

ISE Committee Regulations

Board Committees & Working Group Committees

Contents

| | |
|--|-----------|
| Introduction | 1 |
| Definitions | 1 |
| Committees | 3 |
| General | 4 |
| Board Committees | 6 |
| Audit Committee | 6 |
| Investment Committee | 12 |
| Senior Appointments and Remuneration Committee | 14 |
| Working Group Committees | 15 |
| Admissions Committee | 15 |
| Appeals Committee | 18 |
| Disciplinary Committee | 20 |
| Rules Committee | 22 |

Introduction

This document sets out the regulations for the establishment and operation of Board Committees and Working Group Committees pursuant to the powers of the Board under Articles 90 and 93, respectively, of the Articles of Association of the Irish Stock Exchange plc (ISE).

Definitions

1. In these Regulations, the following expressions shall have the following meanings if not inconsistent with the subject or context:
 - a. "Articles" mean the Articles of Association of the ISE from time to time in force (and any reference to an Article shall be a reference to that Article of the said Articles of Association).
 - b. "Board" means the board of directors of the ISE.
 - c. "Board Committee" means a committee established by the Board pursuant to Article 90 of the Articles.
 - d. "Director" means a person appointed and acting as a director for the time being on the Board of the ISE.
 - e. "Employee" means an individual who has entered into or works under a contract of employment with the ISE. References to "employee" for the purposes of these Committee Regulations shall include the Chief Executive of the ISE.
 - f. "ISE" or "the Company" or "the Exchange" means the Irish Stock Exchange plc.
 - g. "Member" means a Shareholder as defined in the Articles.
 - h. "Non-Shareholder Director" means a Director, not being a Shareholder Director, and being appointed pursuant to Article 98.
 - i. "Registered Trader" means a person defined and registered as such in accordance with the Rules of the ISE.
 - j. "Regulations" mean the ISE Committee Regulations as set out herein adopted by the Board on 11 April 2014 and effective as set out in Regulation 2 below and as subsequently amended thereafter by the Board, from time to time.
 - k. "Regulatory Panel" means a panel of experts approved by the Board to be eligible for election to participate on one or more of the Working Group Committees.

- l. "Rules" means the relevant rule book(s) of the ISE published in its capacity as the competent authority for listing in Ireland or as a market operator of a regulated market and multilateral trading facilities authorised by the Central Bank of Ireland, as the context so requires, and "Rules" shall be construed accordingly.
- m. "Rules of the ISE" means the rules that govern the operations and activities of member firms on the ISE's markets, as approved by the Board and as amended from time to time.
- n. "Shareholder Director" means any director appointed by a Shareholder or Shareholders pursuant to Article 96.
- o. "Working Group Committee" means a committee established by the Board pursuant to Article 93 of the Articles.

and words and phrases defined in the Articles shall have the same meaning herein.

- 2. These revised Regulations shall come into force on 15th October 2014 and replace those of 25th June 2014.

Committees

3. The Board has resolved to establish and shall maintain committees which shall comprise the following Board Committees and Working Group Committees (“Committees”) which shall have the powers and duties and be operated in accordance with the Articles, the Rules and these Regulations.

Board Committees

Audit Committee
Investment Committee
Senior Appointments and Remuneration Committee

Working Group Committees

Admissions Committee
Appeals Committee
Disciplinary Committee
Rules Committee

4. The Chairman of the Board has been authorised by the Board to exercise all relevant and necessary power and authority to make appointments to membership of Working Group Committees (to include the appointment of a chairman to such committees where this is necessary due to a conflict of interest or the unavailability of the Committee Chairman) established pursuant to Article 93 of the Articles of Association of the ISE (save as otherwise may be determined by the Board from time to time). The Chairman of the Board has also been authorised by the Board to sub-delegate to the appointed Committee Chairman, the power to appoint members to Working Group Committees.
5. Upon the request of the ISE, the Chairman of the Board may establish a special ad-hoc Working Group Committee for the purpose of considering any regulatory issue under the Rules, excluding issues already falling within the scope of the terms of reference of the existing Working Group Committees referred to in paragraph 3 above. Membership of the special ad-hoc Working Group Committee may be selected by the Chairman of the Board from the Regulatory Panel or co-opted, as appropriate.
6. Persons shall be appointed to the Regulatory Panel for a term of three years and shall be eligible for reappointment for further terms of three years.

General

Save as otherwise set out in the terms of reference of any Board Committee or Working Group Committee, the following provisions shall apply:

Convening Meetings

7.1 A meeting of any Board Committee or Working Group Committee may be convened by the Chairman of the Board or the Chairman of the Committee or by any two members of the Committee.

