

SECTION 10

TRADING – GENERAL OBLIGATIONS

PART A: GENERAL TRADING OBLIGATIONS WHEN TRADING ON THE MARKETS PROVIDED BY NZX

A10.1 GENERAL

A10.1.1 Each Trading Participant, NZX Advising Firm and Advisor must conduct and report Trading and dealing in all Securities on the markets provided by NZX in accordance with Good Broking Practice.

A10.1.2 Where a Security holder who has sold Securities is given the right to apply for new Securities offered prior to the settlement of that sale, a Trading Participant or an NZX Advising Firm acting for that client must take such action as may be required by Good Broking Practice to protect the rights of the buyers in respect of the Securities so offered.

(Amended 28/2/07)

A10.1.3 Each Trading Participant, NZX Advising Firm and Advisor must take such action as may be required by Good Broking Practice to protect the rights of clients, whether purchasing or selling Securities, in respect of entitlements to dividends, interest, or capital distributions and in regards to settlement.

(Amended 28/2/07)

A10.1.4 The rights and obligations of purchasing and selling clients with regards to calls made on Securities which are being sold shall be as recognised by Good Broking Practice.

(Amended 28/2/07)

A10.2 MARKET MANIPULATION

A10.2.1 Each Trading Participant, NZX Advising Firm and Advisor is prohibited from placing an Order for, or dealing in, any Securities:

(a) Either when Acting as Principal or placing that Order has the effect, or in the opinion of NZX is likely to have the effect, of creating a false or misleading appearance:

(i) of active trading in any Securities; or

- (ii) with respect to the market for, or the price/yield of, any Securities; or
 - (iii) the Trading Participant, NZX Advising Firm or Advisor intends to create the effect of any of the circumstances in **A10.2.1(a) (i) or (ii)**; and
- (b) On behalf of a client or any other person where that Trading Participant, NZX Advising Firm or Advisor intends to create, or is aware that that client or other person intends to create, or that Trading Participant, NZX Advising Firm or Advisor should reasonably suspect that the client or other person intends to create the effect of any of the circumstances in **A10.2.1(a)(i) or (ii)**.

A10.2.2 When accepting an Order each Trading Participant, NZX Advising Firm and Advisor, must consider the following:

- (a) Whether that Order, or the execution of that Order, is consistent with recent trading in that Security, taking into account current market conditions;
- (b) Whether that Order, or the execution of that Order, will materially affect the market for, or price/yield of, any Security;
- (c) Whether that Order is received during Trading Hours or after the market has closed, and whether instructions about when that Order is to be entered have been received from the client;
- (d) Whether the client who has entered/submitted that Order, or any other person who the Trading Participant, NZX Advising Firm or Advisor knows to be a Related Party of that client, may have a beneficial interest in creating a false or misleading market in, or the price/yield of, any Security.
- (e) Whether there are any additional unusual requests in relation to that Order, including but not limited to requests in relation to settlement and delivery;
- (f) Whether that Order appears to be one in a series of requested Orders and whether that series of Orders has any of the effects outlined in this **Rule A10.2.2**; and

- (g) Whether there is a clear legitimate commercial reason for that Order being placed, which is unrelated to the intention to create a false or misleading market in respect of the market for, or price/yield of, any Securities.

A10.2.3 For the avoidance of doubt, the obligations imposed on each Trading Participant, NZX Advising Firm and Advisor in relation to the requirement not to create a false or misleading market for, or price/yield of, any Securities also applies in respect of Orders the subject of Direct Market Access.

A10.3 ACTING AS PRINCIPAL

Each Trading Participant or NZX Advising Firm that, when Acting as Principal, enters into a sale or purchase of Securities with a person who is not another Trading Participant or NZX Advising Firm, a member of a Recognised Securities Exchange or an authorised public Securities dealer (as defined in the Securities Transfer Act 1991) shall print legibly on the contract note that it is Acting as Principal in the transaction.

A10.4 ACTING AS AGENT

A Trading Participant or NZX Advising Firm that acts as agent for the Buyer and the Seller in a transaction and charges both parties to the transaction shall disclose in legible print on the contract note to each party that it is acting for, and earning income from, both parties.

A10.5 *(Revoked 28/2/07)*

A10.6 **Deleted 2004**

A10.7 EMPLOYEE TRADING

A10.7.1 Employees of a Trading Participant, NZX Advising Firm or Distribution and Underwriting Sponsor who wish to deal in any Securities quoted on a market provided by NZX or a Recognised Securities Exchange on their own personal account or on behalf of a Prescribed Person must obtain written authority to do so for each individual Order to buy or sell any Security quoted on a market provided by NZX or a Recognised Securities Exchange from:
(Amended 28/2/07)

- (a) In the case of a Trading Participant or NZX Advising Firm:
 - (i) The Compliance Manager of the Trading Participant, or NZX Advising Firm; or *(Amended 28/2/07)*
 - (ii) The Managing Principal or Responsible Executive (whichever is applicable) of the Trading Participant, or NZX Advising Firm; or *(Amended 28/2/07)*
 - (iii) The delegate of the Compliance Manager, or the Managing Principal or Responsible Executive (as applicable), authorised for the purpose of authorising Employee and Prescribed Person trading prior to the Order being effected; or *(Amended 28/2/07)*
- (b) In the case of a Distribution and Underwriting Sponsor, an appropriate delegate, authorised for the purpose of authorising Employee and Prescribed Person trading prior to the Order being effected. *(Inserted 28/2/07)*

The application for written authority must be made in writing (which includes electronic mail and other written electronic means) and contain details of the total holding, if any, that the Employee or Prescribed Person, as the case may be, has in the Security that they are wishing to trade.

(Inserted 28/2/07)

A10.7.1A Each Trading Participant, NZX Advising Firm or Distribution and Underwriting Sponsor must:

- (a) Ensure that its Employees are aware of their obligations pursuant to **Rule A10.7.1**;
- (b) Obtain from its Employees an annual written undertaking that they have at all times complied with their obligations under **Rule A10.7.1**; and
- (c) Perform a daily reconciliation check on the approval(s) sought under **Rule A10.7.1** and the trading by its Employees and/or Prescribed Persons to ensure compliance with **Rule A10.7.1**

(A10.7.1A Inserted 28/2/07)

A10.7.2 Subject to **Rule A10.7.3**, Employees and Prescribed Persons of a Trading Participant, NZX Advising Firm or Distribution and Underwriting Sponsor must not participate in, or request an allocation of, Securities from any other Employee of that Trading Participant, NZX Advising Firm, or Distribution and Underwriting Sponsor or any other Trading Participant, NZX Advising Firm or Distribution and Underwriting Sponsor, in any initial public offer, subsequent public offer, or non-public offer such as a book build by an Issuer. For the avoidance of doubt, Employees and Prescribed Persons of a Trading Participant, NZX Advising Firm or Distribution and Underwriting Sponsor may participate in:

(Amended 28/2/07)

- (a) Any public pool of any new offer of Securities by an Issuer; and/or
- (b) Any new offer of Securities if an Employee or Prescribed Person of a Trading Participant, NZX Advising Firm or Distribution and Underwriting Sponsor has a pre-existing right in the new offer of Securities.

A10.7.3 A Trading Participant, NZX Advising Firm or a Distribution and Underwriting Sponsor may offer an identified percentage of Securities as part of an initial public offering, subsequent public offering or non-public offer to Employees and/or Prescribed Persons of that Trading Participant, NZX Advising Firm or Distribution and Underwriting Sponsor during the offer period where the Managing Principal or Responsible Executive (whichever is appropriate) and the Compliance Manager for that Trading Participant, or NZX Advising Firm (whichever is applicable) or, in the case of a Distribution and Underwriting Sponsor, the person delegated per **Rule A10.7.1(b)**, has certified to NZX in writing prior to the offer to Employees and Prescribed Persons being made:

- (a) The number of Securities available to the Trading Participant, NZX Advising Firm or Distribution and Underwriting Sponsor;
- (b) The number of Securities being offered to clients, Employees and Prescribed Persons by the Trading Participant, NZX Advising Firm or Distribution and Underwriting Sponsor;
- (c) That the Trading Participant, NZX Advising Firm or Distribution and Underwriting Sponsor (whichever is applicable) has used its best endeavours to satisfy client

orders/applications for that Issuer’s initial public offer, subsequent public offer or non public offer (as the case may be);

- (d) That in the event of further subscription by clients, Employees and Prescribed Persons will stand aside or have their allocation of Securities scaled; and
- (e) That all Employee and Prescribed Person allocations will be pre-approved as prescribed by **Rule A10.7.1**;
(Rule A10.7.3 Amended 28/2/07)

A10.7.3A A Trading Participant, NZX Advising Firm and Distribution and Underwriting Sponsor must keep a record of the applications for written authority under **Rule A10.7.1** (whether approval has been granted or not), and details of allotments of Securities to Employees and Prescribed Persons under **Rule A10.7.2(b)**. As a minimum, this must contain:

- (a) All of the information required by **Rule 11.12** for Orders;
- (b) The date and time of the approval;
- (c) The period of time the approval is granted for; and
- (d) The extent of the Employee or Prescribed Person’s holding in the Security.

(Rule A10.7.3A Inserted 28/2/07)

A10.7.4 Dealers and DMA Dealers must not: *(Amended 28/2/07)*

- (a) Enter Orders on:
 - (i) behalf of themselves or any associated person (as defined in the Listing Rules promulgated by NZX); or
(Amended 28/2/07)
 - (ii) Discretionary Accounts for which they have authority;
- (b) Act as FASTER Settlement officers or vice versa;

- (c) Book/allocate Trades in a pool account of that Trading Participant or NZX Advising Firm for which they are a Dealer/ DMA Dealer;
(Amended 28/2/07)
- (d) Book/allocate Trades to Prescribed Persons of the Dealer or DMA Dealer; and
(Amended 28/2/07)
- (e) Have any responsibility for that activity unless the pool account is the house account of that Trading Participant or NZX Advising Firm.

