

SECTION 3

MARKET PARTICIPANTS

3.1 APPLICATION AND DESIGNATION AS A MARKET PARTICIPANT

3.1.1 Applications by any person for designation as a Market Participant (the **Applicant**) shall be made in writing and shall provide all the information and supporting documentation required by the form provided in **Appendix 1** and shall be submitted to NZX for consideration by NZX.

3.1.2 NZX shall have complete discretion to reject or approve (with or without conditions) an Applicant as a Market Participant. Where an Applicant's application is declined by NZX, NZX shall set out its reasons for declining that application and that decision shall be final and non-contestable by the Applicant. *(Amended 28/2/07)*

3.1.3 NZX, at its complete discretion, shall designate an Applicant as one or more class of Market Participant when:

(a) NZX is satisfied that the Applicant will meet all of the requirements of these **Rules**, any directions given from time to time by NZX and at all times observe Good Broking Practice applicable to the class or classes of Market Participant in respect of which the Applicant has requested designation and any conditions imposed on that Applicant that NZX considers, at its complete discretion, appropriate to impose in the interests of maintaining fair and orderly markets; *(Amended 28/2/07)*

(b) The Applicant provides evidence to the satisfaction of NZX that:

(i) All the requirements of these **Rules**, as applicable to the Market Participant class or classes in respect of which the Applicant has requested designation, have been met; *(Amended 28/2/07)*

(ii) The Applicant will carry out its responsibilities as a Market Participant honestly and diligently;

- (iii) The Applicant will ensure, where applicable, that its Employees will at all times fully comply with the Rules, any directions given from time to time by NZX, and at all times observe Good Broking Practice; and *(Amended 28/2/07)*
 - (iv) The Applicant has paid the relevant application fee as determined by NZX from time to time; *(Amended 28/2/07)*
- (c) The Applicant specifies, in its application submitted pursuant to Rule 3.1.1, the class or classes of Market Participant for which the Applicant is applying;
- (d) NZX is satisfied that the Applicant's business plan, management controls, payment and accounting systems, and/or technology are adequate to ensure the Applicant will be able to meet its obligations under all applicable Rules, any directions given from time to time by NZX and that it can facilitate the operations of orderly markets; *(Amended 28/2/07)*
- (e) Where the Applicant is a company, firm, organisation or partnership:
 - (i) The Managing Principal or Responsible Executive, whichever is appropriate, of the Applicant has delivered to NZX a statutory declaration as provided in **Appendix 1A or Appendix 1C** (as applicable); and *(Amended 28/2/07)*
 - (ii) Each director or partner of the Applicant or person responsible for carrying out the duties of a director or partner for the Applicant, whichever is appropriate, has delivered to NZX a statutory declaration as provided in **Appendix 1D**; and *(Amended 28/2/07)*
- (f) NZX is satisfied that the Applicant's Management structure has persons who are sufficiently and demonstrably experienced and capable to enable the Applicant's business to be conducted in a way that will not place other Market Participants and/or the investing public at unreasonable risk. *(Amended 28/2/07)*

3.1.4 NZX will use all reasonable endeavours to ensure that a decision on an application for designation as a Market Participant is made and

communicated as soon as reasonably practicable after receiving a completed written application and all supporting documentation from an Applicant.

3.1.5 *(Revoked 28/2/07)*

3.2 OVERSEAS APPLICANTS

3.2.1 If an Applicant is a company, firm, organisation or partnership incorporated or resident outside New Zealand (**Overseas Applicant**), evidence that the Overseas Applicant is regulated by a Recognised Securities Exchange, or other foreign regulatory authority recognised by NZX as upholding the same or similar standards as NZX, must be provided with the application for designation as a Market Participant submitted pursuant to **Rule 3.1.1**.

(Amended 28/2/07)

3.2.2 If the Overseas Applicant wishes to be designated as a Delivery and Settlement Participant:

- (a) Evidence that the Overseas Applicant currently conducts delivery and settlement operations that are regulated by a Recognised Securities Exchange, or a foreign regulatory authority recognised by NZX as upholding the same or similar standards as NZX; or
- (b) A statement that the delivery and settlement operations of the Overseas Applicant will be performed in New Zealand,

must be provided with the application for designation as a Market Participant submitted pursuant to **Rule 3.1.1**.