Notice

7.2 Not less than 5 clear business days' notice of meeting of a Board Committee or a Working Group Committee shall be given in writing (includes email) or by telephone to each member thereof unless otherwise agreed by all members thereof or if otherwise decided by the Committee Chairman.

Reports

7.3 The Chairman of each Board Committee and Working Group Committee shall ensure that a report is made to the Board at least annually. This report shall state the number of occasions on which the Committee has met, the matters before the Committee and the findings of the Committee, in each case for the period since the previous report was made.

7.4 In the case of the Disciplinary Committee and the Appeals Committee, the report referred to in paragraph 7.3 above shall normally, subject to paragraph 7.5 below, be limited to:-

- (i) a statement of the number of occasions on which the Committee met;
- (ii) a general description of matters considered by the Committee; and
- (iii) a general statement of the findings of the Committee and of any order(s) made by it.

7.5 A report required pursuant to paragraph 7.4 above shall be drawn up insofar as practical to avoid disclosure of the identity of any party to the proceedings before that committee, provided, however, that any Committee may order publication of its finding in whole or in part or a particular order or orders in relation to particular proceedings before it and, in such case, the identity of the party or parties, the subject of the findings or order(s), as the case may be, may be disclosed.

7.6 Notwithstanding paragraph 7.5 above the Disciplinary Committee shall not recommend publication of any finding or order where that finding or order is the subject of an appeal or at any time prior to:

- (i) the latest date upon which, in the absence of an extension of time for appeal, notice of appeal may be served; or
- (ii) in any case where the time for appeal has been extended, the latest date specified in the decision extending time for appeal.

7.7 Nothing in paragraphs 7.4 to 7.6 above shall be constructed as in any way limiting the right of any Board Committee or Working Group Committee to provide information to the Central Bank of Ireland at any time.

Written Procedures

7.8 The business of a Committee may be conducted by means of written procedures (to include email) and shall be as valid as if conducted at a meeting of the Committee.

7.9 Approvals and decisions of a Committee may be made in writing, including by email, which shall be as valid and effective as if they had been passed at a meeting of a Committee.

BOARD COMMITTEES

General

The Company is governed by its board of Directors (the Board) and Management, each of which has defined obligations and responsibilities. The powers of the Board authorise it to delegate part of its functions to committees of the Board. This section of these Regulations set out the structure and terms of such delegation to the Audit Committee (the "Committee").

Audit Committee

Terms of Reference

Membership

The Board shall appoint the Committee. The Committee shall normally consist of two Shareholder Directors and two Non-Shareholder Directors. The quorum for a meeting shall be two members, at least one of whom must be a Non-Shareholder Director.

Unless otherwise determined by the Committee Chairman, the Committee shall consist of not less than three members. Members shall ensure they have the requisite technical skills to fulfill the role or in the alternative shall seek appropriate internal or external expertise as required.

The Board shall appoint a Chairman of the Committee from among its Non-Shareholder Directors. The Committee Chairman shall have a casting vote. In the absence of the Chairman, an acting chairman will be chosen for a meeting from among its Non-Shareholder Directors and that acting Chairman will have a casting, or second, vote.

Members of the Committee shall be appointed to that Committee for a period equivalent to that member's term on the Board in the case of a Board director, or for such period as mutually agreed between the Board Committee and a co-opted individual in the case of a non-Board member. Nothing in this provision shall prevent the Board from altering the composition of a committee at its reasonable discretion before the normal term of membership of an individual(s) has expired.

Conflicts of Interest and Confidentiality

In discharging their responsibilities, the Committee must exercise their business judgement to act in a manner that they believe in good faith is in the best interests of the Company and its shareholders.

Any Committee member with a conflict of interest should declare the conflict in advance of the related matter being discussed. The Committee Chairman shall decide on the appropriateness of the remaining presence of the Director during the discussions. Any declared conflicts shall be duly recorded in the minutes.

All members shall exercise due care and confidentiality regarding information presented to the Committee and shall ensure those invited to attend also are bound by such a duty of confidentiality.

Authority

The Committee is authorised by the Board to:

- investigate any activity within its Terms of Reference;
- seek any information that it requires from the executive of the Company (including consultants), other Board Committees or the Auditors;
- obtain such third party independent professional advice, at the Company's expense in order to discharge its duties, and to secure the attendance at Committee meetings of outsiders with relevant expertise if it considers this necessary. This shall be subject to normal budgetary oversight and amounts in excess of a budgetary limit shall be referred to the Board for approval.

