



FIT AND PROPER POLICY

4 March 2024

1. Introduction

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

2. Objective

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

3. Application

3.1 This policy applies to:

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

4. Character and capability

Fit and Proper Declaration

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

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

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

4.3 A director or senior manager or applicable employee will:

- (a) complete and sign a Fit and Proper Declaration (Current Director or Senior Manager or Applicable Employee) (the form of which is set out in schedule 2) annually; and



- (b) immediately notify the Head of People & Culture if any of the information in their Fit and Proper Declaration (Current Director or Senior Manager or Applicable Employee) changes.

Third party checks

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

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

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

Assessment

Chairperson of the Board

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

Chairperson of the Human Resources & Remuneration Committee

- 4.8 The Chairperson of the Human Resources & Remuneration Committee will complete character and capability assessments in respect of the proposed Chairperson of the Board.



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

Chief Executive Officer

4.10 The Chief Executive Officer will complete character and capability assessments in respect of proposed senior managers or employees that will not report directly to the Board.

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

Factors to consider in assessment

4.12 In assessing the character of a director or senior manager or applicable employee (or a proposed director or senior manager or applicable employee), the person completing the assessment will consider the following factors:

- (a) information in and attached to the Fit and Proper Declaration provided by the director or senior manager or applicable employee (or proposed director or senior manager or applicable employee);
- (b) feedback from checks made with third parties;
- (c) conduct indicating past non-compliance;
- (d) convictions or involvement in dishonesty, deceit, theft or fraud;
- (e) failure to manage business or personal financial affairs; and
- (f) dismissal from a position of trust.

4.13 In assessing the capability of a director or senior manager or applicable employee (or a proposed director or senior manager or applicable employee), the person completing the assessment will consider the following factors:

- (a) information in and attached to the Fit and Proper Declaration provided by the director or senior manager or applicable employee (or proposed director or senior manager or applicable employee); and
- (b) the results of the director's or senior manager's or applicable employee's performance reviews, and

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

Enhanced Processes for any Proposed Chair or CEO

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

- a) The reference checks carried out as required by paragraph 4.4(e) shall include direct questioning on the following:



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

Outcome of assessment

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

Assessed as "fit and proper to hold the position"

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

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

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

4.18 Subject to paragraph 4.19, a proposed or existing director assessed as "not fit and proper to hold the position" will be advised of the situation and offered the opportunity to correct any incorrect information collected as part of the assessment process. This must be done to the satisfaction of the person completing the assessment within 30 days, otherwise the director will not be appointed or action to remove the director from that position will begin (as relevant).



4.19 Where a director nominated and appointed by NZX Limited's shareholders is assessed as "not fit and proper to hold the position", they will be advised of the situation and offered the opportunity to correct any incorrect information collected as part of the assessment process. This must be done to the satisfaction of the person completing the assessment within 30 days, otherwise the director will be asked to resign. If the director refuses to resign, the NZX General Counsel will liaise with the Financial Markets Authority as to next steps.

4.20 A proposed or existing senior manager or applicable employee assessed as "not fit and proper to hold the position" will be advised of the situation and offered the opportunity to correct any incorrect information collected as part of the assessment process. This must be done to the satisfaction of the person completing the assessment within 30 days, otherwise the senior manager or applicable employee will not be appointed or, if the proposed or existing senior manager or applicable employee has been appointed (including subject to satisfactory third party checks), action to remove the senior manager or applicable employee from that position will begin (as appropriate).

Delegation

4.21 The Head of People & Culture may delegate their authority for specific responsibilities under this policy to a member of the Human Resources team or the Legal team.

Approver:	NZX Limited Board
Document owner:	General Counsel
Review:	Two Years
Last reviewed:	4 March 2024



Schedule 1 – Fit and Proper Declaration (Proposed Director or Senior Manager or Applicable Employee)

Full Name: [Insert]
Are you currently known by any other name: [insert]
Previous Name(s) (if any): [Insert]
Proposed position: [Insert]

Character	
Please answer YES or NO for each question. If any answer is YES, and there is insufficient room to set out the details of your response, please attach a document setting out full details	
1.	Have you ever been charged with or convicted of (in New Zealand or overseas) a criminal offence relating to dishonesty, fraud, or misleading or deceptive conduct?
2.	Have you ever been convicted (in New Zealand or overseas) of any offence that you were sentenced to, or were liable to be sentenced to, a term of imprisonment for (even if you were not imprisoned)?
3.	Have you ever been charged with or convicted of an offence, or subject to a proceeding: <ul style="list-style-type: none">• in New Zealand under any financial markets legislation, as defined in the Financial Markets Authority Act 2011?• in another jurisdiction under any financial markets legislation equivalent to that referred to above?



	<p>.....</p> <p>.....</p>
4.	<p>Have you ever been the subject of any civil proceedings (in New Zealand or overseas) for conduct relating to dishonesty, fraud, or misleading or deceptive conduct?</p> <p>.....</p> <p>.....</p> <p>.....</p>
5.	<p>Have you ever been the subject of any proceedings or action taken by a regulatory authority in New Zealand, or overseas?</p> <p>.....</p> <p>.....</p> <p>.....</p>
6.	<p>In the last 15 years have you been (in New Zealand or overseas) a trustee, director or partner of, or held any position of senior management in, any company or other incorporated or unincorporated entity which, while you were connected to that entity:</p> <ul style="list-style-type: none">• was placed into liquidation, administration, receivership or statutory management (or any overseas equivalent status)?• entered into any compromise agreement, moratorium or other restructuring to avoid liquidation, administration or receivership (or any overseas equivalent)? <p>.....</p> <p>.....</p> <p>.....</p>
7.	<p>Have you ever been banned (in New Zealand or overseas) from:</p> <ul style="list-style-type: none">• providing financial services or advice?• acting as director of a company or other incorporated body?