A10.7.5 Each Trading Participant, NZX Advising Firm and Distribution and Underwriting Sponsor must have established policies and procedures in relation to Trading by Employees, which must comply with these **Rules**, and each Trading Participant's, NZX Advising Firm's, and Distribution and Underwriting Sponsor's Employees must be advised of those policies and procedures.
(Amended 28/2/07)

A10.7.6 Each Trading Participant, NZX Advising Firm and Distribution and Underwriting Sponsor is responsible for establishing and maintaining up-to-date internal procedures to monitor Trading by its Employees, which must comply with these **Rules**. These procedures must be established to ensure that breaches of that Trading Participant's, NZX Advising Firm's or Distribution and Underwriting Sponsor's Trading policies are discovered promptly and, in any case, **within 1 Business Day** of any breach. As part of any inspection, NZX may request to see the internal procedures and/or policies established by a Trading Participant, NZX Advising Firm or Distribution and Underwriting Sponsor as well as all Employee Trading records pursuant to this **Rule A10.7.6**.
(Amended 28/2/07)

A10.7.7 Each Employee of and Prescribed Persons of a Trading Participant, NZX Advising Firm is required to hold all Securities purchased for any account over which that Employee or Prescribed Person has a controlling interest, discretion or controlling influence on investment decisions, for a minimum period of **10 Business Days** (the **Holding Period**) from and including the date of purchase or allotment, as appropriate **except** for Discretionary Accounts of persons who are not Prescribed Persons.

A10.7.8 If, because of special personal circumstances unrelated to market prices or events other than force majeure events an Employee of a Trading

Participant, NZX Advising Firm or Distribution and Underwriting Sponsor needs to sell Securities prior to the expiry of the Holding Period then an application must be made in writing to the Managing Principal or Responsible Executive of that Trading Participant or NZX Advising Firm (whichever is applicable) or his or her delegate authorised specifically for that purpose, or in the case of a Distribution and Underwriting Sponsor the responsible individual appropriately and specifically delegated to for that purpose, seeking authorisation to place an Order to Trade those Securities. Each Trading Participant, NZX Advising Firm or Distribution and Underwriting Sponsor must maintain an up-to-date register of any such requests arising from special personal circumstances of its Employees. This registry must, as a minimum, record:

- (a) A copy of the dated written request;
- (b) Whether the request was granted; and
- (c) Details of any conditions imposed on the representative or Employee making the request.

A10.7.9 No Trading Participant or NZX Advising Firm shall buy or sell Securities for a Prescribed Person of any other Trading Participant or NZX Advising Firm provided that this Rule shall not apply when the two Trading Participants or NZX Advising Firms are in the same Group or NZX has granted specific permission for all such transactions in respect of the two Trading Participants and/or NZX Advising Firms.

A10.8 OBLIGATIONS OF ALL TRADING PARTICIPANTS

Each Trading Participant must ensure the conduct of an orderly market. In particular each Trading Participant must:

- (a) Keep and maintain records of the time and date of receipt of each Order as part of the accounting records required by these **Rules**;
- (b) Be solely responsible for the accuracy of Orders entered/submitted into the Trading System in accordance with the procedures for use of the Trading System established from time to time by NZX to ensure the efficiency and integrity of the markets provided by NZX;

(Amended 28/2/07)

- (c) Maintain and enforce at all times appropriate security procedures designed to prevent unauthorised entry into the Trading System; and
(Amended 28/2/07)
- (d) Answer, and provide evidence (written evidence if requested) in support of any request by NZX in respect of that Trading Participant's compliance with these **Rules**, and/or any direction issued from time to time by NZX or compliance with Good Broking Practice. If requested, that Trading Participant must provide NZX with independent verification (by an organisation or person approved by NZX) of that Trading Participant's compliance with these **Rules** and/or any directions issued from time to time by NZX or compliance with Good Broking Practice. *(Amended 28/2/07)*

A10.9 ACCESS TO TRADING SYSTEM RESTRICTED TO DEALERS, DMA DEALERS AND DMA AUTHORISED PERSONS

A10.9.1 Each Trading Participant is responsible for the security and control of access to the Trading System and must ensure that only its Dealers, DMA Dealers or a DMA Authorised Person authorised by that Trading Participant enters/submits Orders into the Trading System, and that each Dealer, DMA Dealer or DMA Authorised Person has an active unique identification code and password to access the Trading System.
(Amended 28/2/07)

A10.9.2 Each Trading Participant must at all times ensure that it has and maintains the necessary organisational and technical resources to ensure compliance with these **Rules**, any directions issued from time to time by NZX and at all times observes Good Broking Practice. *(Amended 28/2/07)*

A10.10 DIRECT MARKET ACCESS

A10.10.1 Each Trading Participant that provides Direct Market Access to its DMA Authorised Persons must at all times ensure that:

- (a) It, any DMA Authorised Person and any DMA Dealer, complies with all applicable Rules, any directions issued from time to time by NZX and at all times observes Good Broking Practice, including ensuring that the appropriate filters screens and security measures are established and maintained by that Trading Participant;
(Amended 28/2/07)

- (b) Its use and access, and the use and access by each DMA Authorised Person and DMA Dealer, to Direct Market Access does not interfere with: *(Amended 28/2/07)*
- (i) the efficiency and integrity of the markets operated by NZX; and
 - (ii) the proper functioning of the Trading System. *(Amended 28/2/07)*

A10.10.2 Each Trading Participant acknowledges that it is responsible and liable for Orders entered/submitted into the Trading System via Direct Client Order Processing or Direct Principal Order Processing. *(Amended 28/2/07)*

A10.10.3 Subject to these **Rules**, a Trading Participant may request NZX to allow it to provide DMA Authorised Persons with Direct Market Access to a market provided by NZX by completing the application in the form provided in **Appendix 10** and providing any additional information that NZX requests. The completed application shall be submitted to NZX for consideration by NZX. *(Inserted 28/2/07)*

A10.10.4 NZX shall have complete discretion to reject or approve (with or without conditions) a Trading Participant to allow it to provide DMA Authorised Persons with Direct Market Access. Where a Trading Participant'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. *(Inserted 28/2/07)*

A10.10.5 NZX requires details of all DMA Authorised Persons who the Applicant intends to permit to submit Orders into the Trading System via DMA. *(Inserted 28/2/07)*

A10.10.6 NZX may require a Trading Participant designated to provide Direct Market Access to meet any additional requirements and/or conditions at any time where NZX considers it appropriate or necessary to do so to ensure an orderly and fair market. *(Inserted 28/2/07)*

A10.11 DIRECT CLIENT ORDER PROCESSING

Each Trading Participant that provides for Direct Client Order Processing must have accreditation procedures in place to ensure that:

- (a) Unless the person is a DMA Dealer under these **Rules**, the DMA Authorised Person, or the client on whose behalf the DMA Authorised Person has authority to submit Orders, has written authority from that Trading Participant to submit orders into that Trading Participant's order entry system; *(Amended 28/2/07)*
- (b) The DMA Authorised Person, or the client on whose behalf the DMA Authorised Person has been authorised to enter/submit orders, has the required financial resources to meet its obligations to the Trading Participant in relation to Orders submitted into that Trading Participant's order entry system; and *(Amended 28/2/07)*
- (c) The DMA Authorised Person has demonstrated to the Trading Participant knowledge of:
 - (i) the order entry system of that Trading Participant; and
 - (ii) the **Rules** in relation to Trading, and any directions issued from time to time by NZX on Trading or Direct Client Order Processing and the requirements of Good Broking Practice. *(Amended 28/2/07)*

A10.12 DIRECT PRINCIPAL ORDER PROCESSING

Each Trading Participant using its order entry system for Direct Principal Order Processing must ensure that: *(Amended 28/2/07)*

- (a) Its Dealers have obtained the appropriate accreditation and training required by **Rule 4.3** to be accredited DMA Dealers; and *(Amended 28/2/07)*
- (b) All clients accessing the Trading Participant's order entry system via Direct Principal Order Processing are aware of the Trading Participant's procedures and policies in relation to Direct Principal Order Processing. *(Amended 28/2/07)*

A10.13 DMA AUTHORISED PERSON REGISTER

A10.13.1 Each Trading Participant must keep a register of all of its DMA Authorised Persons including recording, as a minimum requirement, the following information:

- (a) The name, address, contact details including telephone, facsimile and e-mail details (if available) of the DMA Authorised Person and if that DMA Authorised Person is an agent of an underlying client, details of that underlying client;
- (b) The information required pursuant to **Rule 9.2.2(k)** and **(n)** to **(r)** if the DMA Authorised Person is a natural person; or
- (c) The information required pursuant to **Rule 9.2.2(l)** if the DMA Authorised Person is an agent of an underlying client and a copy of the written authorisation from that underlying client granting the DMA Authorised Person authority to act on behalf of that underlying client; *(Amended 28/2/07)*
- (d) Copies of any written security arrangements (or details of any non-written security arrangements between the Trading Participant and the DMA Authorised Person) regarding access by the DMA Authorised Person to the computer or other devices connected to the Trading Participant's order entry systems, the location of that computer or other devices, and the method of dealing with, and identifying, such computers or other devices. *(Amended 28/2/07)*

A10.13.2 If NZX for any reason considers that:

- (a) A Trading Participant has breached any of the applicable **Rules**, and/or directions issued from time to time by NZX or failed to observe Good Broking Practice; or *(Amended 28/2/07)*
- (b) The efficiency and integrity of any of the markets provided by NZX, or the functioning of the Trading System, are at risk (to be determined by NZX at its complete discretion), *(Amended 28/2/07)*

NZX may direct that Trading Participant immediately:

- (c) Stop using and/or providing Direct Market Access until NZX is satisfied of that Trading Participant's compliance with all applicable **Rules** and/or directions issued from time to time by NZX and/or Good Broking Practice; or *(Amended 28/2/07)*
- (d) Suspend, limit or prohibit:
 - (i) Any one or more of that Trading Participant's DMA Authorised Persons' participation in Direct Client Order Processing;
 - (ii) All of that Trading Participant's Direct Client Order Processing; or
 - (iii) That Trading Participant's Direct Market Access.

