



## Appendix Five – Part A Quarterly Internal Control Checklist

### Completing this checklist

If you need assistance with your checklist, please contact NZX Regulation Limited (**NZ RegCo**) Participant Compliance on [participant@nzregco.com](mailto:participant@nzregco.com) or +64 4 498 2279.

All information provided to NZX in relation to this checklist will be kept confidential, except to the extent that disclosure of any or all of the information provided is necessary for the exercise of NZX's regulatory functions, or as required by law.

Completed checklists (together with any supporting information) should be emailed to [participant@nzregco.com](mailto:participant@nzregco.com) or uploaded to the NZX Participant reporting platform within 10 Business days after the last day of each calendar quarter.

Part A of this checklist is required to be completed by all Participants Requiring Capital in accordance with NZX Derivatives Market Rule 13.2 and NZX Derivatives Procedure 13.2.2.

Please respond Yes, No or Not Applicable and include details where relevant. For questions relating to notifications to NZX, please respond "N/A" if notifications were unnecessary.





Name of Participant: \_\_\_\_\_

Quarter ended: \_\_\_\_\_

The Participant confirms that:

Rule	Internal Control Questions	Y, N, N/A	Comment
<b>Section 3</b>	<b>Application, Designation and Accreditation, Responsible Executives and Compliance Managers (all Participants)</b>		
3.7	During this quarter, the Participant notified NZX in writing of: <ul style="list-style-type: none"> <li>the appointment of any Director within 5 Business Days of that appointment and provided NZX with an executed undertaking for the Director or Partner.</li> <li>the resignation of any Director within 5 Business Days of that resignation.</li> </ul>		
3.8.1	During this quarter, the Participant notified NZX in writing of any changes to its Management arrangements/structure within 5 Business Days of that change being made.		
3.11	During this quarter, the Participant notified NZX in writing of the resignation, appointment or change of the Participant's Compliance Manager within 1 Business Day of that change being made.		
3.22.2	During this quarter, the Participant notified NZX in writing, details of all entities to which Rule <b>Error! Reference source not found.</b> or <b>Error! Reference source not found.</b> applies and of any changes to any of those entities within five 5 Business Days of the Rule beginning or ceasing to apply to that entity.		
<b>Section 4</b>	<b>Business Conduct of Participants (all Participants)</b>		
4.5.1	During this quarter, the Participant notified NZX of the following promptly after becoming aware of the same:		

	<ul style="list-style-type: none"> <li>(a) the Insolvency of the Participant or of any of its Directors, or other Person holding an analogous position in that Participant;</li> <li>(b) any change in Control of the Participant, such Notice to give full details of the change of Control;</li> <li>(c) any breach of the Rules by the Participant and the occurrence of any event referred to in Rule 14.15 of the Rules;</li> <li>(d) where the Participant or any of its Directors is charged or convicted of an indictable offence;</li> <li>(e) where any emergency arises (including the failure of that Participant's accounting system or ability to connect to the Trading System), which results in that Participant being unable to comply with the requirements as set out in these Rules applicable to that Participant. As part of that notification, that Participant must advise NZX of the specific steps that Participant is undertaking to deal with, and if possible remedy, that emergency;</li> <li>(f) where that Participant, due to circumstances outside its control, is unable to comply or it is impractical for that Participant to comply with any requirement of these Rules. As part of that notification, that Participant must advise NZX of the specific steps that Participant is undertaking to deal with, and if possible remedy, that situation;</li> <li>(g) the details of any litigation, arbitration or administrative proceedings, claims or action (including disciplinary or enforcement actions) taken, threatened or pending against the Participant or any Director, or partner, as the case may be, Employees, agent or Person acting on the Participant's behalf by any Regulatory Authority, Alternative Regulator, exchange, market operator, clearing and settlement facility or any other Person which, if adversely determined, would reasonable be likely to have a Material Adverse Effect;</li> <li>(h) where that Participant is an Overseas Participant, that its Alternative Regulator:             <ul style="list-style-type: none"> <li>i. has commenced or notified that Overseas Participant that is intends to commence any disciplinary proceeding;</li> <li>ii. has requested further information from the Overseas Participant;</li> <li>iii. has commenced a disciplinary proceeding against that Overseas Participant or notified that Overseas Participant that it intends to do so;</li> </ul> </li> <li>(i) where that Participant is and Overseas Participant, of any event of which its Alternative Regulator requires immediate notification;</li> <li>(j) any material change in information concerning the Participant or the Participant's business from that previously provided to NZX.</li> </ul>		
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4.5.2	<p>During this quarter, the Participant notified NZX in writing of any changes to the Trading Participant's Dealer(s) within 5 Business Days:</p> <ul style="list-style-type: none"> <li>(a) the proposed appointment or resignation of its auditor;</li> <li>(b) any proposed Major Transaction, (or analogous transaction under the law of another jurisdiction) or material change in the nature or scope of its business or any proposed cessation of its business as a Participant;</li> <li>(c) the change of its name or the name in which it carries on business, or any change in the address at which the Participant carries on business or stores or maintains records or other information required to be stored or maintained by these Rules;</li> <li>(d) the change to the contact details for the Participant, the Responsible Executive or any Director, Employees, agent or other Person acting on behalf of the Participant, which the Participant has previously provided to NZX;</li> <li>(e) any proposed issue, re-purchase or redemption of securities issued by the Participant (including the purchase of all or any of the shares of a share holder following receipt by the Participant of a notice by that shareholder pursuant to section 111(1) of the Companies Act 1993), any proposed amalgamation or reconstruction of the Participant, any proposed provision of financial assistance for the acquisition of securities issued by the Participant or its Holding Company, or any release of its security holders from liability to the Participant, including the obligation to pay uncalled consideration on securities; or</li> <li>(f) any proposed change in its legal or corporate structure, change to its constitution or place, jurisdiction or nature of incorporation, domicile or residence.</li> </ul>		
4.6	<p>At any time in this quarter that the Participant has filed an annual return, financial statements, or a notice of a change in its share capital, its Directors or its Constitution with the Registrar of Companies, or in the respect of an Overseas Participant, such Alternative Regulator or person holding an analogous office to the Registrar of Companies in its home jurisdiction, the Participant also sent a copy of such return or notice to NZX.</p>		
4.16.2	<p>The Participant continues to have the following insurances:</p> <ul style="list-style-type: none"> <li>(a) Professional indemnity insurance; and</li> <li>(b) Directors' and officers' liability insurance (when applicable to the legal structure of the Market Participant).</li> </ul>		
4.16.3(f)	<p>During the quarter, the Participant has notified NZX of any material change made to the amount of insurance that the Participant has cover for.</p>		