(Amended 28/2/07)

3.2.3 NZX may require an Overseas Applicant to give additional undertakings in relation to any matter that NZX, at its complete discretion, considers reasonable and in the best interests of ensuring fair and orderly markets.

(Amended 28/2/07)

3.3 MANAGING PRINCIPALS

3.3.1 Each Market Participant that is designated as an NZX Firm must have an appointed Managing Principal.

3.3.2 The Managing Principal of a Market Participant is responsible for ensuring that the Market Participant complies on an ongoing basis with all

applicable Rules, any directions issued from time to time by NZX and that the Market Participant observes Good Broking Practice.

(Amended 28/2/07)

3.3.3 All Managing Principals must be designated as NZX Advisors.

3.3.4 Whenever a new Managing Principal of a Market Participant is appointed, the Market Participant must notify NZX in writing and provide an executed statutory declaration by that person in the form provided in **Appendix 1A**.

(Amended 28/2/07)

3.4 RESPONSIBLE EXECUTIVES

3.4.1 Each Market Participant, with the exception of NZX Firm's (who must comply with **Rule 3.3**), must have a Responsible Executive who is approved by NZX in accordance with this **Rule 3.4**. Applications for approval as a Responsible Executive by the Market Participant shall be made in writing and shall provide all the information and supporting documentation required by the form provided in **Appendix 1B** and shall be submitted to NZX for consideration by NZX.

3.4.2 To be approved by NZX as a Responsible Executive of a Market Participant, a person must:

- (a) Be of good character and integrity;
- (b) Have completed any training and/or have such qualifications as required from time to time by NZX, at its complete discretion; and
(Amended 28/2/07)
- (c) Have appropriate work experience that NZX, at its complete discretion, considers appropriate to the role of supervisor and manager of the Broking Business performed by the Responsible Executive.
(Amended 28/2/07)

3.4.3 Without limitation NZX, in assessing the character of a Responsible Executive, will have regard to:

- (a) Whether the person has been adjudged bankrupt;
- (b) Any criminal record of the Responsible Executive;

- (c) Any charges brought against the Responsible Executive by NZX or the Board as a result of a breach of these **Rules** and/or the NZX Business Rules, Regulations and Code of Practice in existence prior to these **Rules** coming into force;
- (d) Any relationship or association that the Responsible Executive may have had with any person, company, firm, organisation or partnership found guilty by NZX or the Board of breaching these **Rules** and/or the NZX Business Rules, Regulations and Code of Practice in existence prior to these **Rules** coming into force;
- (e) Any disciplinary action brought against that Responsible Executive by any government and/or regulatory authority; and/or
- (f) Any adverse comments about the Responsible Executive made in any report by any government authority, Recognised Securities Exchange or NZX.

3.4.4 NZX, at its complete discretion, may decline an application made pursuant to **Rule 3.4.1** from a Market Participant for approval of a person as that Market Participant's Responsible Executive.

3.4.5 Each Responsible Executive is responsible for ensuring that the Market Participant complies on an ongoing basis with all applicable Rules, any directions issued from time to time by NZX and that the Market Participant observes Good Broking Practice.

3.4.6 *(Revoked 28/2/07)*

3.5 COMPANIES

3.5.1 Whenever a new director of a Market Participant, which is a company, is appointed, the Market Participant must deliver to NZX a statutory declaration, in the form provided in **Appendix 1D**, made by that director. Market Participants must notify NZX in writing of (and provide the executed Statutory Declaration in the form provided in **Appendix 1D**) a new director as soon as practicable but no later than **5 Business Days** from such appointment being made. *(Amended 28/2/07)*

3.5.2 Whenever a Market Participant is required to file an annual return, financial statements, or a notice of a change in its share capital, its directors or its

constitution with the Registrar of Companies, it shall, at the same time, send a copy of such return or notice to NZX. *(Amended 28/2/07)*

- 3.5.3 Where a director of a Market Participant, which is a company, resigns, the Market Participant must notify NZX in writing of such resignation as soon as practicable but no later than **5 Business Days** after such resignation.

