

Review Parties Policies and Procedures

NSX Limited

(ABN 33 089 447 058)

National Stock Exchange of Australia Limited

(ABN 11 000 902 063)

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1. Introduction

Background

NSX Limited (“NSXL”) is committed to conducting its business in a way that is open and accountable to shareholders, its stakeholders, customers and the wider marketplace. NSXL believes that its corporate governance practices as a public company should be of a high and rigorous standard.

NSXL is the parent company of the National Stock Exchange of Australia Ltd (“NSXA”). NSXA holds an Australian Market Licence enabling NSXA to operate a Stock Exchange within Australia.

As a market licensee, NSXA has the statutory obligation to operate a market that is fair, orderly and transparent (“FOT obligations”)¹. Responsibility for NSXA meeting its statutory obligations as a market licensee rests with the board of NSXA and supported by the Board of NSXL.

This requirement is enshrined in the constitutions of NSX Limited and National Stock Exchange of Australia Limited.

If you are in doubt about the standards that are set by the Policy or your obligations under the Policy, you should speak to your manager.

Governance standards and requirements

The policy is reflective of the following governance standards:

- (a) The Constitution of NSX Limited;
- (b) The Constitution of the National Stock Exchange of Australia Limited;
- (c) The Corporations Act;
- (d) ASIC Regulatory Guides as varied from time to time, in particular Regulatory Guide 172;
- (e) While NSXL is the holding company of NSXA, reflect the requirements and conditions of the National Stock Exchange of Australia Australian Market Licence and published variations; and
- (f) While NSXL is listed on ASX, the ASX Corporate Governance Council Principles and Recommendations (the fourth edition) with respect to audit committees, the ASX Listing Rules and Guidance Notes.

2. Purpose and scope

Introduction

As the holder of an Australian markets license, the NSXA (and by extension NSXL) has a statutory obligation to comply with the provisions of Section 798DA of the Corporations act (2001) Cth, dealing with statutory potential conflict of interest situations identified involving certain parties, that must be specifically managed as prescribed by this provision. Such parties are referred to by NSXA as “Review Parties”.

¹ Subsection 792A of the Corporations Act (2001) Cth



The Review Parties statutory obligations provide that certain action must be taken by a market licensee in the case of certain conflicts, or potential conflicts, between the commercial interests of the market licensee and the need for it to ensure it operates a fair, orderly and transparent market.

Section 798E of the Corporations Act also relates to other potential conflicts that may arise in the course of a market licensee operating a market that must also be managed as specified. This section is governed by Regulation 7.2.16 of the Corporations Act, that is currently expressly stated to only apply to ASX. Accordingly, section 798E of the Corporations Act is not applicable to NSXA.

NSXL is listed on the ASX market and NSXA is a competitor of ASX. Accordingly, NSXL and NSXA are ASX Review Parties. Similarly, NSXA has a statutory obligation to identify any entity that is or may be classified as a Review Party on its market and make specific conflict handling arrangements for dealing with such an entity.

Definitions

For the purposes of section 798DA, a Review Party is defined as:

- (a) the market licensee;
- (b) a related body corporate of the licensee;
- (c) a partnership if a partner in the partnership is a related entity of the market licensee;
- (d) an entity if:
 - i. the entity conducts, or participates in, a business that is in competition with a business conducted by the market licensee, or by a related body corporate of the market licensee; and
 - ii. the entity requests that ASIC make decisions and take action in relation to the matters.

A related body corporate is as defined by Section 50 of the Corporations Act as follows:

- (a) a holding company of another body corporate; or
- (b) a subsidiary of another body corporate; or
- (c) a subsidiary of a holding company of another body corporate.

A partnership is defined by section 64B of the Corporations Act as connected with a corporation, if and only if, the corporation:

- (a) is a partner in the partnership; or
- (b) can control, influence materially, the partnership's activities or internal affairs;
- (c) is financially interested in the partnerships success or failure or apparent success or failure; or
- (d) is a creditor of the partnership; or
- (e) is engaged by the partnership under a contract for services; or
- (f) acts as an agent for the partnership in any transaction or dealing.

A related entity, in relation to a body corporate, is as defined by the Corporations Act as meaning any of the following:

- (a) a promoter of the body;
- (b) a relative of such promoter;
- (c) a relative of a spouse of such a promoter;



- (d) a director or member of the body or of a related body corporate;
- (e) a relative of such a director or member;
- (f) a relative of a spouse of such director or member;
- (g) a body corporate that is related to the first-mentioned body;
- (h) a beneficiary under a trust of which the first-mentioned body is or has at any time been a trustee;
- (i) a relative of such a beneficiary;
- (j) a relative of a spouse of such a beneficiary;
- (k) a body corporate one of whose directors is also a director of the first-mentioned body;
- (l) a trustee of a trust under which a person is a beneficiary, where the person is a related entity of the first-mentioned body because of any other application or applications of this definition.