A10.13.3 If a Trading Participant does not comply with any direction given by NZX either to all or specific Trading Participants, or that Trading Participant does not comply in the time NZX considers necessary for the efficiency and integrity of any market provided by NZX, or for the proper functioning of the Trading System, NZX may withdraw Trading Permission for all Direct Market Access offered by, or associated with, that Trading Participant. *(Amended 28/2/07)*

A10.13.4 Any direction given by NZX in relation to this **Rule A10.13** will remain in force until such time as that direction by NZX is complied with, or the efficiency and integrity of any market provided by NZX and the Trading System are, in the complete discretion of NZX, no longer at risk. *(Amended 28/2/07)*

A10.13.5 If NZX uses its discretion to withdraw Trading Permission from any DMA Authorised Person and/or Trading Participant under these **Rules**, NZX will immediately notify the affected Trading Participant of the withdrawal. Subsequent to the withdrawal of Trading Permission, NZX will reasonably consider any written submission received by NZX on behalf of that Trading Participant outlining reasons why Trading Permission should not have been withdrawn.

A10.13.6 A decision by NZX in relation to a submission under **Rule A10.13.5** will be made by NZX as soon as possible and, in any case, within **two Business Days** of the receipt of the written submission by NZX.

A10.14 SHORT SELLING

A10.14.1 Each Trading Participant and NZX Advising Firm may only short sell Securities in accordance with these **Rules**.

A10.14.2 Except as otherwise provided in this **Rule A10.14**, these **Rules** shall apply to Short Sales as if they were Conventional Sales.

A10.14.3 Each Trading Participant and NZX Advising Firm is prohibited from entering into a Short Sale contract, either on its own behalf or knowingly for a client, unless such a Short Sale is undertaken in compliance with Good Broking Practice.

A10.14.4 Short Sales of Securities are prohibited if NZX has received:

- (a) a notice of Restricted Transfer or an Acquisition Notice as defined in **section 4 of the NZSX Listing Rules** and **section B3 of the NZAX Listing Rules**; or *(Amended 28/2/07)*
- (b) a takeover notice as defined in the Takeover Code Approval Order 2001 (“**Takeovers Code**”) in relation to that Security,

until:

- (i) The transfer of Securities the subject of the Restricted Transfer has been completed or the notice of Restricted Transfer has been withdrawn in accordance with **section 4 of the NZSX Listing Rules** or **section B3 of the NZAX Listing Rules**; or *(Amended 28/2/07)*
- (ii) The relevant offer under the Takeovers Code or takeover notice has lapsed or has been withdrawn; or *(Amended 28/2/07)*
- (iii) The compulsory acquisition process under **Rule 4.8 of the NZSX Listing Rules** or **Rule B3.3.1 of the NZAX Listing Rules** or **Part 7 of the Takeovers Code** has been completed. *(Amended 28/2/07)*

- A10.14.5** NZX shall have power to restrict, prohibit or otherwise limit Short Selling in all or any Securities for such period and for such reasons as it may, in its complete discretion, determine. *(Amended 28/2/07)*
- A10.14.6** Where a Trading Participant is not a Delivery and Settlement Participant, that Trading Participant must notify its Delivery and Settlement Participant if any sale of Equity Securities is a Short Sale.
- A10.14.7** A Short Sale of Securities (not being an Arbitrage transaction) may be made during the Adjust Session.
- A10.14.8** Where a Trading Participant receives an Order to buy or sell Securities after the close of business or during an Enquiry Session, a Short Sale may be made in those Securities at a price/yield which is agreed between the Seller and the Buyer.

A10.15 NON-STANDARD NZAX ISSUER – NO SHORT SELLING

Notwithstanding **Rule A10.14** Trading Participants and NZX Advising Firms are not permitted to Short Sell any Securities in a Non-Standard NZAX Issuer listed on the NZAX market *(Amended 28/2/07)*

A10.16 TRADING OPERATIONS FOR THE MARKETS PROVIDED BY NZX

- A10.16.1** The Trading System shall accept Orders only during an Anonymous Call Auction Session, Pre-Opening Session, a Trading Halt and a Normal Trading Session. *(Amended 28/2/07)*
- A10.16.2** If a Dealer, DMA Dealer or DMA Authorised Person is unable to enter Bids or Offers into the Trading System during an Anonymous Call Auction Session, Pre-Opening Session, a Trading Halt or a Normal Trading Session due to a fault in that Trading Participant's order entry system or some other reason not attributable to NZX the following procedures shall apply: *(Amended 28/2/07)*
- (a) The Dealer, DMA Dealer or DMA Authorised Person shall notify NZX as soon as practicable; and *(Amended 28/2/07)*
 - (b) The Dealer, DMA Dealer, or DMA Authorised Person may Trade using another Trading Participant's facilities or the facilities

provided by NZX as if they were its own provided that that Trading Participant has an arrangement in place to do so.

(Amended 28/2/07)

- A10.16.3** Each Order entered/submitted into the Trading System, unless it is a market Order, must specify the Security, price/yield and quantity of the Security to be bought or sold. *(Amended 28/2/07)*
- A10.16.4** All Orders entered/submitted into the Trading System shall be accepted as firm and shall be matched by the Trading System in the order of price/yield and then time priority. *(Amended 28/2/07)*
- A10.16.5** Each accepted Order must have a unique order number, which must be retained by a Trading Participant and which must be easily identifiable with the contract note number and the NZX Trade number as allocated to that Order. For the avoidance of doubt the unique Order number allocated to each Order pursuant to this **Rule A10.16.5** is not required to be printed on a client's contract note.
- A10.16.6** A Dealer, DMA Dealer or DMA Authorised Person may only withdraw an accepted Order prior to it being matched by the Trading System. *(Amended 28/2/07)*
- A10.16.7** An accepted Order that has not been matched by the Trading System may be reduced (but not increased) in quantity by the Dealer, DMA Dealer or DMA Authorised Person without losing its priority as determined pursuant to **Rule A10.16.4**. *(Amended 28/2/07)*
- A10.16.8** All Orders may be matched partially or completely.
- A10.16.9** All Orders entered into the Trading System by a Dealer, or DMA Dealer or DMA Authorised Person for his or her Trading Participant who is Acting as Principal or for an NZX Advising Firm who is Acting as Principal must result in a change in Beneficial Ownership. Where the DMA Authorised Person is a client of the Trading Participant orders entered by that DMA Authorised Person must result in a change in Beneficial Ownership. *(Amended 28/2/07)*

A10.17 TRADING ERRORS

A10.17.1 Where a Dealer, DMA Dealer or DMA Authorised Person becomes aware of any error in the entry/submission of an Order and that Order is matched before that error can be corrected, the following procedures shall apply:

(Amended 28/2/07)

- (a) The Dealer, DMA Dealer or DMA Authorised Person, through his or her Trading Participant, shall immediately contact the other Trading Participant with whom that Order was matched and seek to obtain the agreement of that other Trading Participant to cancel that matched Order. *(Amended 28/2/07)*
- (b) If agreement is reached by the Trading Participants to cancel a Trade in accordance with **Rule A10.17.1(a)** during a Trading Day:
 - (i) The Dealer, DMA Dealer or DMA Authorised Person must use the facility provided in the Trading System to request that the Trade be cancelled. *(Amended 28/2/07)*
 - (ii) The counterparty to the requested Trade cancellation must confirm its agreement to cancel using the facility provided in the Trading System. *(Amended 28/2/07)*
 - (iii) *(Revoked 28/2/07)*
- (c) For cancellations after the end of the Market Day and for the previous day's cancellations the Dealer, DMA Dealer or DMA Authorised Person must lodge with NZX a written notification signed by both parties to the cancelled Trade. *(Amended 28/2/07)*

A10.17.2 If the Buyer and Seller:

- (a) Agree to cancel a Trade, NZX shall approve the cancellation request and cancel the matched Order; or *(Amended 28/2/07)*
- (b) Do not agree to cancel a Trade, that Trade cancellation request will be rejected and the Trade will not be cancelled in the Trading System *(Amended 28/2/07)*

A10.17.3 Order priority in the market for any Security affected by a cancellation of a Trade will not be re-established following a cancellation.

A10.17.4 Each Trading Participant and NZX Advising Firm must keep an up-to-date error record of all Trading errors and/or cancellations of Trades valued at \$1,000 or greater. The Trading error register must, as a minimum, contain the following information: *(Amended 28/2/07)*

- (a) The reason for the error;
- (b) What Security the error related to;
- (c) Any effect the error has had on that Trading Participant or NZX Advising Firm and/or client of that Trading Participant or NZX Advising Firm;
- (d) Whether, and if so how, the error was remedied;
- (e) The date the error was made and who made the error; and
- (f) If able to be remedied, the date the error was remedied.