3.6 PARTNERSHIPS

- 3.6.1 Whenever a new partner of a Market Participant, which is a partnership, is appointed, the Market Participant must deliver to NZX a statutory declaration, in the form provided in **Appendix 1D**, made by that partner. Market Participants must notify NZX in writing of a new partner (and provide an executed statutory declaration in the form provided in **Appendix 1D**) as soon as practicable but no later than **5 Business Days** from such appointment being made. *(Amended 28/2/07)*

- 3.6.2 Where a partner of a Market Participant, which is a partnership, resigns, the Market Participant must notify NZX in writing of such resignation as soon as practicable but no later than **5 Business Days** after such resignation. *(Inserted 28/2/07)*

3.7 CONSTITUTIONS AND OTHER CONSTITUENT DOCUMENTS

Any constitution, partnership deed or other type of constituent document of a Market Participant must, as a minimum, contain provisions that:

- (a) State that the Market Participant is bound by the Rules applicable to the class or classes of Market Participant that that participant is designated as;
- (b) State that directors/partners may only delegate their powers as directors/partners of that Market Participant relevant to its Broking Business if NZX consents to that delegation;
- (c) State that the Market Participant will provide and/or grant access to NZX (on request and at the discretion of NZX) to any documentation, evidence, technology and/or Employees (including without limitation the Compliance Manager, Compliance Officer and Surveillance Officer) of that Market Participant to enable NZX to determine

whether the Market Participant is complying with all applicable Rules and directions issued from time to time by NZX and the observance of Good Broking Practice applicable to the class or classes of the Market Participant's designation; and

(Amended 28/2/07)

- (d) Include any other provision that may be required by NZX, at its complete discretion, as applicable to the class or classes of Market Participant in respect of which that Market Participant is designated.

(Amended 28/2/07)

3.8 NAME AND CONTROL OF BROKING OFFICES

3.8.1 A Market Participant must not operate any Broking Office under a name that is different from that of the Market Participant.

3.8.2 Each Market Participant who has more than one Broking Office shall designate one such Broking Office as its Principal Broking Office.

3.8.3 Each Principal Broking Office shall be under the direct Full Time control of a Managing Principal or a Responsible Executive, as applicable. Each other Broking Office shall:

- (a) If the Market Participant is an NZX Firm, be under the direct full time control of an NZX Advisor or an NZX Associate Advisor; or
- (b) If the Market Participant is not an NZX Firm, be under the direct full time control of a person appointed by the Responsible Executive for the purpose of management and control of the activities of the Market Participant, whose name must be notified in writing to NZX prior to the appointment of that person.

(Amended 28/2/07)

3.9 COMPLIANCE WITH NZX RULES

Each Market Participant must ensure compliance with all applicable Rules, any directions given from time to time by NZX and at all times observe Good Broking Practice.

(Amended 28/2/07)

3.10 MANAGEMENT ARRANGEMENTS

- 3.10.1 Each Market Participant must establish appropriate Management structures for its business. *(Amended 28/2/07)*
- 3.10.2 Each Market Participant must keep a record of, and provide NZX with a copy of, its Management structures, including a record of the names of the senior Management team, when that team was appointed and of any changes to that Management team.
- 3.10.3 Each Market Participant must provide NZX notice in writing of changes to the Market Participant’s Management arrangements as soon as practicable but, in any event, no later than **5 Business Days** of any changes being made to the Market Participant’s Management structures. *(Amended 28/2/07)*