4.16.5	During the quarter, the Participant has notified NZX of: (a) any material claim on any insurance policy that Participant has in relation to Directors' and officers or professional indemnity cover of any other policy that is relevant to its business as a Participant; and (b) any event or circumstance that has or would be likely to result in any cover (in whole or in part) under an insurance policy disclosed to NZX ceasing to be available.		
4.19.1	<del>During this quarter, the Participant took reasonable steps to ensure that:  (a) It did not operate an account for a Prescribed Person of another Participant; and (b) Its Prescribed Persons did not have accounts with any other Participant.  Except as provided under Rule 4.19.1.</del>		
<b>Section 6</b>	<b>Business Conduct of Advising Participants (all Advising Participants)</b>		
6.3.1(d)	During the quarter, the Advising Participant has immediately notified NZX whenever an NZX Derivatives Advisor has: (a) commenced Employment with; or (b) ceased to be Employed by, that Advising Participant.		
6.7	During the quarter, the Participant, has at all times ensured that all persons who provide advice to clients on transactions in relation to Derivatives Contracts are approved by NZX as an NZX Derivatives Advisor.		
<b>Section 7</b>	<b>Clearing Arrangements (all Trading Participants)</b>		
7.3.1	During this quarter, the Trading Participant (not being a Clearing Participant) was party to and maintained a separate written agreement with each of its Clearing Participant(s) and had given NZX a copy of each of its C&S Agreements.		
7.3.3	During this quarter, the Trading Participant notified NZX of any amendments to any of its C&S Agreements at least 10 Business Days before the amendments became effective.		
<b>Section 8</b>	<b>Trading Participants - General Obligations (all Market Participants)</b>		
8.3.2 & 8.3.3	During this quarter, the Participant has at all times ensured that all persons who use the trading functionality available in the Trading System are approved by NZX as a Dealer and/or DMA Authorised Person.		



8.3.5	During this quarter, the Trading Participant notified NZX in writing of any changes to the Trading Participant's Dealer(s) within 5 Business Days of the change being made.		
<b>Section 9</b>	<b>Trading with a Client (all Client Advising Participants)</b>		
9.9.1	During this quarter, all contract notes were made available to Clients as per Rule 9.9.1 and within the required timeframe.		
<b>Section 11</b>	<b>Accepting and Holding Client Funds (all Trading and Advising Firms)</b>		
11.3.1	The Participant has, at all times during this quarter, complied with its obligations (to the extent such obligations apply to that Participant) under (a) the Client Funds Regulations (as though all references in the Client Funds Regulations to "futures contracts" were to include Derivatives Contracts), and (b) any other law or regulation regulating acceptance, holding and disbursement of Client Funds (including for the avoidance of doubt those that apply to an Overseas Participant in its home jurisdiction).		
<b>Section 12</b>	<b>Placing F&amp;O Orders and Facilitating Trades off exchange</b>		
12.2.1	We confirm that The Participant has maintained records of the time and date of: (a) receipt of each instruction to place a F&O Order on a F&O Exchange or facilitate a trade Off-Exchange received from a Client; (b) each F&O Order placed with a F&O Executing Participant of a F&O Exchange as a result of the Client's instructions; (c) each facilitation of trading Derivatives Contracts Off-Exchange as a result of those instructions as part of the account records required by these Rules.		
<b>Section 14</b>	<b>NZX Powers (all Market Participants)</b>		
14.6	During this quarter, the Participant promptly notified NZX in writing, where it became aware that it or another Participant breached or was likely to breach any of its obligations under the Rules and that breach or likely breach was significant.		



## CONFIRMATION

The Market Participant's Responsible Executive confirms that the responses provided in Part A of the Internal Control Checklist are true and correct.

Responsible Executive Signature \_\_\_\_\_ Date \_\_\_\_\_