A10.17.5 NZX shall, from time to time, review the error record of each Trading Participant and may refer errant Trading Participants or NZX Advising Firms and the Employees of that Trading Participant or NZX Advising Firm to **NZX Discipline**. A Trading Participant or its Employees who frequently commit dealing errors shall be liable to have its or their Trading Permission suspended. *(Amended 28/2/07)*

A10.18 CANCELLATION FEE

Each Trading Participant or NZX Advising Firm will be charged a cancellation fee, as determined and advised from time to time by NZX, for the cancellation of:

- (a) Orders entered into the Trading System as the result of a genuine error by the Trading Participant, NZX Advising Firm or Employees of that Trading Participant or NZX Advising Firm; *(Amended 28/2/07)*

(b) Trades matched by the Trading System as a result of a genuine error by a Trading Participant, NZX Advising Firm or Employees of that Trading Participant or NZX Advising Firm; and/or

(Amended 28/2/07)

(c) Crossings by a Trading Participant or NZX Advising Firm.

A10.19 DISPUTES IN RELATION TO BUYS AND SELLS

A10.19.1 Any dispute in relation to Trades matched in the Trading System between Trading Participants must be promptly referred to and investigated by NZX, whose decision shall be final and binding on those Trading Participants.

(Amended 28/2/07)

A10.19.2 NZX shall use its best endeavours to reach a decision on any dispute referred to pursuant to **Rule A10.19.1** promptly on the day (where possible) on which that dispute is referred to it.

A10.20 ARBITRAGE

A10.20.1 Each Trading Participant or NZX Advising Firm may act as an Arbitrageur and may sell/purchase Securities before, at the same time or after buying/selling the same Securities on a bona fide Principal Account in another market. All Arbitrageurs must complete and submit a registration application in the form provided in **Appendix 8** for consideration by NZX for approval as an Arbitrageur.

(Amended 28/2/07)

A10.20.2 If an Arbitrageur effects a sale or purchase in another market as set out in **Rule A10.20.1**, which in the opinion of NZX is not a bona fide Arbitrage transaction, NZX may prohibit that Arbitrageur from being an Arbitrageur in any of the markets provided by NZX.

A10.21 TAKEOVER OFFERS

A10.21.1 Each Trading Participant or NZX Advising Firm may use the Special Order Facility (as prescribed and provided by NZX) to post a takeover offer.

(Amended 28/2/07)

A10.21.2 The takeover offer will be conducted in accordance with the requirements of the Special Order Facility provided in accordance with **Rule D10.7** as appropriate.

A10.22 TRADING HALTS AND SUSPENSIONS OF TRADING

A10.22.1 If any of the markets provided by NZX are halted or suspended during a Normal Trading Session for whatever reason, NZX may extend that Normal Trading Session. If such a decision is made, NZX will advise this decision to all Market Participants. *(Amended 28/2/07)*

A10.22.2 A Trading Halt or suspension may be called during a Normal Trading Session for any Security quoted on a market provided by NZX. *(Amended 28/2/07)*

A10.22.3 During a Trading halt or suspension Market Participants may not:

- (a) Trade or undertake Crossings; or
- (b) Report Crossings,

in the Security the subject of a Trading halt or suspension.

A10.22.4 If there is a Trading Halt or suspension affecting all Securities on any market provided by NZX, there shall be an Anonymous Call Auction or Pre-Opening Session for such market for a period of time, as determined from time to time by NZX, prior to re-commencing the Normal Trading Session in such markets.

A10.22.5 For avoidance of doubt NZX may suspend Trading in any market and shall advise Market Participants of such suspension and of the altered hours or market phases on that day.

A10.23 CONTRACTS

A10.23.1 Including a transaction in a Trading Participant's confirmed Trade report shall be prima facie evidence that the transaction has taken place and of the terms of that Trade.

A10.23.2 Refusal by NZX or directors of any Issuer to register a transfer shall not invalidate a contract between Trading Participants.

A10.23.3 A Trading Participant may sell the Securities the subject of a contract for which NZX or directors of any Issuer refuse to register the transfer and

account to its client for the loss or profit (including any reasonable brokerage) attributable to that sale.

PART B: ADDITIONAL REQUIREMENTS FOR TRADING ON THE NZSX

B10.1 TRADING SESSIONS FOR THE NZSX

In general, the operation of the Trading System during a Trading Day of the NZSX Market comprises different sessions, including but not limited to:

- (a) A Pre-Opening Session;
- (b) An Opening Order Match;
- (c) A Normal Trading Session;
- (d) An Adjust Session; and
- (e) An Enquiry Session.

The different sessions and scheduled times for each session during a Trading Day will be as notified from time to time by NZX.

(Amended 28/2/07)

B10.2 NZSX PRE-OPENING SESSION

B10.2.1 The Pre-Opening Session will be for a period of **1 hour** or for such other period as determined from time to time by NZX.

B10.2.2 During a Pre-Opening Session:

- (a) Dealers, DMA Dealers and DMA Authorised Persons may enter, withdraw or amend Orders; and *(Amended 28/2/07)*
- (b) No Orders shall be matched by the Trading System. *(Amended 28/2/07)*

B10.3 NZSX OPENING ORDER MATCH

B10.3.1 The Opening Order Match period is the instantaneous matching of Orders by the Trading System prior to the commencement of the Normal Trading Session. *(Amended 28/2/07)*

B10.3.2 During the Opening Order Match:

- (a) Orders shall be matched by the Trading System in priority by price and time of entry; and *(Amended 28/2/07)*
- (b) Where Orders in the Pre-Opening Session result in overlapping prices at the commencement of the Opening Order Match period, at the commencement of the Opening Order Match the Trading System will match the Orders and establish prices according to procedures determined from time to time by NZX. *(Amended 28/2/07)*

B10.4 NORMAL TRADING SESSION

B10.4.1 The Normal Trading Session shall be the Trading period between the close of the NZSX Opening Order Match until the commencement of the Adjust Session.

B10.4.2 During a Normal Trading Session:

- (a) Dealers, DMA Dealers and DMA Authorised Persons may enter, withdraw or amend Orders; and
- (b) Orders shall be matched by Trading System in priority by price and time of entry. *(Rule B10.4.2 Inserted 28/2/07)*

B10.5 ADJUST SESSION

B10.5.1 Subject to **Rule B10.8**, NZSX shall at the close of the Normal Trading Session be placed into an Adjust Session for a period of **30 minutes** prior to the commencement of the Enquiry Session.

B10.5.2 During the Adjust Session:

- (a) The quantity of each existing Order may be adjusted on the condition that the adjustment does not improve a Dealer's, DMA Dealer's and/or DMA Authorised Person's position in the market in respect of that Order being amended; *(Amended 28/2/07)*
- (b) Orders may be withdrawn but new Orders may not be entered;

- (c) Dealers, DMA Dealers and DMA Authorised Persons must indicate to the priority Buyers and priority Sellers during the Adjust Session, their intention to deal and their price; and *(Amended 28/2/07)*
- (d) If any priority Buyers or priority Sellers wish to Trade at the Dealer’s, DMA Dealer’s or DMA Authorised Person’s price, a Dealer, DMA Dealer or DMA Authorised Person must deal only with the priority Buyers or priority Sellers in accordance with the order or priority recorded in the Trading System at the close of the Normal Trading Session and may only effect a transaction with any other Dealer, DMA Dealer or DMA Authorised Person after the priority Buyers or priority Sellers have first been satisfied. *(Amended 28/2/07)*

B10.6 ENQUIRY SESSION

B10.6.1 NZSX will be placed into an Enquiry Session at the expiration of the Adjust Session until the commencement of the Pre-Opening Session on the next Trading Day, or at any other time determined from time to time by NZX in its complete discretion. *(Amended 28/2/07)*

B10.6.2 During an Enquiry Session for the NZSX, Bids and/or Offers can not be entered, amended or withdrawn in the Trading System. *(Amended 28/2/07)*

B10.6.3 Where a Trading Participant receives an Order to buy or sell Securities quoted on the NZSX during the Enquiry Session, that Trading Participant and another Trading Participant may, subject to compliance with **Rule B10.6.4**, effect that purchase or sale at a price that is mutually acceptable to both parties. *(Amended 28/2/07)*

B10.6.4 A transaction made in accordance with **Rule B10.6.3** must be reported as a sale through the Trading System not later than **15 minutes** prior to the commencement of the Normal Trading Session on the next Trading Day. *(Amended 28/2/07)*

B10.7 ANONYMOUS CALL AUCTION SESSION

B10.7.1 NZX, at its complete discretion, may introduce an Anonymous Call Auction Session for a period of **30 minutes**, or for such other period of time as prescribed from time to time by NZX, immediately prior to the Opening Order Match period.

B10.7.2 If an Anonymous Call Auction Session is introduced by NZX the Pre-Opening Session in accordance with **Rule B10.2** will be reduced from **1 hour to 30 minutes** or such other period of time as prescribed from time to time by NZX.

B10.7.3 During the Anonymous Call Auction Session:

- (a) Dealers, DMA Dealers and DMA Authorised Persons may enter, withdraw or amend Orders; and *(Amended 28/2/07)*
- (b) No Orders shall be matched by the Trading System. *(Amended 28/2/07)*

B10.8 NZSX MATCH SESSION

B10.8.1 NZX, at its complete discretion, may introduce a Match Session prior to the Adjust Session for such a time period as prescribed from time to time by NZX, immediately after the close of the Normal Trading Session.