3.11 COMPLIANCE MANAGERS

- 3.11.1 Each Market Participant shall have a Compliance Manager who shall be accountable to the Managing Principal or Responsible Executive (whichever is appropriate) for:
- (a) Overseeing the effective control of the Market Participant’s Broking Business;
 - (b) Ensuring that the obligations of the Market Participant as set out in these **Rules**, and any directions given from time to time by NZX, are met and that the Market Participant is observing Good Broking Practice; and *(Amended 28/2/07)*
 - (c) Reporting all breaches and suspected breaches of these **Rules**, and any directions given from time to time by NZX, and any failure by that Market Participant to observe Good Broking Practice, to the Market Participant’s Managing Principal or Responsible Executive (whichever is applicable). *(Amended 28/2/07)*
- 3.11.2 Each Market Participant must provide NZX with notice in writing of the name of the Compliance Manager, and any other position held by such Compliance Manager, including advice of the appointment, resignation or change of a Compliance Manager **within one Business Day** of that change being made. *(Amended 28/2/07)*

3.11.3 Compliance Managers must not undertake any operational activity, including submitting/entering, recording, processing or receiving Orders and/or accounting entries relating to Securities transactions, within or for the Market Participant's Broking Business.

3.11.4 Each Compliance Manager must be adequately experienced and qualified to perform the responsibilities outlined in **Rule 3.11.1**.

3.11.5 Each Compliance Manager must submit to NZX an undertaking, in the form provided in **Appendix 1E**. This undertaking must be signed by the Compliance Manager and the Managing Principal or Responsible Executive (whichever is applicable) of the Market Participant. *(Amended 28/2/07)*

3.11.6 If a Market Participant's Compliance Manager is resident outside of New Zealand, a Market Participant must:

- (a) Nominate a Surveillance Officer to perform the responsibilities outlined in **Rule 3.11.1**; and
- (b) Notify NZX in writing of:
 - (i) The name and contact details of the Surveillance Officer; and
 - (ii) The position that Surveillance Officer holds in the Market Participant's Broking Business; and

ensure that a written undertaking in the form provided in **Appendix 1F** is submitted to NZX. *(Amended 28/2/07)*

3.12 **GROUPING PROVISION** *(Amended 28/2/07)*

3.12.1 A reference to a Market Participant in these **Rules** extends to and includes:

- (a) All Subsidiaries of the Market Participant;
- (b) For the purposes of **Sections 15 and 16** of these **Rules**, all Related Companies of the Market Participant which guarantee or otherwise assume or may assume liability for the obligations of the Market Participant or any of its Subsidiaries for the purpose of enabling that Market Participant to meet its regulatory capital obligations under these **Rules**; and/or

- (c) Any Related Company of a Market Participant that NZX declares to be included by notice in writing to the Market Participant (for the purpose of all the **Rules** or only such **Rules** as are specified by NZX in the notice), where NZX believes that it is necessary to ensure that the object of any applicable Rules or any direction given from time to time by NZX, is not frustrated or avoided by reason of the separate legal personality of the members of the Group of which the Market Participant forms part.

3.12.2 Each Market Participant must provide to NZX in writing details of all entities to which **Rule 3.12.1(a) and (b)** applies and of any changes to any of those entities no later than **5 Business Days** after the **Rule** begins or ceases to apply to that entity.

3.12.3 Each Market Participant must provide to NZX within **5 Business Days** of being requested to do so, all details in respect of any Related Company of the Market Participant that NZX believes are necessary to enable it to make a determination pursuant to **Rule 3.12.1(c)**.

3.13 EMPLOYEE SUPERVISION

Each Market Participant must:

- (a) Ensure that its Employees are adequately supervised by suitably experienced and qualified persons as appointed by the Managing Principal or the Responsible Executive (whichever is applicable);
- (b) Provide its Employees with:
 - (i) Written compliance and procedure manuals, setting out the Market Participant's procedures, and controls over those procedures, in all areas of its operations;
 - (ii) A detailed description of their duties, cross-referenced where appropriate with the compliance and procedures manuals referred to in **Rule 3.13 (b)(i)**; and
 - (iii) A copy of these **Rules**, any Guidance Notes, Practice Notes and any directions given from time to time by NZX

(Amended 28/2/07)

- (c) Ensure that its Employees comply fully with all applicable Rules, any directions given from time to time by NZX, and at all times observe Good Broking Practice; and *(Inserted 28/2/07)*
- (d) Ensure that its Employees comply with the continuing professional development requirements prescribed from time to time by NZX. *(Inserted 28/2/07)*

3.14 EMPLOYEE TRAINING

Each Employee of a Market Participant must:

- (a) Be trained as appropriate to their duties and responsibilities to both the Market Participant and to that Market Participant's clients (if applicable). Such training must cover the relevant parts of these Rules as amended from time to time, Guidance Notes, Practice Notes, and any directions given from time to time by NZX;
- (b) Have ongoing training to ensure that they are kept up-to-date with changes in securities law, security exchange and market rules, practices and technology; and
- (c) Undergo such accreditation and/or receive such training from time to time as NZX may require.