Responsibilities

The overall objective of the Audit Committee is to assist the Board of Directors to discharge some of its responsibilities in overseeing and monitoring key aspects of internal control systems, financial reporting systems as well as the ISE's management of risk; specifically,

- Assessing the effectiveness and adequacy of the Company's systems of internal control in so far as they relate to financial reporting, safeguarding of the ISE's assets and mitigating key areas of risk within the remit of the Audit Committee;
- Monitoring and assessing the integrity (accuracy and completeness) of the Company's financial reporting, financial statements and reviewing any significant areas of reporting judgements contained therein;
- Monitoring and assessing the effectiveness of the Company's Internal Audit function;
- Monitoring and assessing the effectiveness of the Company's Compliance function;
- Monitoring and assessing the effectiveness and independence of the Company external auditors including recommendations to the Board as to the appointment of external auditors;
- Reviewing the adequacy and effectiveness of the resources devoted to the Company's finance function.

Internal control and risk management

The Board of the Company, as advised by the executive, is responsible for ensuring the adequate identification of risk and of ensuring that there are appropriate management resources and processes to manage those risks. The Committee shall, if so requested by the Board, review the effectiveness of the Company processes to identify and manage risk management systems and report to the Board thereon. The Audit Committee has responsibility:

- to review the Company's procedures for detecting fraud and for whistle-blowing and to ensure that arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or any other matters;
- to review management's and the Internal Auditor's reports on the effectiveness of the systems for internal financial control, financial reporting and risk management and the Compliance and Legal Manager's reports on regulatory compliance;
- to monitor the integrity of the Company's internal financial controls;

- o to review the statement in the annual report and accounts on the Company's internal controls and risk management framework;
- o to review the process for reviewing the Company's procedures to secure compliance with relevant legal obligations and the proposed annual statement of compliance and:
 - determine whether the statement is made after due and careful enquiry and is fair and reasonable, and
 - make a recommendation to the Board as to whether to approve the statement; and
- o to assess the scope and effectiveness of the systems established by management to identify, assess, manage and monitor financial and non-financial risks and
- o to review the Company's procedures and structures in relation to Anti-Money Laundering, Counter Terrorist Financing and Financial Sanctions regime, including the overall AML/CTF/FS risk assessment and formal procedures documentation, and as appropriate to recommend relevant policies and procedures for adoption by the Board.

Internal Audit and Compliance

- o to review and approve the internal audit plan and receive updates on the progress of work on a regular basis throughout the term of the plan;
- o to consider whether the internal audit plan needs to be updated during the term of the plan;
- o to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company;
- o to review the Internal Audit Charter and Duties and Responsibilities and assess compliance therewith every two years;
- o to ensure that the internal audit function and the compliance function are accountable to the Audit Committee (the Head of Internal Audit and the Compliance and Legal Manager (in discharging his responsibilities as Compliance Officer) reports to the Chair of the Audit Committee, has direct access to the AC Chairman and the Audit Committee, and to the Board Chairman, if necessary);
- o to receive updates and note management's responsiveness to the internal auditor's findings and recommendations;
- o to annually monitor and assess the role and effectiveness of the internal audit function and the compliance function in the overall context of the Company's risk management system;
- o to recommend changes in the internal audit and/or compliance functions to the Board; and
- o to approve the appointment or dismissal of the Head of Internal Audit on the recommendation of the Board.

External Audit

- o to oversee the Company's relations with the external auditors;
- o to consider, and make recommendations to the Board on the appointment, reappointment and removal of the external auditors;
- o to approve the terms of engagement and the remuneration to be paid to the external auditors in respect of audit services to be provided;
- o to assess the qualification, expertise and resources, effectiveness and independence of the external auditors annually;

- to discuss with the external auditors, before the audit commences, the nature and scope of the audit;
- to review with the external auditors the findings of their work, including any major issues that arose during the course of the audit and have subsequently been resolved and those issues that have been left unresolved; key accounting and audit judgments; levels of errors identified during the audit, obtaining explanations from management and, where necessary the external auditors, as to why certain errors might remain unadjusted;
- to review the audit representation letters before consideration by the Board, giving particular consideration to matters that relate to non-standard issues;
- to assess, at the end of the audit cycle, the effectiveness of the audit process by:
 - reviewing whether the auditor has met the agreed audit plan and understanding the reasons for any changes, including changes in perceived audit risks and the work undertaken by the external auditors to address those risks;
 - consideration of the robustness and perceptiveness of the auditors in their handling of the key accounting and audit judgments identified and in responding to questions from the Audit Committee, and in their commentary, where appropriate, on the systems of internal control;
 - obtaining feedback about the conduct of the audit from key people involved;
- to review and monitor the content of the external auditor's management letter, in order to assess whether it is based on a good understanding of the Company's business;
- to establish whether recommendations have been acted upon and, if not, the reasons why they have not been acted upon; and
- to develop and recommend to the Board the Company's policy in relation to the provision of non-audit services by the external auditors for the purpose of ensuring that the provision of such services does not impair the external auditors' independence or objectivity.