B10.8.2 During the Match Session:

- (a) Orders shall be matched by the Trading System in priority by price and time of entry; and *(Amended 28/2/07)*
- (b) Where Orders result in overlapping prices at the commencement of the Match Session the Trading System will match the Orders and establish prices according to procedures determined from time to time by NZX. *(Amended 28/2/07)*

B10.9 MINIMUM BIDS (TICK SIZE/PRICE STEPS)

Unless otherwise determined from time to time by NZX, minimum price changes for a Security quoted on the NZSX shall be one cent (\$0.01) except: *(Amended 28/2/07)*

- (a) Where the price is less than twenty cents (\$0.20), the minimum price change will be one tenth of a cent (\$0.001); and *(Inserted 28/2/07)*
- (b) For rights, options, warrants, index fund units or other Securities that are dependent on the price of another Security, at the complete

discretion of NZX, the minimum price change will be one tenth of a cent (\$0.001). *(Inserted 28/2/07)*

B10.10 NON-DISCLOSURE OF QUANTITY OF SECURITIES QUOTED ON THE NZSX

B10.10.1 Each Trading Participant when entering/submitting an Order into the Trading System must specify both the price and quantity of Securities quoted on the NZSX the subject of that Order. *(Amended 28/2/07)*

B10.10.2 Subject to **Rule B10.10.3**, a Trading Participant may elect not to disclose the total quantity of Securities quoted on the NZSX the subject of an Order entered/submitted by that Trading Participant into the Trading System when the value of Securities quoted on the NZSX the subject of that Order exceeds \$100,000 (or any such amount as prescribed from time to time by NZX and advised to the market). *(Amended 28/2/07)*

B10.10.3 Notwithstanding **Rule B10.10.2**, NZX may from time to time prescribe a Trading Day on which Trading Participants are prohibited from not disclosing the quantity of the Securities quoted on the NZSX the subject of an Order as permitted by this **Rule B10.10**. *(Amended 28/2/07)*

B10.11 VOLUME WEIGHTED AVERAGE PRICE (VWAP)

B10.11.1 Subject to **Rule B10.11.2**, each Trading Participant may report Trades in Securities quoted on the NZSX effected at VWAP using a special condition code as prescribed by NZX. *(Amended 28/2/07)*

B10.11.2 Subject to **Rule D10.1.1(d)(ii)** each Trading Participant must report VWAP Trades once the Order is complete and the VWAP price is known. *(Amended 28/2/07)*

B10.11.3 For the purpose of this **Rule B10.11**, the VWAP of a Security quoted on the NZSX the subject of a Trade shall be as determined by that Trading Participant reporting the Trade as and when required. *(Amended 28/2/07)*

PART C: SPECIFIC REQUIREMENTS FOR TRADING ON THE NZAX

C10.1 TRADING SESSIONS FOR THE NZAX

In general, the operation of the Trading System during a Trading Day of the NZAX Market comprises different sessions, including but not limited to:

- (a) A Pre-Opening Session; *(Amended 28/2/07)*
- (b) An Opening Order Match;
- (c) A Normal Trading Session;
- (d) An Adjust Session; and *(Amended 28/2/07)*
- (e) An Enquiry Session.

The different sessions and scheduled times for each session during a Trading Day will be as notified from time to time by NZX.

(Amended 28/2/07)

C10.2 NZAX PRE-OPENING SESSION

C10.2.1 The Pre-Opening Session will be for a period of **1 hour** or for such other period as determined from time to time by NZX. *(Amended 28/2/07)*

C10.2.2 During a Pre-Opening Session: *(Amended 28/2/07)*

- (a) Dealers, DMA Dealers and DMA Authorised Persons may enter, withdraw or amend Orders; and *(Amended 28/2/07)*
- (b) No Orders shall be matched by the Trading System. *(Amended 28/2/07)*

C10.3 NZAX OPENING ORDER MATCH

C10.3.1 The Opening Order Match period is the instantaneous matching of Orders by the Trading System prior to the commencement of the Normal Trading Session. *(Amended 28/2/07)*

C10.3.2 During the Opening Order Match:

- (a) Orders shall be matched by the Trading System in priority by price and time of entry; and *(Amended 28/2/07)*
- (b) Where Orders in the Pre-Opening Session result in overlapping prices at the commencement of the Opening Order Match period, at the commencement of the Opening Order Match the Trading System will match the Orders and establish prices according to procedures determined from time to time by NZX. *(Amended 28/2/07)*

C10.4 NORMAL TRADING SESSION

C10.4.1 The Normal Trading Session shall be the Trading period between the close of the NZAX Opening Order Match until the commencement of the Adjust Session. *(Amended 28/2/07)*

C10.4.2 During a Normal Trading Session: *(Inserted 28/2/07)*

- (a) Dealers, DMA Dealers and DMA Authorised Persons may enter, withdraw or amend Orders; and
- (b) Orders shall be matched by Trading System in priority by price and time of entry.

C10.4A ADJUST SESSION *(Inserted 28/2/07)*

C10.4A.1 Subject to **Rule C10.5B**, NZAX shall at the close of the Normal Trading Session be placed into an Adjust Session for a period of **30 minutes** prior to the commencement of the Enquiry Session.

C10.4A.2 During the Adjust Session:

- (a) The quantity of each existing Order may be adjusted on the condition that the adjustment does not improve a Dealer's, DMA Dealer's and/or DMA Authorised Person's position in the market in respect of that Order being amended;
- (b) Orders may be withdrawn but new Orders may not be entered;

- (c) Dealers, DMA Dealers and DMA Authorised Persons must indicate to the priority Buyers and priority Sellers during the Adjust Session, their intention to deal and their price; and
- (d) If any priority Buyers or priority Sellers wish to Trade at the Dealer's, DMA Dealer's or DMA Authorised Person's price, a Dealer, DMA Dealer or DMA Authorised Person must deal only with the priority Buyers or priority Sellers in accordance with the order or priority recorded in the Trading System at the close of the Normal Trading Session and may only effect a transaction with any other Dealer, DMA Dealer or DMA Authorised Person after the priority Buyers or priority Sellers have first been satisfied.

C10.5 ENQUIRY SESSION

C10.5.1 NZAX will be placed into an Enquiry Session at the expiration of the Adjust Session until the commencement of the Pre-Opening Session on the next Trading Day, or at any other time determined from time to time by NZX at its complete discretion. *(Amended 28/2/07)*

C10.5.2 During an Enquiry Session for the NZAX, Bids and/or Offers can not be entered, amended or withdrawn in the Trading System. *(Amended 28/2/07)*

C10.5.3 Where a Trading Participant receives an Order to buy or sell Securities quoted on the NZAX during the Enquiry Session, that Trading Participant and another Trading Participant may, subject to compliance with **Rule C10.5.4**, effect that sale or purchase at a price which is mutually acceptable to both parties. *(Amended 28/2/07)*

C10.5.4 A transaction made in accordance with **Rule C10.5.3** must be reported as a sale through the Trading System not later than **15 minutes** prior to the commencement of the Normal Trading Session on the next Trading Day. *(Amended 28/2/07)*

C10.5A ANONYMOUS CALL AUCTION SESSION *(Inserted 28/2/07)*

C10.5A.1 NZX, at its complete discretion, may introduce an Anonymous Call Auction Session for a period of **30 minutes**, or for such other period of time as prescribed from time to time by NZX, immediately prior to the Opening Order Match period.

C10.5A.2 If an Anonymous Call Auction Session is introduced by NZX the Pre-Opening Session in accordance with **Rule C10.2** will be reduced from **1 hour** to **30 minutes** or such other period of time as prescribed from time to time by NZX.

C10.5A.3 During the Anonymous Call Auction Session:

- (a) Dealers, DMA Dealers and DMA Authorised Persons may enter, withdraw or amend Orders; and
- (b) No Orders shall be matched by the Trading System.

C10.5B NZAX MATCH SESSION *(Inserted 28/2/07)*

C10.5B.1 NZX, at its complete discretion, may introduce a Match Session prior to the Adjust Session for such a time period as prescribed from time to time by NZX, immediately after the close of the Normal Trading Session.

C10.5B.2 During the Match Session:

- (a) Orders shall be matched by the Trading System in priority by price and time of entry; and
- (b) Where Orders result in overlapping prices at the commencement of the Match Session the Trading System will match the Orders and establish prices according to procedures determined from time to time by NZX.

C10.6 MINIMUM BIDS (TICK SIZE/PRICE STEPS)

Unless otherwise determined from time to time by NZX, minimum price changes for a Security quoted on the NZAX shall be one cent (\$0.01) except: *(Amended 28/2/07)*

- (a) Where the price is less than 20 cents (\$0.20), the minimum price change will be one tenth of a cent (\$0.001); and *(Inserted 28/2/07)*
- (b) For rights, options, warrants, index fund units or other Securities that are dependent on the price of another Security, at the complete discretion of NZX, the minimum price change will be one tenth of a cent (\$0.001). *(Inserted 28/2/07)*

C10.7 VOLUME WEIGHTED AVERAGE PRICE (VWAP)

C10.7.1 Subject to **Rule C10.7.2**, each Trading Participant may report Trades in Securities quoted on the NZAX effected at VWAP using a special condition code as prescribed by NZX. *(Amended 28/2/07)*

C10.7.2 Subject to **Rule D10.1.1(d)(ii)** each Trading Participant must report VWAP Trades once the Order is complete and the VWAP price is known. *(Amended 28/2/07)*

C10.7.3 For the purpose of this **Rule C10.7**, the VWAP of a Security quoted on the NZAX the subject of a Trade shall be as determined by the Trading Participant as and when required. *(Amended 28/2/07)*

C10.8 NON-DISCLOSURE OF QUANTITY OF SECURITIES QUOTED ON THE NZAX *(Inserted 28/2/07)*

C10.8.1 Each Trading Participant when entering/submitting an Order into the Trading System must specify both the price and quantity of Securities quoted on the NZAX the subject of that Order.

C10.8.2 Subject to **Rule C10.8.3**, a Trading Participant may elect not to disclose the total quantity of Securities quoted on the NZAX the subject of an Order entered/submitted by that Trading Participant into the Trading System when the value of Securities quoted on the NZAX the subject of that Order exceeds \$100,000 (or any such amount as prescribed from time to time by NZX and advised to the market).

C10.8.3 Notwithstanding **Rule C10.8.2**, NZX may from time to time prescribe a Trading Day on which Trading Participants are prohibited from not disclosing the quantity of the Securities quoted on the NZAX the subject of an Order as permitted by this **Rule C10.8**.