(Amended 28/2/07)

3.14A NZX TRAINER *(Inserted 28/2/07)*

3.14A.1 Applications for designation as an NZX Trainer shall be made in writing and shall provide all the information and supporting documentation required by the form provided in **Appendix 11** and shall be submitted to NZX for consideration by NZX.

3.14A.2 NZX will use all reasonable endeavours to ensure that a decision on an application for designation as an NZX Trainer is made and communicated as soon as reasonably practicable after receiving a completed written application and all supporting documentation from an applicant.

3.14A.3 When an NZX Trainer at a Market Participant resigns, the Market Participant must notify NZX in writing of such resignation in the form provided in **Appendix 11B** within **5 Business Days** of that resignation.

3.15 CONTRACTUAL BASIS OF RULES

Upon NZX designating a company, firm, organisation or partnership as a Market Participant, these **Rules** shall form a binding contract between that Market Participant and NZX.

3.16 RESIGNATION AS A MARKET PARTICIPANT

3.16.1 If a Market Participant resolves to resign as a Market Participant, that Market Participant must:

- (a) Give **not less than 20 Business Days** written notice to NZX of its intention to resign and indicate the date upon which it proposes the resignation (subject to **Rule 3.16.3**) will take effect;
(Amended 28/2/07)
- (b) Undertake to NZX that it has, or will prior to the Resignation Date, take all proper steps to ensure the orderly wind down of its Broking Business(es); and
- (c) Comply with any reasonable request by NZX to ensure the orderly wind down of its Broking Businesses.

3.16.2 The resignation of a Market Participant does not affect any accrued rights that NZX and/or any other Market Participant may have against the resigning Market Participant, and/or any obligation the resigning Market Participant may owe either to NZX or any other Market Participant.

3.16.3 The resignation shall not take effect until the date (the **Resignation Date**) determined by NZX upon acceptance of the notice, which may be later than the date nominated by the Market Participant, to enable NZX to be satisfied that **Rules 3.16.1(b) and (c)** are met.
(Inserted 28/2/07)

3.17 TRANSFER AND ASSIGNMENT OF RIGHTS

Each Market Participant must not, nor attempt to, dispose of, transfer, lease, assign or encumber any rights under these **Rules**, except:

- (a) As permitted under any of these **Rules**; or
- (b) With the prior written approval of NZX. *(Amended 28/2/07)*

3.18 APPROVED ORGANISATIONS

3.18.1 NZX may, at its complete discretion, confer the status of an Approved Organisation upon any company, firm, organisation or partnership in accordance with **Rule 3.18.3**. This designation may be conferred subject to such terms and conditions as NZX at its complete discretion may from time to time determine. *(Amended 28/2/07)*

3.18.2 NZX may at any time and from time to time review any company's, firm's, organisation's or partnership's designation as an Approved Organisation under this **Rule 3.18**, and may at its complete discretion and upon giving notice to the Approved Organisation, revoke that designation at any time or impose conditions on the continued retention of the designation. *(Amended 28/2/07)*

3.18.3 For the purpose of these **Rules** NZX may from time to time designate an Approved Organisation as a:

- (a) NZX Trading and Advising Firm;
- (b) Trading Participant;
- (c) Principal Book Only Dealer;
- (d) Bank Only Participant;
- (e) NZX Advising Firm;
- (f) Post Trade Participant;
- (g) FASTER Participant;
- (h) NZX Sponsor;
- (i) Distribution and Underwriting Sponsor; or
- (j) FASTER Registry;

Any such designation may be given subject to such terms and conditions as NZX may from time to time determine at its complete discretion. *(Amended 28/2/07)*

3.19 DESIGNATION AS AN ADDITIONAL CLASS OF MARKET PARTICIPANT(S)

3.19.1 A Market Participant may make an application to NZX for designation as an additional class of Market Participant (the **Applicant**). Application for designation as an additional class of Market Participant under this **Rule 3.19** shall be made in writing and shall provide all information and supporting documentation required by the form provided in **Appendix 1** relevant to that new class of Market Participant. For the avoidance of doubt information provided to NZX by the Applicant in prior applications need not be submitted again, provided that information remains true and accurate.

