



# FIT AND PROPER POLICY

22 April 2026

## 1. Introduction

The NZX Group's (**NZX**) directors and senior managers (and certain employees) must be fit and proper persons to hold their positions. In particular, they must be of good character and have the necessary capabilities for their position.

## 2. Objective

NZX is committed to having in place procedures to ensure its directors and senior managers (and certain employees) are fit and proper persons to hold their positions.

## 3. Application

3.1 This policy applies to:

- (a) all directors of NZX (including members of Board committees);
- (b) the NZX CEO;
- (c) all direct reports of the NZX CEO; and
- (d) any other employees of NZX (including secondees, contractors and consultants), as determined by the NZX General Counsel and then notified by the Chief People Officer (**CPO**) to those persons.

## 4. Character and capability

### Fit and Proper Declaration

4.1 Subject to paragraph 4.2, a proposed director or senior manager or applicable employee will:

- (a) complete a Fit and Proper Declaration (Proposed Director or Senior Manager or Applicable Employee) (the form of which is set out in schedule 1) prior to commencing their position; and
- (b) immediately notify the CPO if any of the information in their Fit and Proper Declaration (Proposed Director or Senior Manager or Applicable Employee) changes.

4.2 A director nominated and appointed by NZX Limited's shareholders (as opposed to a director appointed by NZX Limited's Board to fill a casual vacancy or as an addition to the existing directors) will complete a Fit and Proper Declaration (Proposed Director or Senior Manager or Applicable Employee) prior to their appointment (or, if the director does not agree to do this prior to their appointment, upon appointment).



4.3 A director or senior manager or applicable employee will:

- (a) complete a Fit and Proper Declaration (Current Director or Senior Manager or Applicable Employee) (the form of which is set out in schedule 2) annually or as required by the CPO; and
- (b) immediately notify the CPO if any of the information in their Fit and Proper Declaration (Current Director or Senior Manager or Applicable Employee) changes.

**Third party checks**

4.4 The CPO will complete the following checks with third parties prior to a proposed director or senior manager or applicable employee commencing their position (with third party checks for the period ten years prior except for the NZX CEO and Chair, whose third party checks will have no time period attached):

- (a) criminal record check for all jurisdictions in which the relevant person has resided over the past 10 years, provided that in respect of the NZX CEO and Chair then their criminal record check will have no time period attached;
- (b) credit check;
- (c) qualifications check;
- (d) searches of public domains including an internet search for adverse publicity;
- (e) reference check(s);
- (f) if the proposed director or senior manager or applicable employee is a member of a professional body that the CPO considers relevant to the proposed director's or senior manager's or applicable employee's position, confirmation of membership of the professional body and no suspension of membership or other sanction;
- (g) if the proposed director or senior manager or applicable employee is employed as a lawyer, they will provide the CPO with a current Certificate of Standing issued by the New Zealand Law Society; and
- (h) if the proposed director or senior manager or applicable employee is a financial adviser under a Financial Advice Provider licence, confirmation of registration on the Financial Service Providers Register.

4.5 The CPO will re-check any or all of the third party checks listed in clause 4.4 for a current director or senior manager or applicable employee as and when determined relevant or required by the CPO.

**Assessment**

*Chairperson of the Board*

4.6 The Chairperson of the Board will complete character and capability assessments in respect of proposed directors and senior managers that will report directly to the Board.

4.7 The Chairperson of the Board will, every two years, complete character and capability assessment in respect of directors and senior managers that report directly to the Board.



*Chairperson of the Human Resources & Remuneration Committee*

- 4.8 The Chairperson of the Human Resources & Remuneration Committee will complete character and capability assessments in respect of the proposed Chairperson of the Board.
- 4.9 The Chairperson of the Human Resources & Remuneration Committee will, every two years, complete character and capability assessment in respect of the Chairperson of the Board.

*Chief Executive Officer*

- 4.10 The Chief Executive Officer will complete character and capability assessments in respect of proposed senior managers or employees that will not report directly to the Board.
- 4.11 The Chief Executive Officer will, every two years, complete character and capability assessment in respect of senior managers or applicable employees that do not report directly to the Board.

