



15 March 2013

ANNOUNCEMENT OF NZ MARKETS DISCIPLINARY TRIBUNAL

PUBLIC CENSURE OF RIS GROUP LIMITED (RIS) BY THE NZ MARKETS DISCIPLINARY TRIBUNAL FOR BREACH OF NZAX LISTING RULE 10.5.1

Background

1. In a determination of the NZ Markets Disciplinary Tribunal (*the Tribunal*) dated 1 March 2013 (see separate announcement made today, 15 March 2013, for the full text of the determination), the Tribunal found that RIS acted in breach of NZAX Listing Rule (*Rules*) 10.5.1.
2. Rule 10.5.1 requires an issuer to make its annual report available within four months of the end of its financial year. RIS' financial year-end is 30 June, and accordingly its 2012 annual report was due by 31 October 2012.
3. RIS breached Rule 10.5.1 because its annual report was not released to the market until 30 November 2012 and then re-released on 4 December 2012. As a result of the breach, trading in RIS' securities was suspended from 8 November 2012 until 5 December 2012. RIS admitted the breach.
4. The Tribunal has stated on numerous occasions that an issuer's compliance with the periodic reporting requirements in the Rules is fundamental. Information in relation to the performance and financial position of an issuer must be promptly made available to the market. Any breach of these Rules brings the market into disrepute. The Tribunal has increased the penalties it imposes for such breaches in past cases, and will continue to do so, in the hope that this will act as a deterrent.

Decision

5. The Tribunal was dismayed to find RIS in breach of Rule 10.5.1 for the second consecutive year. It is reprehensible that RIS has again failed to release its annual report when due.
6. In considering the appropriate penalty to impose in this case, the Tribunal considered the following aggravating factors:
 - (a) This is the second time RIS has been referred to the Tribunal for a breach of Rule 10.5.1. The Tribunal agreed to a settlement between RIS and NZX which included a penalty of \$30,000 for the breach of Rule 10.5.1 when RIS failed to release its 2011 annual report when due.

- (b) In the settlement agreed between RIS and NZX regarding the breach in 2011, RIS provided assurances to NZX that it had implemented changes to its financial arrangements to mitigate the risk of further or similar breaches of the periodic reporting requirements. Yet a breach has again occurred.
7. In considering the appropriate penalty to impose in this case, the Tribunal considered the following mitigating circumstances:
- (a) RIS advised NZX in early October 2012 that it was likely to breach the Rule; and
 - (b) RIS engaged in discussions with NZX in the period leading up to and immediately after the reporting deadline, including seeking a waiver to extend the time by which the annual report was due.

Orders

8. The Tribunal made the following orders:
- (a) RIS be publicly censured;
 - (b) That RIS pay to the NZX Discipline Fund **\$40,000** by way of penalty for the breach of Rule 10.5.1;
 - (c) That RIS pay the actual costs and expenses incurred by the Tribunal in considering this matter; and
 - (d) That RIS pay the actual costs and expenses incurred by NZX in considering this matter.

Censure

9. The Tribunal hereby publicly censures RIS for its breach of NZAX Listing Rule 10.5.1.

DATED 15 March 2013

Peter Wilson, Division Chairman, NZ Markets Disciplinary Tribunal