



28 November 2013

## **ANNOUNCEMENT OF NZ MARKETS DISCIPLINARY TRIBUNAL**

### **PUBLIC CENSURE OF JASONS TRAVEL MEDIA LIMITED BY THE NZ MARKETS DISCIPLINARY TRIBUNAL FOR A BREACH OF NZAX LISTING RULE 3.2.1 AND RULE 10.7.1(d)**

1. The NZ Markets Disciplinary Tribunal (“**Tribunal**”) has approved a settlement agreement between NZX Limited (“**NZX**”) and Jasons Travel Media Limited (“**JTM**”) dated 19 November 2013 (“**Settlement Agreement**”) in respect of JTM’s breach of NZAX Listing Rules (“**Rule**”) 3.2.1 and 10.7.1(d).

#### **Summary**

2. JTM is a New Zealand based company specialising in travel and tourism.
3. JTM’s ordinary shares are quoted on the NZX Alternative Market.
4. Rule 3.2.1 provides that the minimum number of Directors of an Issuer listed on the NZX Alternative Market is three.
5. Rule 10.7.1(d) requires JTM to announce a director’s resignation as soon as that information is first available.
6. In September 2012, one of JTM’s directors verbally advised the JTM chairman of his desire to retire from the JTM board by March 2013. At that time, JTM had four directors.
7. From October 2012, the JTM chairman commenced work to identify a suitable replacement.
8. In late February 2013 a JTM director (not being the director referred to in paragraph 6 above) resigned, meaning that JTM had only three directors. The director’s resignation was announced to the market on 12 March 2013, in breach of Rule 10.7.1(d).
9. In late June 2013 the JTM director referred to in paragraph 6 above resigned, meaning that JTM had only two directors.
10. In August 2013, JTM announced that another director had been appointed to its board, meaning that it had three directors.

11. From the period 28 June 2013 until 9 August 2013 JTM had only two directors, in breach of Rule 3.2.1.

### **Determination**

12. The Tribunal considers that a breach of the corporate governance provisions of the Rules is a serious matter. They are of vital importance to the integrity of the market and to give investors confidence that directors have been appointed to represent shareholder interests. A breach of the corporate governance Rules can bring NZX and the market into disrepute.
13. In determining to approve the Settlement Agreement, the Tribunal considered certain mitigating factors, including that:
  - a. JTM took steps to recruit a suitable replacement Director once it received advice in September 2012 that a Director intended to retire;
  - b. the resignation of another JTM Director in February 2013 was unexpected;
  - c. difficult financial and business circumstances hindered JTM's ability to find a replacement Director;
  - d. this is the first such offence for JTM; and
  - e. JTM co-operated with NZX.
14. In determining to approve the Settlement Agreement, the Tribunal considered certain aggravating factors, including that:
  - a. JTM was in breach of Rule 3.2.1 for approximately six weeks;
  - b. the breach of Rule 3.2.1 was not self-reported by JTM but was instead brought to the attention of NZX by a JTM shareholder;
  - c. JTM did not advise NZX of the difficulty it was having in finding a replacement Director or discuss the option of applying for a waiver from Rule 3.2.1; and
  - d. with respect to the breach of Rule 10.7.1(d), all Issuers and their Directors must understand the obligations the Rules impose and ensure compliance with them.

### **Penalties**

15. NZX and JTM have reached a settlement and agreed that:
  - a. A public censure, in the form of this announcement, be made by the Tribunal;
  - b. JTM will pay \$6,000 as a penalty to the Discipline Fund;

- c. JTM will pay the costs of the Tribunal (plus GST, if any); and
- d. JTM will contribute \$3,200 (plus GST, if any) to NZXR's costs.

**Censure**

- 16. The Tribunal hereby publically censures JTM for its breach of Rules 3.2.1 and 10.7.1(d).

**Approval**

- 17. The Settlement Agreement is approved by the Tribunal pursuant to Rule 10 of the NZ Markets Disciplinary Tribunal Rules ("**NZMDT Rules**"), and as such, the Settlement Agreement is the determination of the Tribunal.

**The Tribunal**

- 18. The Tribunal is a disciplinary body independent of NZX and its subsidiaries. The Financial Markets Authority approves its members. Under the NZMDT Rules, the Tribunal determines and imposes penalties for referrals made to it by NZX in relation to the conduct of parties regulated by the market rules.

Dated 28 November 2013