PART D: OBLIGATIONS WHEN TRADING IN SECURITIES QUOTED ON THE NZSX OR NZAX

D10.1 CROSSING AND REPORTING

D10.1.1 For all Securities quoted on the NZSX or NZAX:

(Amended 28/2/07)

- (a) All Crossings must be reported through the Trading System in accordance with the requirements of the Trading System;
(Amended 28/2/07)
- (b) All Off-Market Trades effected after the close of a Normal Trading Session shall be reported by that Trading Participant effecting the Off Market Trade during the Adjust Session, the next Anonymous Call Auction Session or the Pre-Opening Session, depending on the trading sessions on the markets operated by NZX from time to time), and in all cases no later than 15 minutes prior to the commencement of the Normal Trading Session on the next Trading Day;
(Amended 28/2/07)
- (c) Except as otherwise provided in **Rule D10.1.1(d)**, all Crossings and negotiated deals under **Rule D10.1.1(h)** executed during a Normal Trading Session must be within the current quotations for that Security;
(Amended 28/2/07)
- (d) Crossings that may be executed outside the current quotations during the Normal Trading Session include:
 - (i) International Crossings;
 - (ii) Crossings executed at VWAP as provided for in **Section 10** provided the Crossing is recorded with a special trade code/source as determined by NZX;
 - (iii) Special Crossings and Special Portfolio Crossings as defined at **Rule D10.3**.
(Amended 28/2/07)
- (e) *(Moved to D10.1.1(d)(ii) - 28/2/07)*
- (f) *(Moved to D10.1.1(d)(iii) - 28/2/07)*

- (g) All Crossings or negotiated deals under **Rule D10.1.1(h)** executed during a Normal Trading Session must be reported immediately through the Trading System on the same Trading Day, providing details of price and quantity involved; *(Amended 28/2/07)*
- (h) The Seller is responsible for reporting off-market transactions between two Trading Participants through the Trading System. Such Trades should be reported in the Trading System as two-sided negotiated deals; *(Amended 28/2/07)*
- (i) Any Crossing outside the current quotations that is not permitted under **Rule D10.1** will be subject to an administrative charge, which shall be determined by NZX from time to time and/or may be referred to NZX Discipline; and *(Inserted 28/2/07)*
- (j) Any Crossing or trade reported outside of the timeframes stated in these Rules will be subject to an administrative charge, which shall be determined by NZX from time to time and/or may be referred to NZX Discipline. *(Inserted 28/2/07)*

D10.1.2 Each Trading Participant or NZX Advising Firm subject to an administrative charge under these Rules D10.1.1(i) or D10.1.1(j) may apply in writing to NZX for that decision to be reversed stating in full, the reasons supporting the requested reversal. NZX will reasonably consider such a written request but is not obliged to reverse the decision. In the event that NZX does not to reverse the decision, the Trading Participant or NZX Advising Firm may apply in writing for NZX to refer the matter to NZX Discipline and NZX shall refer any such decision to NZX Discipline. *(Inserted 28/2/07)*

D10.2 NON SALE OF SECURITIES QUOTED ON THE NZSX OR NZAX THE SUBJECT OF CROSSING

Where a Trading Participant or NZX Advising Firm wishes to cross Securities on either the NZAX or NZSX on a Trading Day where there have been no Trades in that security, that Crossing shall take place at a Crossing price which is not below the priority Bid price and not above the priority Offer price for those Securities quoted on the NZSX or NZAX. *(Amended 28/2/07)*

D10.3 SPECIAL CROSSINGS AND SPECIAL PORTFOLIO CROSSINGS

D10.3.1 A Crossing in Securities quoted on the NZSX or NZAX effected by a Trading Participant where: *(Amended 28/2/07)*

- (a) The consideration for the transaction is the lesser of \$1,000,000 or 5% of the Market Capitalisation of the Issuer of those Securities quoted on the NZSX or NZAX or such other amount as prescribed by NZX; *(Amended 28/2/07)*
- (b) Those Securities quoted on the NZSX or NZAX to be bought or sold are: *(Amended 28/2/07)*
 - (i) of a single Issuer; or
 - (ii) of the same class and are fully paid up; and
- (c) Those Securities quoted on the NZSX or NZAX are: *(Amended 28/2/07)*
 - (i) bought or sold by that Trading Participant Acting as Principal or as agent on behalf of one or more clients of that Trading Participant or in both capacities; or
 - (ii) bought or sold by that Trading Participant Acting as Principal or as agent on behalf of one client of that Trading Participant. For the avoidance of doubt, that client may be a funds manager on behalf of more than one client account

shall, under this **Rule D10.3.1** be considered a **Special Crossing**.

(Amended 28/2/07)

D10.3.2 A Crossing in Securities quoted on the NZSX or NZAX may be effected by a Trading Participant where: *(Amended 28/2/07)*

- (a) The portfolio comprises a number of purchases and/or sales of different Securities quoted on the NZSX or NZAX pursuant to a single agreement for an agreed price; *(Amended 28/2/07)*

- (b) That Trading Participant:
 - (i) acts as agent for both the Buyer and Seller of the portfolio; or
 - (ii) Acting as Principal, buys from or sells to the client, the portfolio;
- (c) There are at least 5 purchases and/or sales of different Securities quoted on the NZSX or NZAX greater than \$150,000 each, or such other amount as determined from time to time by NZX, although additional purchases and/or sales of less than \$150,000 (or the amount determined by NZX) may be included; and
(Amended 28/2/07)
- (d) The total consideration for all purchases and/or sales making up the portfolio is not less than \$2,500,000 or such other amount determined by NZX

shall, under this **Rule D10.3.2** be considered a **Special Portfolio Crossing**.
(Amended 28/2/07)

D10.3.3 For the avoidance of doubt the price at which a Special Crossing or Special Portfolio Crossing shall be negotiated on account of the Trading Participant's client or, if that Trading Participant is Acting as Principal, at a price to be agreed between the parties.
(Amended 28/2/07)

D10.4 CROSSING AFTER THE CLOSE OF THE NORMAL TRADING SESSION

D10.4.1 This **Rule D10.4** applies to all Crossings in Securities quoted on the NZSX or NZAX executed after the close of the Normal Trading Session except International Crossings and Special Crossings. *(Amended 28/2/07)*

D10.4.2 After the close of the Normal Trading Session and until the commencement of the Normal Trading Session on the next Trading Day, Dealers, DMA Dealers and DMA Authorised Persons may Cross an Order with an opposite Order to sell or buy Securities quoted on the NZSX or NZAX in accordance with the following procedures: *(Amended 28/2/07)*

- (a) If there are priority Buyers and priority Sellers at the close of a Normal Trading Session on a given Trading Day:

- (i) the Dealer, DMA Dealer or DMA Authorised Person must Bid the Securities quoted on the NZSX or NZAX to all Sellers recorded in the Trading System at the close of the Normal Trading Session at the end of the Trading Day in order of priority from the lowest offer price up to, but not including, Offers at the price at which the Dealer, DMA Dealer or DMA Authorised Person desires to Cross; or *(Amended 28/2/07)*
- (ii) the Dealer, DMA Dealer or DMA Authorised Person must Offer the Securities quoted on the NZSX or NZAX to all Buyers recorded in the Trading System at the close of the Normal Trading Session at the end of a Trading Day in order of priority from the highest Bid down to, but not including, Bids at the price which the Dealer DMA Dealer or DMA Authorised Person desires to Cross. *(Amended 28/2/07)*

D10.4.3 Any Securities quoted on the NZSX or NZAX which remain available after **Rule D10.4.2** has been complied with may be Crossed by the Dealer, DMA Dealer or DMA Authorised Person. *(Amended 28/2/07)*

D10.4.4 If there are only priority Buyers or priority Sellers at the end of the Normal Trading Session on a given Trading Day:

- (a) The Dealer, DMA Dealer and DMA Authorised Person must deal only with priority Buyers or Sellers. Dealers, DMA Dealers and DMA Authorised Persons must advise the priority Buyers and Sellers as the case may be of its intention to Cross the transaction and provide the Buyer and the Seller with the opportunity to participate in that transaction; *(Amended 28/2/07)*
- (b) If no sale has occurred in the Securities quoted on the NZSX or NZAX the subject of the Crossing on any Trading Day, any resulting Crossing will take place at a Crossing price which is not below the priority Bid price and not above the priority Offer price. *(Amended 28/2/07)*

D10.4.5 If after the close of a Normal Trading Session on any given Trading Day, a Dealer, DMA Dealer or DMA Authorised Person is unable to contact the priority Sellers or priority Buyers by telephone after making reasonable efforts to do so, the Dealer, DMA Dealer or DMA Authorised Person may

effect a Crossing with a non-priority Seller or a non-priority Buyer.

(Amended 28/2/07)

D10.4.6 Each Trading Participant must report a Crossing transacted after the close of the Normal Trading Session on a Trading Day during the Adjust Session or no later than **15 minutes prior** to opening of the Normal Trading Session on the following Trading Day. *(Amended 28/2/07)*

D10.4.7 For the avoidance of doubt, the price at which a Crossing may be made during an Enquiry Session shall be negotiated on account of that Trading Participant's client or if the Trading Participant is Acting as Principal, at a price agreed between the parties.

D10.5 TRADING AFTER THE CLOSE OF A NORMAL TRADING SESSION

D10.5.1 If a Trading Participant receives an Order to buy or sell Securities quoted on the NZSX or NZAX after the close of a Normal Trading Session on a Trading Day or during the Enquiry Session that Trading Participant may enter into a transaction for the sale or purchase of those Securities quoted on the NZSX or NZAX at a price to be determined between the parties. *(Amended 28/2/07)*

D10.5.2 A Trading Participant must report a Trade pursuant to **Rule D10.5.1** no later than **15 minutes** prior to the opening of the Normal Trading Session on the following Trading Day.