3. Corporations Act requirements

Section 798DA requires NSXA as a markets licensee, to have in place operating rules, empowering ASIC, instead of NSXA, to make decisions and take action under the rules or alternatively, require NSXA to take action on ASIC's behalf, concerning these matters and matters related to them:

- (a) the admission of a listed entity, participant or nominated adviser to the NSXA market;
- (b) the expulsion and suspension of a listed entity, participant or nominated adviser from the NSXA market;
- (c) the disciplining of a listed entity, participant or nominated adviser of the NSXA market; and
- (d) compliance by the listed entity, participant or nominated adviser with the NSXA Listing Rules, NSXA Operating Rules or Corporations Act including:
 - i. the method of determining whether the listed entity, participant or nominated adviser has complied with those rules or the Act; and
 - ii. any action (including the imposition of a fine or penalty) to be taken in respect of contraventions of those rules and the Act.

Application to ASIC

Accordingly, Section 798DA of the Corporations Act provides, amongst other things that a listed entity, participant or nominated adviser who is a competitor of NSXA (and by extension NSXL) may apply to ASIC for ASIC to make certain decisions under the NSXA Listing Rules or NSXA Compliance Rules instead of NSXA. This means the potential commercial conflict between the NSXA and the entity involved can be avoided if this option is exercised.

4. Role of committees

The NSXA Listing and Admissions Committee; NSXA Compliance Committee, NSXA Disciplinary Panel and NSXA Appeals Panel form an important part of NSXL NSXA conflict handling arrangements, as these bodies are delegated to make certain key supervisory and enforcement decisions under the NSXA Listing Rules and NSXA Compliance Rules on behalf of NSXA.



This includes admission to the official list of the NSXA market, ongoing compliance with the NSXA Listing Rules and NSXA Operating Rules, and disciplinary action for alleged breach of any of these rules by a listed entity, participant, or nominated adviser on the NSXA market.

The Head of Compliance will refer a specific supervisory decision concerning a Review Party to the relevant NSXA committee or panel, if considered necessary and appropriate for adequate conflict handling reasons.

5. Independent assurance

Where the conflict or potential conflict with a Review Party is assessed as significant at any time, then all supervisory decisions to be made about that entity will be referred to the relevant NSXA committee or panel to determine instead of NSXA employees, management or the Board.

This means NSXA has in place, if required, an arrangement to avoid any actual or apparent conflict of interest with a Review Party altogether.

6. Register

The Head of Compliance is responsible for checking with the Head of Admissions, other relevant staff and the Company Secretary, the status of any new applicants to the NSXA market, to assess if an applicant is potentially identified as a Review Party or not under this policy document.

Head of Compliance is also responsible for considering if a listed entity, participant or nominated adviser at any time comes within the definition of an NSXA Review Party after admission to the NSXA market. Where such entity becomes classified as a Review Party due to events and circumstances that developed post admission to the NSXA market, then it must be listed on the NSXA Review Party Register and adequate conflict handling arrangements instituted.

Once identified and so classified a Review Party is registered on the NSXA Review Parties Register.

The Head of Compliance is responsible for the maintenance and updating of this register. Details of these entities and the reasons why each has been classified as a Review Party are to be set out in the NSXA Review Parties Register and notified to the NSXA Board, Company Secretary and relevant NSXA employees so that they are aware of the classification.

The Head of Compliance will decide the appropriate conflict handling arrangements to be applied to the entity concerned.

7. Oversight and reporting

The Head of Compliance undertakes regular reviews of all NSXA decisions made under the NSXA Listing Rules or NSXA Operating Rules concerning Review Parties, to ensure that they are appropriately handled and do not conflict with the statutory obligation of NSXA to operate a fair, orderly and transparent market.

The annual compliance report of the Head of Compliance to the NSXA Board includes details of any NSXA Review Parties together with any supervisory decisions made in relation to those Review Parties for the reporting period. This will include where such decisions were made by one of the independent NSXA committees and panels in relation to the NSXA Listing Rules or NSXA Operating Rules.



Reporting on any NSXA supervisory action taken in relation to an NSXA Review Party is also included in the annual report to ASIC on how NSXA is meeting its statutory conflict handling obligations as a market licensee.

A register of the currently defined Review Parties is included at **Annexure A**. The register is also circulated at each NSXA and NSXL Board meetings as part of their conflict of interest handling and management arrangements.

Annexure A: review parties list

Review Party	Relationship to NSXA	Nature of potential or actual Conflict	Status of Review
None			Not active