



4 October 2010

ANNOUNCEMENT OF NZ MARKETS DISCIPLINARY TRIBUNAL

**PUBLIC CENSURE OF INSURED GROUP LIMITED (INS) BY NZ MARKETS
DISCIPLINARY TRIBUNAL FOR BREACHES OF LISTING RULE 3.3.1**

Background

1. In a determination of the NZ Markets Disciplinary Tribunal ("*the Tribunal*") dated 22 September 2010 ("*the NZMDT determination*") (see separate announcement made today 4 October 2010 for the full text of the NZMDT determination) the Tribunal found that INS acted in breach of NZSX Listing Rule ("*Rules*") 3.3.1(b).
2. The breach of Rule 3.3.1(b) arose on 11 June 2010 when a waiver INS had been granted from this rule by NZX ("*the Waiver*") expired and continued until 11 July 2010 when the Respondent appointed a second director who was ordinarily resident in New Zealand.
3. In the NZMDT determination the Tribunal noted that INS argued that the terms and conditions of the Waiver were not drawn to its attention, by implication suggesting that it is NZX's responsibility to do this. The Tribunal did not accept that implication. As part of its waiver process, NZX issues applicants with a draft determination for their review prior to its finalisation, and then final documents. In the Tribunal's opinion, NZX should not be required to do more.
4. In the NZMDT determination the Tribunal found that it was INS's responsibility to:
 - (a) ensure that it reviews and understands the relief granted by NZX in its waiver determinations and to ensure any such waiver is suitable for its requirements; and
 - (b) comply with the terms of any such relief.
5. The Tribunal also recorded its expectation in the NZMDT determination that issuers have in place appropriate procedures and controls to ensure that the terms of waivers are understood and complied with.
6. One of the penalties imposed under the NZMDT determination is a public censure of INS.
7. The Tribunal also made orders that INS:
 - (a) pay to NZX, within 20 Business Days of the date of the NZMDT determination, the sum of \$7,500 by way of penalty.

- (b) pay, within 20 Business Days of the date of an invoice from NZX, the actual costs and expenses incurred by the Tribunal in considering this matter.
- (c) pay, within 20 Business Days of the date of an invoice from NZX, NZX's actual costs and expenses incurred by NZX in relation to this matter, which costs and expenses are not, in any event, to exceed \$4,000 plus GST (if any).

Censure

- 8. In accordance with clause 24(a) of the NZMDT determination the Tribunal hereby publicly censures INS for its breach of Rule 3.3.1(b).

ENDS