Financial Reporting and Annual Budget

- to review and assess the methodology and robustness of the Company's annual budget as presented by management and make recommendations to the Board in relation thereto;
- to review, and challenge, where necessary and appropriate in the context of these terms of reference, the actions and judgments of management, in relation to the Company's draft financial statements, operating and financial review, interim reports, if applicable, and related formal statements. Particular attention should be paid to:
 - critical accounting policies and practices, and any changes in them;
 - decisions requiring a significant element of judgment;
 - the extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed;
 - the clarity of disclosures;
 - significant adjustments resulting from the Audit;
 - the going concern assumption;
 - compliance with accounting standards; and
 - compliance with regulatory and other legal requirements;

- to determine whether the financial statements have been prepared following appropriate accounting standards and give a true and fair view;
- to make a recommendation to the Board as to whether to approve the financial statements; and
- to consider other topics, as defined by the Board.

Reporting and Operation

Secretary

The Secretary of the Company shall be the Secretary of the Committee. The Head of Finance and Internal Audit of the Company shall be the alternate Secretary in his absence or such other person as the Committee may decide.

Attendance at meetings

Other than the Chairman of the Company no one other than the Committee members shall be entitled to attend Audit Committee meetings but other Board members shall be entitled to receive and review the minutes of the Committee and to ask the Chairman of the Committee to address specific agenda points.

The Chairman of the Company, other directors, the CEO, the Head of Finance and the Head of Internal Audit, the MLRO (who is also the Compliance and Legal Manager), the Compliance and Legal Manager, representatives of the external Auditors, or other persons may attend meetings by the invitation of the Committee or the direction of the Chairman of the Company.

There shall be at least one meeting, or part thereof, a year, where the Audit Committee meets the external and internal auditors without executives being present.

Notice of Meetings

Notice of meetings will be given by the Secretary to the Committee members at least 5 days in advance together with the meeting agenda and where possible related material and papers. The Committee members are expected to review all material in advance of the meeting. The Committee members are free to request the inclusion of items on the agenda should they so wish.

Frequency of meetings and reporting

Meetings shall normally be held not less than four times a year or as required and shall where practicable and to the best extent possible be scheduled to coincide with key dates in the Company's financial reporting cycle.

The Secretary shall circulate the minutes of meetings of the Committee, to all members of the Board, and the Chairman of the Committee (or another independent director who is a member of the AC) shall, as a minimum, attend the Board meeting at which the annual report and accounts are approved. Any director, the Auditor or the Internal Auditor may request a meeting of the Committee to be convened if they consider that one is necessary by communicating directly with the Chairman of the Committee.

Review and Annual Report

The Audit Committee shall review every two years its Terms of Reference and its own effectiveness and recommend any necessary changes to the Board. This review shall outline:

- a summary of the role of the Audit Committee;
- the names and qualifications of all members of the Audit Committee during the period; and
- the way the Audit Committee has discharged its responsibilities, including those relating to monitoring Audit quality and independence.

The Chairman of the Board may also on an ad-hoc basis request the Audit Committee to review certain aspects of its performance or specific aspects of its Terms of Reference.

On an annual basis, the Audit Committee shall prepare a report for the Board which sets out:

- the number of Audit Committee meetings and attendance by each member; and
- the matters considered by the Audit Committee during the year.

Where disagreements between the Audit Committee and the Board cannot be resolved, the Audit Committee shall report the issue to the owners as part of the report on its activities in the Company's annual report. If the Board does not accept the Audit Committee's recommendation regarding the appointment, reappointment and removal of the external Auditors, the Audit Committee shall include in the annual report a statement explaining its recommendation and reasons why the Board has taken a different stance.

The Audit Committee Chairman shall if required attend the AGM and, if required, shall answer questions, through the Chairman of the Company, on the Audit Committee's activities and responsibilities.

Investment Committee

General

The Company is governed by its board of Directors (the Board) and Management, each of which has defined obligations and responsibilities. The powers of the Board authorise it to delegate part of its functions to committees of the Board. This section of these Regulations set out the structure and terms of such delegation to the Investment Committee (the "Committee").

A. Terms of Reference

1. Objectives and Responsibilities

- a. To consider and make recommendations to the Board on the most appropriate investment policy for the ISE.
- b. To monitor implementation of this policy by the ISE Executive and to review/ performance of same.
- c. To form its own opinion of the performance of the investment portfolio notwithstanding any analysis provided by the investment manager (if any) appointed in respect of the investment portfolio and include this opinion in any annual review, risk analysis reports or other interim reports to the ISE Board prepared by the Investment Committee.
- d. To establish a process for choosing an investment manager(s) to whom ongoing operational responsibility for managing the portion of the Exchange's investments entrusted to such entity(ies) will be delegated for such term as the Committee determines. The result of any such choice of investment manager(s) will be subject to review and to final approval by the Board.
- e. To conduct a formal annual review of the performance of the investment manager (if any) and report to the ISE Board the findings of this review.