D10.6 TRADING PRIORITIES ON THE TRADING SYSTEM

Except as otherwise determined by NZX from time to time, every Bid or Offer price for Securities quoted on the NZSX or NZAX entered into the Trading System will be placed in priority according to the highest priced Bid and the lowest priced Offer. An earlier entered Offer price has priority over an Offer at the same price entered at a later time.

(Amended 28/2/07)

D10.7 STANDS IN THE MARKET

D10.7.1 **Subject to Rule D10.7.1(a) or (b)**, each Trading Participant that receives an instruction to acquire more than **10%** of the issued capital of an Issuer in any class of Equity Security including options or any other class of

security convertible into an Equity Security shall Bid in the market to purchase from other Trading Participants at least **20%** of the total number of each class of Security sought. For the avoidance of doubt, the requirements of this **Rule D10.7.1** shall apply to Crossings. This **Rule D10.7.1** shall not apply where the Equity Securities to be acquired pursuant to the instruction are to be acquired only: *(Amended 28/2/07)*

- (a) In single parcels of **5%** or more of the relevant class of Equity Security from one or more substantial security holders (as defined in section 2 of the Securities Markets Act 1988) of the Equity Security; or
- (b) In individual transactions from one or more Sellers of the relevant class of Equity Security for a consideration of \$3,000,000 or more per transaction.

D10.7.2 If the Special Order Facility is required and NZX is satisfied with the way the process of acceptance within the **20%** recognises Retail Clients, that Trading Participant announcing the stand in the market may also Offer Equity Securities on behalf of Retail Clients to the Bid in the Special Order Facility. *(Amended 28/2/07)*

D10.7.3 NZX shall appoint a stand manager to ensure compliance with all applicable Rules.

D10.7.4 The procedure for bidding in the market shall be as follows:

- (a) Notice of the Bid, including all relevant details, must be given to NZX on a strictly confidential basis.
- (b) The notice must be kept confidential to the bidder and NZX until the process for handling acceptances (if the Special Order Facility is used) is agreed with NZX after which time the stand is placed in the market, and the market is informed.
- (c) NZX will disseminate full details of the Bid as a market announcement.
- (d) For stands in the market announced after the opening of a Normal Trading Session where the Special Order Facility is not used to facilitate acceptance processing, trading in the Issuer's Equity

Securities and any related Equity Securities shall be placed in a Pre-Opening Session for **15 minutes** from the time the market announcement is made.

- (e) For stands in the market where the Special Order Facility is being used to facilitate acceptance processing, the market will be given, in the form of an announcement by NZX to the market, **one hour's notice** from the time the market is informed before the stand in the market may commence in the market established for that Equity Security. For the avoidance of doubt, failure by the Trading Participant to provide more than **one hour's notice** to NZX to allow it to make an announcement to the market that the Special Order Facility is being used to facilitate acceptance processing will result in a delay to the stand in the market commencing. The stand in the market will not commence until such time as the market has been provided with one hour's notice of the intention of the Trading Participant to use the Special Order Facility.

- (f) If any post matching processing by NZX is required for a stand in the market, **one Business Day's notice** must be given to NZX of what is proposed under **Rule D10.7.4(g)(v)** to **(vii)**. For the avoidance of doubt, failure to give one Business Day's notice of the requirement for any post matching process will delay the use of that process until one Business Day's notice is given to NZX by that Trading Participant.

- (g) Each Trading Participant announcing a stand in the market shall advise NZX of the following details:
 - (i) Name of the Issuer whose Equity Securities are the subject of that stand in the market;
 - (ii) Class of Equity Security;
 - (iii) Number of Equity Securities (or percentage of issued capital) proposed to be purchased;
 - (iv) Price of the Bid to which that stand in the market relates;
 - (v) Period for which that stand in the market will remain open;

- (vi) Details of the acceptance process if the Special Order Facility is used to Trade pursuant to the Bid to which that stand in the market relates; and
 - (vii) Details of any price escalation or other condition of the Bid to which that stand in the market relates.
- (h) The agreement of NZX is required to the method of processing acceptances to be adopted and the form of advice to be given to the market for any use of the Special Order Facility.
- (i) The name of the client making the Bid need not be disclosed, but that Trading Participant must make that client fully aware of its obligations under Part II of the Securities Markets Act 1988 to provide substantial security holder notices immediately when that obligation arises.
- (j) Where:
- (i) The bidder is an Issuer, it must be made fully aware of its obligations under **Rules 4 (if applicable) and 10.1.1 of the NZSX Listing Rules and Rules B1.1.1 and B3 of the NZAX Listing Rules**; and
 - (ii) The stand relates to a code company (as defined in the Takeovers Code Approval Order 2001), the bidder must be made aware of its obligations under the Takeovers Code (if any).
- (k) If NZX provides its consent to the use of the Special Order Facility in respect of a stand in the market and after receipt of a notice pursuant to **Rule D10.7.4(a)**, NZX will establish a separate market for the Security in the Trading System. The opening time for that separate market for the Equity Security the subject of the stand in the market will be at the discretion of NZX. NZX will notify the market of the time the separate market for the stand in the market will open and whether there will be a Pre-Opening Session or an Anonymous Call Auction (whichever is appropriate for the market provided by NZX from time to time) for that Equity Security. (*Amended 28/2/07*)

- (l) Only that Trading Participant announcing the stand in the market may place a Bid in the separate market established for the Equity Security where the Special Order Facility is used.
- (m) The Bid to which the stand in the market relates must be maintained until the instruction is completed or until that Trading Participant announcing the stand notifies NZX in writing that the Bid is withdrawn.
- (n) A notice provided under **Rule D10.7.4** must include details of the level of acceptances of the Bid to which that stand in the market relates.
- (o) When notice pursuant to **Rule D10.7.4** of a Bid has been given, Bids specific to the Equity Securities to which that stand in the market relates at other prices may be made by any person in compliance with all applicable Rules, including the original bidder, in the usual trading code for that Equity Security.
- (p) Variations to a stand in the market and other Bids which are stands in the market must be notified in writing to NZX immediately and must follow the procedures of this **Rule D10.7.4**.
- (q) Only valid acceptances may be submitted to any Bid in the Special Order Facility. NZX will cancel any invalid Orders in post-matching processing.
- (r) The Special Order Facility may also be used for processing any significant Order to buy or sell Equity Securities on-market. Procedures for announcing and processing such an Order shall be as described in this **Rule D10.7.4**.
- (s) In addition to the requirements of this **Rule D10.7**, Trading Participants must comply with any directions issued from time to time by NZX for processing a stand in the market and at all times observe Good Broking Practice. *(Amended 28/2/07)*
- (t) Each Trading Participant should ensure that it is familiar with the Rules, any directions given from time to time by NZX and Good Broking Practice on processing a stand in the market before participating in a stand in the market or any alternative use of the Special Order Facility. *(Amended 28/2/07)*

- (u) Each Trading Participant must ensure that it complies at all times with, and that each of its clients is fully aware of, their obligations (if any) under the Takeovers Code.

D10.8 REPORTING REQUIREMENTS FOR ESCALATION CLAUSES OR OTHER BENEFITS IN MARKET BIDS

D10.8.1 Full details of escalation clauses being offered in on-market or off-market Bids must be provided in writing to NZX for release to the market. Those details must include the parties to whom the escalation is offered.

D10.8.2 Where escalation clauses or other benefits are offered selectively in on-market or off-market Bids, that fact and details of the nature of the escalation or other benefit offered must be provided in writing immediately to NZX.

D10.8.3 If a general escalation is paid to every Seller after sales of those Equity Securities at a lower price are reported, the buying Dealer, DMA Dealer or DMA Authorised Person or Advisor shall advise NZX of the higher price paid to those Sellers, including any transaction for which he or she is also the selling Dealer, DMA Dealer, DMA Authorised Person, or Advisor.

(Amended 28/2/07)

D10.8.4 Where any transaction involves an escalation clause or any agreement to pay a fee or other consideration in addition to the reported sale price for specific Equity Securities, the buying Dealer, DMA Dealer, DMA Authorised Person, or Advisor shall provide in writing details of such escalation clause or agreement to NZX.

(Amended 28/2/07)

PART E: SPECIFIC REQUIREMENTS FOR TRADING ON THE NZDX

E10.1 TRADING SESSIONS FOR NZDX

In general the operation of the Trading System during a Trading Day for the NZDX comprises different sessions, including but not limited to:

- (a) A Pre-Opening Session;
- (b) An Opening Order Match;
- (c) A Normal Trading Session;
- (d) An Adjust Session; and
- (e) An Enquiry Session.

The different sessions and scheduled times for each session during a Trading Day will be as notified from time to time by NZX.

(Amended 28/2/07)

E10.2 NZDX PRE-OPENING SESSION

E10.2.1 The Pre-Opening Session will be for a period of **1 hour** or for such other period as determined from time to time by NZX.

E10.2.2 During a Pre-Opening Session:

- (a) Dealers, DMA Dealers and DMA Authorised Persons may enter, withdraw or amend Orders; and *(Amended 28/2/07)*
- (b) No Orders shall be matched by the Trading System. *(Amended 28/2/07)*

E10.3 NZDX OPENING ORDER MATCH

E.10.3.1 The Opening Order Match period is the instantaneous match of Orders by the Trading System prior to the commencement of the Normal Trading Session. *(Amended 28/2/07)*

E.10.3.2 During the Opening Order Match:

- (a) Orders shall be matched by the Trading System in priority by yield or by price (where quotation by price is permitted as determined from time to time by NZX) and time of entry; and
(Amended 28/2/07)
- (b) Where Orders in the Pre-Opening Session result in overlapping yields or prices (where quotation by price is permitted as determined from time to time by NZX), at the commencement of the Opening Order Match period, at the commencement of the Opening Order Match period the Trading System will match Orders and establish yield/prices according to procedures determined from time to time by NZX.
(Amended 28/2/07)

E10.4 NORMAL TRADING SESSION

E10.4.1 The Normal Trading Session shall be the Trading period between the close of the NZDX Opening Order Match until the commencement of the Adjust Session.

