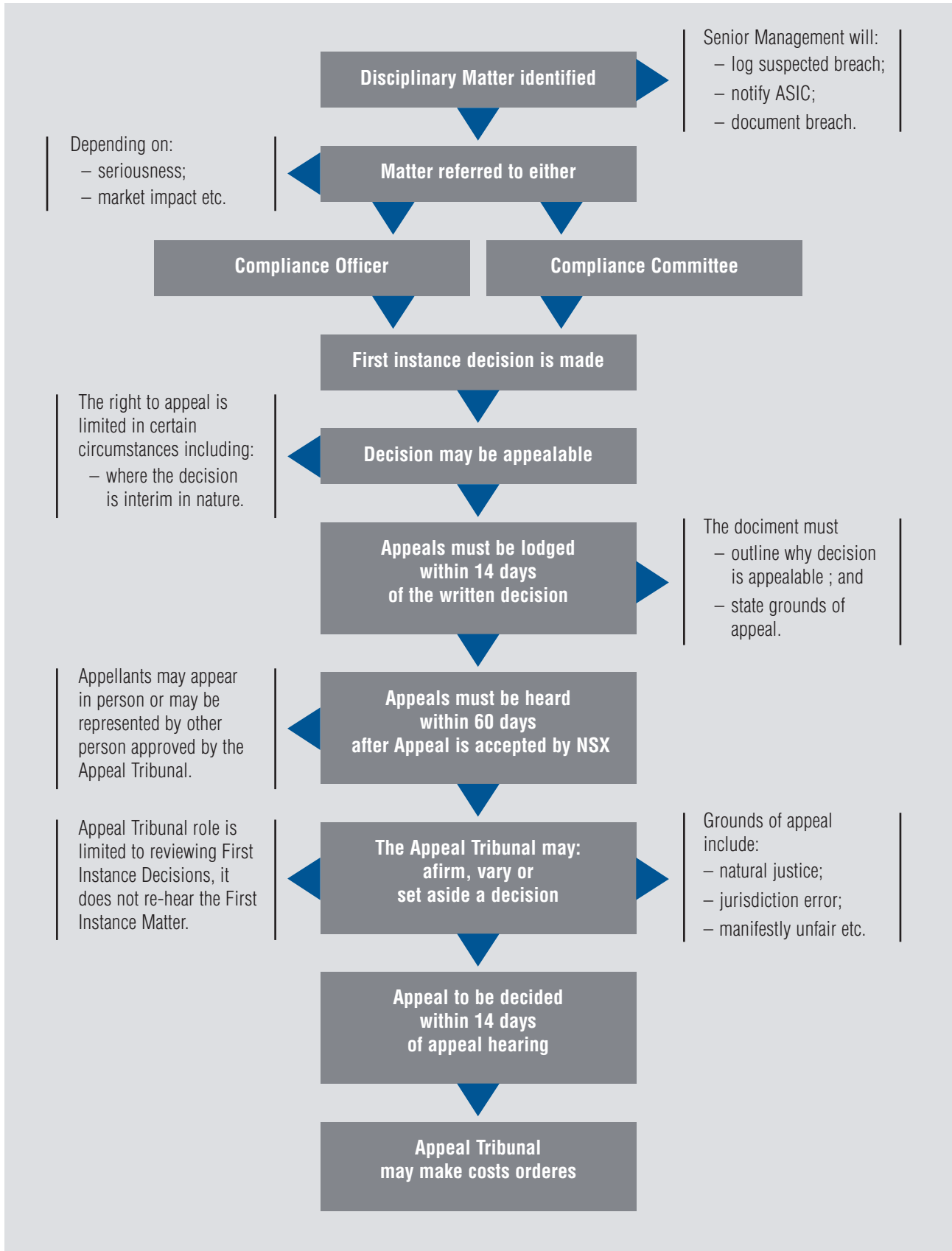
Disciplinary hearings are to be conducted with as little formality and technicality and with as much expedition as a proper consideration of the matters before the Disciplinary Panel permits. Disciplinary Panels have broad powers relating to requiring production of information relevant to Disciplinary Matters and may allow the production by NSX Clients of whatever evidence it considers of probative value.

More information

General Manager, National Stock Exchange of Australia Limited, PO BOX 283, Newcastle NSW 2300



Roadmap for NSX Disciplinary Procedures



Appendix 1:

Defined Terms

Appeal Matters means Disciplinary Matters, with respect to which a Decision has been made and from which an NSX Client has lodged a formal request for review.

Appeal Tribunal means the Disciplinary Panel appointed by NSX Board, which has primary responsibility for dealing with Appeal Matters.

ASIC means Australian Securities and Investment Commission.

Compliance Committee means the Disciplinary Panel which has primary responsibility for dealing with compliance related issues affecting NSX market.

Compliance Officer means the NSX Officer in charge of handling all suspected breaches of the Rules.

Decision means any written or verbal determination made by an NSX Officer.

Disciplinary Decision means any Decision made by NSX, its Disciplinary Panels or NSX Officers with respect to Disciplinary Matters.

Disciplinary Matter means any matter with respect to which NSX is of the reasonable view could affect the fair, orderly and transparent operation of the NSX market.

Disciplinary Panel means Compliance Committee or Appeal Tribunal.

First Instance Decision means a Decision made by an NSX Officer with respect to a First Instance Matter.

First Instance Matter means any matter which the Compliance Officer, in consultation with Senior Management, considers should be reviewed by either the Compliance Officer or the Compliance Committee.

NSX Clients means nominated advisers, listed companies, issuers, brokers (participants), and officers of issuers and brokers.

NSX Officer means NSX Board, committees, committee members, Senior Management, Compliance Officer, employees or contractors.

Qualified Member means NSX Officers or nominated advisers who have, to the satisfaction of the NSX Board, demonstrated the requisite knowledge and experience to be eligible to hear Disciplinary Matters and hand down a Decision.

Qualified Members Register means the register maintained by NSX which contains a list of Qualified Members.

Rules mean Corporations Act 2001 (Cth), the listing rules and the business rules.

Senior Management means General Manager or Companies Manager.

Warning Notice means a decision by the Compliance Officer to issue either a public or private notice indicating its view the NSX Client is in breach of the Rules.