2. Authority and Membership

- a. Membership of the Committee shall be determined and authorised by the Board.
- b. Membership of the Committee shall not comprise any member who is employed by or is a director of (a) an investment manager appointed by the ISE to manage the ISE investment portfolio, (b) a member firm which tenders or begins preparing to tender for the investment management mandate of the ISE investment portfolio or (c) who is otherwise materially conflicted in relation to the work of the Committee.
- c. The ISE Board shall review membership of the Committee at least once every three years. This shall be documented. In carrying out this review consideration shall be given to the balance of expertise and independence of the Committee members.
- d. Nominations to the Investment Committee shall be approved at full ISE Board level.
- e. At least one member of the Committee shall rotate out of the Committee every third year.

3. Reporting to ISE Board

- a. The Committee shall report on a quarterly basis to the ISE Board on the composition of the investment portfolio, inherent risks and related performance for the quarter.

- b. This report shall also state the number of occasions on which the Committee has met, the matters before the Committee and the findings of the Committee, in each case for the period since the previous report was made.
- c. Detailed minutes of the meetings of the Committee shall be prepared and maintained on file recording the time of the meeting, attendees, the substance of all key discussions and decisions. Minutes of the Committee shall be circulated to the ISE Board members in advance of the next following ISE Board meeting.

4. *Division of Responsibilities*

- a. The Committee has the responsibilities set out in Paragraph 1 above.
- b. The ISE Board is responsible for reviewing recommendations made to it by the Committee and for final approval of the ISE's investment policy.
- c. The ISE Executive is responsible for the implementation of the investment policy approved by the ISE Board, for reporting on a monthly basis to the Committee on the composition of the investment portfolio and related performance for the previous month and for ad-hoc reporting on a more frequent basis if required and appropriate.

5. *General*

- a. A Quorum of the Committee shall constitute the Committee Chairman plus one other member or in the absence of the Committee Chairman two other members of the Committee.
- b. If circumstances merit it, meetings shall be held each quarter together with an annual meeting to review performance of the portfolio and investment manager (if any).
- c. Members of the Committee shall be appointed to that Committee for a period equivalent to that member's term on the Board in the case of a Board director, or for such period as mutually agreed between the Committee and a co-opted individual in the case of a non-Board member. Nothing in this provision 5c shall prevent the Board from altering the composition of the Committee at its reasonable discretion before the normal term of membership of an individual(s) has expired.
- d. The terms of reference of the Committee shall be reviewed regularly by the Committee to ensure continuing appropriateness. Recommendations on revisions shall be provided to the ISE Board. Such reviews shall be documented and shall take place at least annually.

Nothing in preceding paragraphs above shall be constructed as in any way limiting the right of the Committee to provide information to the Central Bank of Ireland at any time.

Senior Appointments and Remuneration Committee

General

The Company is governed by its board of Directors (the Board) and Management, each of which has defined obligations and responsibilities. The powers of the Board authorise it to delegate part of its functions to committees of the Board. This section of these Regulations set out the structure and terms of such delegation to the Senior Appointments and Remuneration Committee (the "Committee").

A. Terms of Reference

1. To consider and present recommendations to the Board regarding:-
 - a. the appointment, remuneration and conditions of service of the Chief Executive and any arrangements for the termination of such service; and
 - b. the remuneration and conditions of service of the Directors, and to review same and make recommendations to the Board in relation to such from time to time as it thinks fit.
2. To receive and decide upon recommendations from the Chief Executive for appointment to the position of Director and to approve the terms of appointment of any person to that position.
3. To review and where deemed appropriate to revise, from time to time the terms of any appointment made pursuant to the foregoing power in paragraph 2 above.
4. To consider and if thought fit to approve with or without amendment proposal from the Chief Executive on remuneration policy for staff generally.

B. Membership

1. Membership shall be determined by the Board and shall not include any employee of the Exchange.
2. A quorum of the Committee shall constitute the Committee Chairman plus one other member or in the absence of the Committee Chairman, two other members of the Committee.
3. Members of the Committee shall be appointed to that Committee for a period equivalent to that member's term on the Board in the case of a Board director, or for such period as mutually agreed between the Board Committee and a co-opted individual in the case of a non-Board member. Nothing in this provision shall prevent the Board from altering the composition of a committee at its reasonable discretion before the normal term of membership of an individual(s) has expired.