**Factors to consider in assessment**

- 4.12 In assessing the character of a director or senior manager or applicable employee (or a proposed director or senior manager or applicable employee), the person completing the assessment will consider the following factors:
- (a) information in and attached to the Fit and Proper Declaration provided by the director or senior manager or applicable employee (or proposed director or senior manager or applicable employee);
  - (b) feedback from checks made with third parties;
  - (c) conduct indicating past non-compliance;
  - (d) convictions or involvement in dishonesty, deceit, theft or fraud;
  - (e) failure to manage business or personal financial affairs; and
  - (f) dismissal from a position of trust.
- 4.13 In assessing the capability of a director or senior manager or applicable employee (or a proposed director or senior manager or applicable employee), the person completing the assessment will consider the following factors:
- (a) information in and attached to the Fit and Proper Declaration provided by the director or senior manager or applicable employee (or proposed director or senior manager or applicable employee); and
  - (b) the results of the director's or senior manager's or applicable employee's performance reviews, and

in the case of the two-yearly character and capability assessment for a director or senior manager or applicable employee, required pursuant to clause 4.7, 4.9 and 4.11 the assessment shall be based on the requirements of clause 4.5, 4.12 (a) and 4.13 (a) and (b).



### **Enhanced Processes for any Proposed Chair or CEO**

4.14 Where a person is being assessed as fit and proper for the role of Chair of the Board (or Chair-elect) or Chief Executive Officer, the following enhancements shall apply:

- a) The reference checks carried out as required by paragraph 4.4(e) shall include direct questioning on the following:
  - Is there anything you are aware of in the candidate's past history or current life that NZX should know about? For example, insolvency, negative career experiences, or media coverage, or anything that may negatively affect NZX's reputation?
  - Are you aware of any regulatory enquiries or investigations relating to the activities of any organisation for which the candidate has either worked or served as a director? Please bear in mind that NZX has a very low risk tolerance for any association with such enquiries or investigations relating to financial regulatory matters such as AML/CFT, cartel activity, bribery and corruption.
- b) The CPO or Company Secretary are to be present in the interview for the purposes of asking (and recording answers to) the following questions:
  - NZX has a strict no surprises policy. Is there anything in your past history or current life that NZX should know about? For example, insolvency, negative career experiences, or media coverage, or anything that may negatively affect NZX's reputation?
  - Are you aware of any regulatory enquiries or investigations relating to the activities of any organisation for which you have either worked or served as a director? Please bear in mind that NZX has a very low risk tolerance for any association with such enquiries or investigations relating to financial regulatory matters such as AML/CFT, cartel activity, bribery and corruption.
- c) Note that where the Nominations Committee (or Human Resources and Remuneration Committee) considers that a candidate has been employed in or served as a director in any areas considered "high risk" in terms of reputational damage, unconscionable conduct or competition etc. (such as alcohol, tobacco, armaments, gaming etc.), then this shall be flagged to the Board.

### **Outcome of assessment**

4.15 A director or senior manager or applicable employee (or proposed director or senior manager or applicable employee) will be assessed as either "fit and proper to hold the position" or "not fit and proper to hold the position".

*Assessed as "fit and proper to hold the position"*

4.16 A director or senior manager or applicable employee assessed as "fit and proper to hold the position" may retain the position for which they were assessed.

4.17 A proposed director or senior manager or applicable employee assessed as "fit and proper to hold the position" may be appointed to the position for which they were assessed.



*Assessed as "not fit and proper to hold the position"*

- 4.18 Subject to paragraph 4.19, a proposed or existing director assessed as "not fit and proper to hold the position" will be advised of the situation and offered the opportunity to correct any incorrect information collected as part of the assessment process. This must be done to the satisfaction of the person completing the assessment within 30 days, otherwise the director will not be appointed or action to remove the director from that position will begin (as relevant).
- 4.19 Where a director nominated and appointed by NZX Limited's shareholders is assessed as "not fit and proper to hold the position", they will be advised of the situation and offered the opportunity to correct any incorrect information collected as part of the assessment process. This must be done to the satisfaction of the person completing the assessment within 30 days, otherwise the director will be asked to resign. If the director refuses to resign, the NZX General Counsel will liaise with the Financial Markets Authority as to next steps.
- 4.20 A proposed or existing senior manager or applicable employee assessed as "not fit and proper to hold the position" will be advised of the situation and offered the opportunity to correct any incorrect information collected as part of the assessment process. This must be done to the satisfaction of the person completing the assessment within 30 days, otherwise the senior manager or applicable employee will not be appointed or, if the proposed or existing senior manager or applicable employee has been appointed (including subject to satisfactory third party checks), action to remove the senior manager or applicable employee from that position will begin (as appropriate).

### **Delegation**

- 4.21 The CPO may delegate their authority for specific responsibilities under this policy to a member of the Human Resources team or the Legal team.

<b>Approver:</b>	NZX Limited Board
<b>Document owner:</b>	General Counsel
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