3.19.2 Any existing Market Participant wishing to be designated as a class of Market Participant additional to its current class of designation shall first be required to satisfy NZX that:

- (a) Any other company, firm, organisation, partnership or person with whom the Market Participant is associated in the venture is able to meet the capital and equity requirements set out in these **Rules**;
- (b) The criteria of **Rule 3.1.3(d)** is satisfied; *(Amended 28/2/07)*
- (c) Where appropriate, the Managing Principal or Responsible Executive of that Market Participant (whichever is applicable) has fully met all its obligations and complies with **Rule 3.1.3(b)**; and
- (d) Such other matters as NZX may, from time to time, generally or specifically require in relation to the relevant Market Participant class have been or will be, complied with or provided for.

3.20 PROPOSED BROKING OFFICE OR ASSOCIATION WITH ANOTHER MARKET PARTICIPANT

A Market Participant wishing to:

- (a) Open further Broking Offices, in addition to its Principal Broking Office and/or Broking Offices open at the time the Market Participant was designated; or
- (b) To join in partnership or become formally associated with another

Market Participant.

shall give NZX **at least 15 Business Days** prior notice in writing of its intention to do so. In the case of a Broking Office, the notice shall state the full address of the Broking Office and the full name of the NZX Advisor or NZX Associate Advisor, or delegated person appointed by the Responsible Executive, as the case may be, under whose direct full time control the Broking Office will be placed. *(Amended 28/2/07)*

3.21 OVERSEAS BROKING OFFICES

3.21.1 Except as provided in **Rule 3.21.2**, where a Market Participant has a Broking Office situated outside New Zealand the provisions of these **Rules** relating to operating Broking Offices shall apply to that overseas Broking Office, except in so far as they conflict with any applicable statutory or regulatory requirements that apply in the jurisdiction in which that Broking Office is situated, in which case these **Rules** will not apply to the extent of such conflict; and

3.21.2 Notwithstanding **Rule 3.21.1**, **Section 16** of these **Rules** shall apply to that overseas Broking Office, except that NZX may appoint an individual or firm resident outside New Zealand who, in NZX's opinion has suitable qualifications and experience, as its agent and may delegate to that person any or all of its powers in relation to that Broking Office.

(Amended 28/2/07)

3.22 TRANSITIONAL PROVISIONS

3.22.1 Subject to **Rule 1.4**, amendments to these **Rules** shall come into force at a date announced by NZX. NZX may, at its complete discretion, announce that specific rules will come into force prior to, or subsequent to, the other amendments to these **Rules** coming into force. *(Amended 28/2/07)*

3.22.2 For the avoidance of doubt, NZX retains all of the powers conferred upon it under any rules in force prior to these **Rules** in relation to any conduct by a Market Participant and/or Advisor during the currency of those previous rules notwithstanding any subsequent amendment to, or revocation of, those previous rules. *(Amended 28/2/07)*

3.22.3 Any amendment to, or revocation of, these **Rules** or to previous rules does not affect any accrued rights which NZX may have against a Market

Participant or Advisor and/or any obligation a Market Participant and/or Advisor may owe to NZX or any Market Participant or any Advisor.

(Amended 28/2/07)

3.22.4 *(Revoked 28/2/07)*

3.22.5 *(Revoked 28/2/07)*

3.22.6 *(Revoked 28/2/07)*

3.23 CHINESE WALLS

An application submitted pursuant to **Rule 3.19** for designation as a Market Participant must contain, if applicable, an outline of that Market Participant's Chinese Wall practices and procedures to control the transfer of Material Information between the different business activities of that Market Participant.