WORKING GROUP COMMITTEES

General

The Company is governed by its board of Directors (the Board) and Management, each of which has defined obligations and responsibilities. The powers of the Board authorise it to delegate part of its functions to working group committees of the Board. This section of these Regulations set out the structure and terms of such delegation to the Admissions Committee (the "Committee").

Admissions Committee

A. Terms of Reference

Trading Membership

Subject to and in accordance with the Rules of the ISE, the Admissions Committee may exercise the following functions with respect to trading membership:

1. To consider and, if thought fit, to approve applications for trading membership of the ISE, unconditionally or subject to such conditions or restrictions as it considers appropriate.
2. To consider and, if thought fit, to approve applications for a member firm to be a market maker on the electronic trading system in one or more specified securities, unconditionally or subject to such conditions or restrictions as it considers appropriate.

Sponsors & Advisers

Subject to and in accordance with the relevant Rules, the Admissions Committee may exercise the following functions with respect to the ISE registers of sponsors and advisers:

3. To consider and, if thought fit, to approve applications for the admission to the ISE registers of sponsors and advisers, unconditionally or subject to such conditions as it considers appropriate.

General

4. To exercise all other powers and discharge all other functions as may be vested in it by the Rules.
5. To determine its own procedures having regard to the principles of natural justice.
6. In carrying out its functions, the Admissions Committee may take one or more of the following steps:
 - a. Direct the relevant employee(s) of the ISE to carry out such further enquiries as it considers appropriate;
 - b. Require the applicant, member firm and its employees to provide further information and further require verification of all information furnished in such manner as it may specify;
 - c. Require the applicant, or any employee or agent of the applicant or member firm, to give evidence or attend for an interview;

- d. Obtain or consider such evidence relevant to the application as it considers appropriate, including the findings of other competent bodies in Ireland or elsewhere; and
 - e. Give all such directions and take such other steps as it considers appropriate for the clarification of the facts and for the just, efficient and expeditious presentation of the application or the matter being considered.
7. To extend the time for appeal against its decisions by an applicant, if considered appropriate.
8. In any case where the Committee Chairman is unavailable or unable to act as chairman due to a conflict of interest, the Chairman of the Board may exercise all powers and duties of the Committee Chairman.

B. Membership

1. The Admissions Committee shall be chaired by a Non-Shareholder Director who is appointed by the Board. The appointment of the Committee Chairman shall specify whether it is for a particular purpose, for a fixed period of time or on an on-going basis. In circumstances where there exists a conflict of interest or where the board appointed Committee Chairman is unavailable, the Chairman of the Board shall appoint a committee chairman.
2. The Committee Chairman may select members of the Admissions Committee from the Regulatory Panel. The appointment of any such member shall specify whether it is for a particular purpose, for a fixed period of time or on an on-going basis.
3. In addition to the Regulatory Panel, the Committee Chairman may co-opt any person whom he considers appropriate and such person(s) shall count as a member of the Admissions Committee.
4. The quorum for the transaction of the business of the Admissions Committee shall be the Committee Chairman plus two members (at least one of whom must be on the Regulatory Panel) or, in the absence of the Committee Chairman, three members (at least two of whom must be on the Regulatory Panel).
5. Unless otherwise determined by the Committee Chairman, the number of members of the Admissions Committee shall not be more than seven.
6. An employee of the ISE shall not be appointed or co-opted as a member of the Admissions Committee.
7. Any member of the Admissions Committee who is a member of the Appeals Committee shall not participate in any Appeals Committee proceedings or attend any meeting of the Appeals Committee held for the purpose of considering an appeal of a decision of the Admissions Committee.

8. The Committee Chairman may appoint a legal adviser to the Admissions Committee who shall be a practising barrister or solicitor and who shall be independent of any party. Such legal adviser will not be counted as a member of the Admissions Committee, but shall advise the Admissions Committee on legal matters relating to matters of relevance to the Admissions Committee. The Committee Chairman may replace the legal adviser at any time and from time to time.

9. Members of the Admissions Committee shall notify the Committee Chairman of any conflict or potential conflict of interest at the earliest possible opportunity and in any event prior to the consideration or hearing of any matter by the Admissions Committee. The Committee Chairman shall take appropriate action as he deems appropriate.

Appeals Committee

General

The Company is governed by its board of Directors (the Board) and Management, each of which has defined obligations and responsibilities. The powers of the Board authorise it to delegate part of its functions to working group committees of the Board. This section of these Regulations set out the structure and terms of such delegation to the Appeals Committee (the "Committee").