E10.4.2 During a Normal Trading Session:

- (a) Dealers, DMA Dealers and DMA Authorised Persons may enter, withdraw or amend Orders; and
- (b) Orders shall be matched by Trading System in priority by price and time of entry.
(Inserted 28/2/07)

E10.5 ADJUST SESSION

E10.5.1 Subject to **Rule E10.7**, NZDX shall at the close of the Normal Trading Session be placed into an Adjust Session for a period of **30 minutes** prior to the commencement of the Enquiry Session.

E10.5.2 During the Adjust Session:

- (a) The quantity of each existing Order may be adjusted on the condition that that adjustment does not improve a Dealer's, DMA Dealer's and/or a DMA Authorised Person's position in the market in respect of that Order being amended; and
(Amended 28/2/07)

- (b) Orders may be withdrawn but new Orders may not be entered.

E10.6 ENQUIRY SESSION

E10.6.1 NZDX will be placed into an Enquiry Session at the expiration of the Adjust Session until the commencement of the Pre-Opening Session on the next Trading Day, or at any other time determined from time to time by NZX in its complete discretion. *(Amended 28/2/07)*

E10.6.2 During an Enquiry Session for the NZDX, Bids and/or Offers can not be entered, amended or withdrawn in the Trading System.*(Amended 28/2/07)*

E10.6.3 Where a Trading Participant receives an Order to buy or sell Securities quoted on the NZDX during the Enquiry Session, that Trading Participant and another Trading Participant may, subject to compliance with **Rule E10.6.4** effect that purchase or sale through the Trading System at a yield or at a price (where quotation by price is permitted as determined from time to time by NZX) that is mutually acceptable to both parties. *(Amended 28/2/07)*

E10.6.4 A transaction made in accordance with **Rule E10.6.3** must be reported as a sale through the Trading System not later than **15 minutes** prior to the commencement of the Normal Trading Session on the next Trading Day. *(Amended 28/2/07)*

E10.6A ANONYMOUS CALL AUCTION SESSION

E10.6A.1 NZX, at its complete discretion, may introduce an Anonymous Call Auction Session for a period of **30 minutes**, or for such other period of time as prescribed from time to time by NZX, immediately prior to the Opening Order Match period.

E10.6A.2 If an Anonymous Call Auction Session is introduced by NZX the Pre-Opening Session in accordance with **Rule E10.2** will be reduced from **1 hour to 30 minutes** or such other period of time as prescribed from time to time by NZX.

E10.6A.3 During the Anonymous Call Auction Session:

- (a) Dealers, DMA Dealers and DMA Authorised Persons may enter, withdraw or amend Orders; and

- (b) No Orders shall be matched by the Trading System.
(Rule E10.6A Inserted 28/2/07)

E10.7 NZDX MATCH SESSION

E10.7.1 NZX, at its complete discretion, may introduce a Match Session prior to the Adjust Session for such time period as prescribed from time to time by NZX, immediately after the close of the Normal Trading Session.

E10.7.2 During the Match Session:

- (a) Orders shall be matched by the Trading System in priority by yield/price and time of entry; and *(Amended 28/2/07)*
- (b) Where Orders result in overlapping yields/prices at the commencement of the Match Session, the Trading System will match the Orders and establish yields/prices according to procedures determined from time to time by NZX. *(Amended 28/2/07)*

E10.8 NON-DISCLOSURE OF QUANTITY OF SECURITIES QUOTED ON THE NZDX

E10.8.1 Each Trading Participant when entering/submitted an Order into the Trading System must specify both the yield and/or price (where quotation by price is permitted as determined from time to time by NZX) and quantity of the Securities quoted on the NZDX the subject of that Order.
(Amended 28/2/07)

E10.8.2 Subject to **Rule E10.8.3**, a Trading Participant may elect not to disclose the total quantity of Securities quoted on the NZDX the subject of an Order entered/submitted by that Trading Participant into the Trading System when the value of Securities quoted on the NZDX the subject of that Order exceeds \$100,000 (or any such amount as prescribed from time to time by NZX and advised to the market). *(Amended 28/2/07)*

E10.8.3 Notwithstanding **Rule E10.8.2**, NZX may from time to time prescribe a Trading Day on which Trading Participants are prohibited from not disclosing the quantity of Securities quoted on the NZDX the subject of an Order as permitted by this **Rule E10.8**. *(Amended 28/2/07)*

E10.9 MINIMUM ORDER VALUE FOR SECURITIES QUOTED ON THE NZDX

E10.9.1 Unless expressly specified elsewhere in these **Rules**, Orders in Securities quoted on the NZDX must be not less than the minimum registrable value for that Security quoted on the NZDX as determined by the Issuer or Listing Rules. For the avoidance of doubt, this **Rule E10.9.1** does not preclude: *(Amended 28/2/07)*

- (a) The addition of small parcels of Securities to an existing portfolio where the resulting holding is greater than or equal to the minimum holding required; or
- (b) Small sales of part of a holding where the residual holding, after completion of the sale, still exceeds or is equal to the minimum holding required; or
- (c) The sale of a total existing holding that is smaller than the required minimum holding.

E10.9.2 Unless otherwise determined from time to time by NZX, the minimum yield changes for a Security quoted on the NZDX shall be to three decimal places in increments of 0.005 (being half a basis point). *(Amended 28/2/07)*

E10.10 Deleted 2004

E10.11 Deleted 2004

E10.12 SPECIAL CROSSINGS IN SECURITIES QUOTED ON THE NZDX

A Crossing in Securities quoted on the NZDX effected by a Trading Participant where: *(Amended 28/2/07)*

- (a) The consideration for the transaction is not less than \$250,000 or such other amount as prescribed by NZX;
- (b) Those Securities quoted on the NZDX to be bought or sold are: *(Amended 28/2/07)*

- (i) of a single Issuer; or
 - (ii) of the same class and are fully paid up; and *(Amended 28/2/07)*
- (c) Those Securities quoted on the NZDX are: *(Amended 28/2/07)*
- (i) bought or sold by that Trading Participant Acting as Principal or as agent on behalf of one or more clients of that Trading Participant or in both capacities; or
 - (ii) bought or sold by that Trading Participant Acting as Principal or as agent on behalf of one client of that Trading Participant. For the avoidance of doubt, that client may be a funds manager on behalf of more than one client account,

shall, under this **Rule E10.12**, be considered a **Special Crossing**.
(Amended 28/2/07)

E10.13 CROSSING AFTER THE CLOSE OF THE NORMAL TRADING SESSION

E10.13.1 This **Rule E10.13** applies to all Crossings in Securities quoted on the NZDX executed after the close of the Normal Trading Session except International Crossings and Special Crossings. *(Amended 28/2/07)*

E10.13.2 After the close of the Normal Trading Session and until the commencement of the Normal Trading Session on the next Trading Day, Dealers, DMA Dealers and DMA Authorised Persons may Cross an Order with an opposite Order to sell or buy Securities quoted on the NZDX. *(Amended 28/2/07)*

E10.13.3 Each Trading Participant must report a Crossing transacted after the close of the Normal Trading Session on a Trading Day during the Adjust Session or no later than **15 minutes prior** to opening of the Normal Trading Session on the following Trading Day. *(Amended 28/2/07)*

E10.14 Deleted 2004

E10.15 CROSSING AND REPORTING FOR NZDX

- E10.15.1** For all Securities quoted on the NZDX: *(Amended 28/2/07)*
- (a) All Crossings must be reported by a Trading Participant through the Trading System in accordance with the requirements of the Trading System; *(Amended 28/2/07)*
 - (b) All Off-Market Trades in Securities must be reported as Traded (i.e. excluding any reasonable brokerage or commission). Off-Market Trades in Securities quoted on the NZDX may be conducted outside the quotes prevailing in the Trading System at the time of the Trade; *(Amended 28/2/07)*
 - (c) All Off-Market Trades effected after the close of the Normal Trading Session shall be reported by that Trading Participant effecting the Off-Market Trade during the Adjust Session or during the next Pre-Opening Session, and in all cases no later than 15 minutes prior to the commencement of the Normal Trading Session on the next Trading Day; *(Amended 28/2/07)*
 - (d) Sales of Securities must be reported through the Trading System on the same Trading Day or, if conducted after trading hours, in accordance with the requirements set out in these **Rules**; *(Amended 28/2/07)*
 - (e) The Seller is responsible for reporting off market transactions between two Trading Participants through the Trading System. Such Trades should be reported in the Trading System as two-sided negotiated deals; *(Amended 28/2/07)*
 - (f) All Trades shall be reported in the Trading System on a gross basis excluding any reasonable brokerage or fees incurred; and *(Amended 28/2/07)*
 - (g) Any Crossing or Trade reported outside of the timeframes stated in these Rules will be subject to an administrative charge, which shall be determined by NZX from time to time and/or may be referred to NZX Discipline. *(Inserted 28/2/07)*

E10.15.2 Each Trading Participant or NZX Advising Firm subject to an administrative charge under Rule E10.15.1(g) may apply in writing to NZX for that decision to be reversed stating in full, the reasons supporting the requested reversal. NZX will reasonably consider such a written request but is not obliged to reverse the decision. In the event that NZX does not to reverse the decision, the Trading Participant or NZX Advising Firm may apply in writing for NZX to refer the matter to NZX Discipline and NZX shall refer any such decision to NZX Discipline.

(Inserted 28/2/07)

E10.16 Deleted 2004