(Amended 28/2/07)

3.24 PROHIBITION AGAINST NZX ADVISING FIRMS BEING DELIVERY AND SETTLEMENT PARTICIPANTS

NZX Advising Firms are prohibited from being Delivery and Settlement Participants and vice versa.

3.25 CERTIFICATE OF RECOGNITION

A certificate of recognition of a participant's designation as a Market Participant will be issued by NZX. Such certificates shall remain the property of NZX and on demand by NZX, in writing, shall be returned to NZX by the Market Participant to whom the certificate was issued.

(Amended 28/2/07)

3.26 INSURANCE

3.26.1 Each Market Participant must take out and maintain, at all times, insurance of a kind and for an amount that the Market Participant reasonably determines to be appropriate having regard to the Broking Business and operations carried out by that Market Participant and the risks associated with that Market Participant's Broking Business(es), including those risks associated with the Employees of the Market Participant.

3.26.2 As a minimum, a Market Participant must take out the following insurances:

- (a) Professional indemnity insurance; and
- (b) Directors' and officers' liability insurance (when applicable to the legal structure of the Market Participant). *(Amended 28/2/07)*

3.26.3 Each Market Participant, in so far as it is able, must notify NZX in writing of:

- (a) The insurance company providing the insurance cover;
- (b) The type of cover provided by that Market Participant's insurance company;
- (c) The amount of cover which that Market Participant has pursuant to **Rule 3.26.1** and any limitations on that cover;
- (d) The date on which the insurance cover became effective;
- (e) The date the insurance cover will expire; and
- (f) Any material changes that are made to the amount of cover that that Market Participant has insurance for. Notification of such material changes must be sent to NZX together with the Market Participant's monthly return.

3.26.4 Each Market Participant must notify NZX as soon as that Market Participant makes any material claim on any insurance policy that Market Participant has in relation to directors and officers or professional indemnity cover, or any other policy that is relevant to the Broking Business of that Market Participant. Any notification pursuant to this **Rule 3.26.4** must outline the reason why the material claim by that Market Participant has been made.

3.27 RECORD KEEPING

3.27.1 Except where prescribed elsewhere in these **Rules** and/or in any direction given by NZX, all records and/or documents kept by each Market Participant on any aspect of that Market Participant's Broking Business,

whether or not those records or documents are kept and maintained in a register as required by these **Rules**, must be kept by that Market Participant for a **minimum of 7 years**.

3.27.2 Each Market Participant must make all registers, records and information kept in accordance with these **Rules**, available to NZX immediately upon receipt of a request from NZX for access to those registers, records and information. *(Amended 28/2/07)*

3.27.3 For the avoidance of doubt, each Market Participant incorporated or resident in New Zealand must retain all registers, records and any other information kept in accordance with these **Rules**, in New Zealand. *(Amended 28/2/07)*

3.28 EMERGENCY CONTACT DETAILS

3.28.1 Each Market Participant must notify NZX of the after hours/emergency contact details for that Market Participant to enable NZX to contact that Market Participant in the event of an emergency.

3.28.2 Each Market Participant must update NZX in writing of any change to the after hours/emergency contact details for that Market Participant within **1 Business Day** of that change being made.

3.29 CHANGES IN SOFTWARE, NAME AND/OR LOCATION

Each Market Participant must notify NZX of a change to the:

(a) Accredited client accounting software vendor (if applicable) used by that Market Participant. Each Market Participant must provide NZX with **20 Business Days** notice in writing prior to that change coming into effect if the change will in any way impact the Trading System and/or the FASTER System, or **10 Business Days** notice in writing if there is no impact to the Trading System and/or the FASTER System; *(Amended 28/2/07)*

(b) Name of the Market Participant not less than **10 Business Days** before the name change is intended to be effected; and/or

(c) Location of any of the Market Participant's Broking Offices not less than **10 Business Days** prior to the intended location change.

3.30 EMPLOYEE CONTRACTS

Each Market Participant must not formulate or make its Employees enter into an employment contract that would result in a breach of these **Rules**.