A. Terms of Reference

1. To hear and determine permitted appeals against a decision of the Admissions Committee made under the Rules or the Rules of the ISE.
2. To hear and determine permitted appeals against a decision of the Disciplinary Committee made under the Rules or the Rules of the ISE.
3. To hear and determine permitted appeals against a decision of the ISE made under the Rules or the Rules of the ISE.
4. To prepare a report for the Central Bank without delay, in accordance with regulation 67 of the EC (Markets in Financial Instruments) Regulations 2007, as amended on all disciplinary appeals heard and determined by it relating to the Rules of the ISE.
5. To determine its own procedures having regard to the principles of natural justice.
6. To exercise all other powers and discharge all other functions as may be vested in it by the Rules.
7. In any case where the Committee Chairman is unavailable or unable to act as chairman due to a conflict of interest, the Chairman of the Board may exercise all powers and duties of the Committee Chairman.

B. Membership

1. The Appeals Committee shall be chaired by a Non-Shareholder Director who is appointed by the Board. The appointment of the Committee Chairman shall specify whether it is for a particular purpose, for a fixed period of time or on an on-going basis. In circumstances where there exists a conflict of interest or where the board appointed Committee Chairman is unavailable, the Chairman of the Board shall appoint a committee chairman.
2. The Committee Chairman may select members of the Appeals Committee from the Regulatory Panel. The appointment of any such member shall specify whether it is for a particular purpose, for a fixed period of time or on an on-going basis.

3. In addition to the Regulatory Panel, the Committee Chairman may co-opt any person whom he considers appropriate and such person(s) shall count as a member of the Appeals Committee.
4. The quorum for the transaction of the business of the Appeals Committee shall be the Committee Chairman plus two members (at least one of whom must be on the Regulatory Panel) or, in the absence of the Committee Chairman, three members (at least two of whom must be on the Regulatory Panel).
5. Unless otherwise determined by the Committee Chairman, the number of members of the Appeals Committee shall not be more than seven.
6. An employee of the ISE shall not be appointed or co-opted as a member of the Appeals Committee.
7. Any member of the Appeals Committee who is an employee of a firm which is the subject of the appeal before the Appeals Committee shall not act as a member of the Appeals Committee in respect of any matter before the Appeals Committee relating to that firm.
8. No member of the Appeals Committee shall act in respect of any appeal to it against a decision of any other committee of which that person was a member where that other committee was involved in the initial hearing of the matter the subject of the appeal.
9. The Committee Chairman may appoint a legal adviser to the Appeals Committee who shall be a practising barrister or solicitor and who shall be independent of any party. Such legal adviser will not be counted as a member of the Appeals Committee, but shall advise the Appeals Committee on legal matters of any relevance to the Appeals Committee. The Committee Chairman may replace the legal adviser at any time and from time to time.
10. Members of the Appeals Committee shall notify the Committee Chairman of any conflict or potential conflict of interest at the earliest possible opportunity and in any event prior to the consideration or hearing of any matter by the Appeals Committee. The Committee Chairman shall take appropriate action as he deems appropriate.

Disciplinary Committee

General

The Company is governed by its board of Directors (the Board) and Management, each of which has defined obligations and responsibilities. The powers of the Board authorise it to delegate part of its functions to working group committees of the Board. This section of these Regulations set out the structure and terms of such delegation to the Disciplinary Committee (the "Committee").

A. Terms of Reference

1. Subject to and in accordance with the provisions of the Rules of the ISE, the Disciplinary Committee may exercise the following functions:
 - a. to hear and determine proceedings against Member Firms or Registered Traders for any misconduct referred to it and, in respect of charges found to be proved, to impose such penalties and order payment of such costs as it considers appropriate;
 - b. to give all such directions and take further steps as it considers appropriate for the clarification and efficient and expeditious presentation of facts in relation to proceedings before it;
 - c. to hold such pre-hearing reviews as it considers appropriate; and
 - d. to extend the time for appeal, if considered appropriate.
2. To hear any case concerning a possible infringement of any Rules (excluding the Rules of the ISE referred to in point 1 above) which may be referred to it by the management of the ISE, to make decisions in relation thereto and, where appropriate, to impose any applicable sanctions as provided by the relevant Rules (subject always to appeal).
3. In respect of A1 above, to prepare a report for the Central Bank without delay after the determination of any proceedings heard by it, the decision in respect of which has not been appealed in accordance with regulation 67 of the EC (Markets in Financial Instruments) Regulations 2007, as amended.
4. To determine its own procedures having regard to the principles of natural justice.
5. To exercise all other powers and discharge all other functions as may be vested in it by the Rules.
6. In any case where the Committee Chairman is unavailable or unable to act as chairman due to a conflict of interest, the Chairman of the Board may exercise all powers and duties of the Committee Chairman.

B. Membership

1. The Disciplinary Committee shall be chaired by a Non-Shareholder Director who is appointed by the Board. The appointment of the Committee Chairman shall specify whether it is for a particular purpose, for a fixed period of time or on an on-going basis. In circumstances where there exists a

conflict of interest or where the board appointed Committee Chairman is unavailable, the Chairman of the Board shall appoint a committee chairman.

2. The Committee Chairman may select members of the Disciplinary Committee from the Regulatory Panel. The appointment of any such member shall specify whether it is for a particular purpose, for a fixed period of time or on an on-going basis.
3. In addition to the Regulatory Panel, the Committee Chairman may co-opt any person whom he considers appropriate and such person(s) shall count as a member of the Disciplinary Committee.
4. The quorum for the transaction of the business of the Disciplinary Committee shall be the Committee Chairman plus two members (at least one of whom must be on the Regulatory Panel) or, in the absence of the Committee Chairman, three members (at least two of whom must be on the Regulatory Panel).
5. Unless otherwise determined by the Committee Chairman, the number of members of the Disciplinary Committee shall not be more than seven.
6. An employee of the ISE shall not be appointed or co-opted as a member of the Disciplinary Committee.
7. Any member of the Disciplinary Committee who is an employee of a firm which is the subject of the disciplinary case before the Disciplinary Committee shall not act in respect of any matter before the Disciplinary Committee relating to that firm.
8. The Committee Chairman may appoint a legal adviser to the Disciplinary Committee who shall be a practising barrister or solicitor and who shall be independent of any party. Such legal adviser will not be counted as a member of the Disciplinary Committee, but shall advise the Disciplinary Committee on legal matters relating to matters of relevance to the Disciplinary Committee. The Committee Chairman may replace the legal adviser at any time and from time to time.
9. Members of the Appeals Committee shall notify the Committee Chairman of any conflict or potential conflict of interest at the earliest possible opportunity and in any event prior to the consideration or hearing of any matter by the Disciplinary Committee. The Committee Chairman shall take appropriate action as he deems appropriate.

Rules Committee

General

The Company is governed by its board of Directors (the Board) and Management, each of which has defined obligations and responsibilities. The powers of the Board authorise it to delegate part of its functions to working group committees of the Board. This section of these Regulations set out the structure and terms of such delegation to the Rules Committee (the “Committee”).

A. Terms of Reference

1. To consider, and if thought appropriate, to make recommendations to the Board on proposals for changes to the Rules of the ISE.
2. To consider, and if thought appropriate, to approve proposals for new rule books and for changes or additions to any Rules (other than the Rules of the ISE).
3. While the power to grant derogations from the Rules vests in the ISE, in certain circumstances the ISE may request the Rules Committee to consider, and if thought appropriate, to approve proposals referred to it by the ISE for derogations from the Rules and the Rules Committee may so consider and determine.
4. To determine its own procedures having regard to the principles of natural justice.
5. To exercise all other powers and discharge all other functions as may be vested in it by the Rules.
6. In any case where the Committee Chairman is unavailable or unable to act as chairman due to a conflict of interest, the Chairman of the Board may exercise all powers and duties of the Committee Chairman.

B. Membership

1. The Rules Committee shall be chaired by a Non-Shareholder Director who is appointed by the Board. The appointment of the Committee Chairman shall specify whether it is for a particular purpose, for a fixed period of time or on an on-going basis. In circumstances where there exists a conflict of interest or where the board appointed Committee Chairman is unavailable, the Chairman of the Board shall appoint a committee chairman.
2. The Committee Chairman may select members of the Rules Committee from the Regulatory Panel. The appointment of any such member shall specify whether it is for a particular purpose, for a fixed period of time or on an on-going basis.
3. In addition to the Regulatory Panel, the Committee Chairman may co-opt any person whom he considers appropriate and such person(s) shall count as a member of the Rules Committee.

4. The quorum for the transaction of the business of the Rules Committee shall be the Committee Chairman plus two members (at least one of whom must be on the Regulatory Panel) or, in the absence of the Committee Chairman, three members (at least two of whom must be on the Regulatory Panel).
5. Unless otherwise determined by the Committee Chairman, the number of members of the Rules Committee shall not be more than seven.
6. An employee of the ISE shall not be appointed or co-opted as a member of the Rules Committee.
7. The Committee Chairman may appoint a legal adviser to the Rules Committee who shall be a practising barrister or solicitor and who shall be independent of any party. Such legal adviser will not be counted as a member of the Rules Committee, but shall advise the Rules Committee on legal matters of relevance to the Rules Committee. The Committee Chairman may replace the legal adviser at any time and from time to time.
8. Members of the Rules Committee shall notify the Committee Chairman of any conflict or potential conflict of interest at the earliest possible opportunity and in any event prior to the consideration or hearing of any matter by the Rules Committee. The Committee Chairman shall take appropriate action as he deems appropriate.