	<ul style="list-style-type: none">• being involved in the management of any class of incorporated or unincorporated entity? <p>.....</p> <p>.....</p> <p>.....</p>
8.	Have you ever been dismissed or asked to resign, or subject to disciplinary proceedings resulting from, or in respect of, a position of trust, fiduciary appointment or similar (in New Zealand or overseas)?
9.	Have you ever been refused registration or other entry into, or restricted from the right to carry on in, any profession or occupation under the law of the country, or under the membership rules of any professional body at any time (in New Zealand or overseas)?
10.	In the last 15 years have you been made bankrupt, entered into an agreement with creditors or been placed into statutory management (in New Zealand or overseas)?
11.	Are you subject to any pending proceedings or actions (in New Zealand overseas) that mean you would have to answer YES to any of the above questions if an adverse finding is reached?



	<p>.....</p> <p>.....</p> <p>.....</p>
12	<p>Are you aware of any facts or circumstances which have the potential to give rise to an investigation, examination or inquiry in relation to your activities, or the activities of an organisation for which you have acted in a senior management capacity or as a director?</p> <p>.....</p> <p>.....</p> <p>.....</p>

Capability	
Please attach a document setting out brief details of the following.	
Directorships	Any directorships you hold/have held – with a description of the nature of each company's business and the dates of your directorship.
Employment history	Your employment history – include employer name, position title, description of job, dates of the position, and note if it was overseas (name country).
Qualifications	Your qualifications – include a description of the qualification, the date it was attained and the institution that granted the qualification.
Professional memberships	Any professional body memberships you hold/have held - include the name of the professional body and the dates of your membership.
Professional development	Other information, such as professional training courses or study that highlights your competence, skills and experience appropriate to your proposed position in the NZX Group.



Declaration

Please sign and date below.

I understand the information provided in this form is being collected by NZX Limited (**NZX**) to assess whether I am a fit and proper person to hold the position of director or senior manager or employee.

I authorise NZX to conduct enquiries and collect personal information about me from any third party, including any person and any New Zealand or overseas government agency, regulatory body or professional body, for the purpose of determining whether I am a fit and proper person to hold the position of director or senior manager or employee. This includes carrying out identity, character, qualification and criminal record checks. For that purpose, I authorise NZX to disclose my personal information to any third party and the third party to disclose my personal information to NZX.

I understand that NZX will credit check me. As part of that credit check, NZX will give my information to credit reporting agencies, and credit reporting agencies will give my information to NZX. Credit reporting agencies will use the information provided by NZX to update their credit reporting databases. When other parties use the credit reporting agencies' services, they will be provided my updated information.

I declare that the information provided in this form, and in the documents attached to it, is true, correct and complete.

Signature:

Date:

You must notify the Head of People & Culture if any of the information in and attached to the Fit and Proper Declaration changes after the date of the declaration.



Schedule 2 – Fit and Proper Declaration (Current Director or Senior Manager or Applicable Employee)

Full Name: [Insert]
Are you currently known by any other name: [insert]
Previous Name(s) (if any): [Insert]
Position: [Insert]

Character		
<p>Please select YES or NO for each question. If any answer is YES, you must attach a document setting out full details</p>		
1.	Have you ever been charged with or convicted of (in New Zealand or overseas) a criminal offence relating to dishonesty, fraud, or misleading or deceptive conduct?	Yes <input type="checkbox"/> No <input type="checkbox"/>
2.	Have you ever been convicted (in New Zealand or overseas) of any offence that you were sentenced to, or were liable to be sentenced to, a term of imprisonment for (even if you were not imprisoned)?	Yes <input type="checkbox"/> No <input type="checkbox"/>
3.	Have you ever been charged with or convicted of an offence, or subject to a proceeding: <ul style="list-style-type: none"> • in New Zealand under any financial markets legislation, as defined in the Financial Markets Authority Act 2011? • in another jurisdiction under any financial markets legislation equivalent to that referred to above? 	Yes <input type="checkbox"/> No <input type="checkbox"/>
4.	Have you ever been the subject of any civil proceedings (in New Zealand or overseas) for conduct relating to dishonesty, fraud, or misleading or deceptive conduct?	Yes <input type="checkbox"/> No <input type="checkbox"/>
5.	Have you ever been the subject of any proceedings or action taken by a regulatory authority in New Zealand, or overseas?	Yes <input type="checkbox"/> No <input type="checkbox"/>
6.	In the last 15 years have you been (in New Zealand or overseas) a trustee, director or partner of, or held any position of senior management in, any company or other incorporated or unincorporated entity which, while you were connected to that entity: <ul style="list-style-type: none"> • was placed into liquidation, administration, receivership or statutory management (or any overseas equivalent status)? 	Yes <input type="checkbox"/> No <input type="checkbox"/>



	<ul style="list-style-type: none"> entered into any compromise agreement, moratorium or other restructuring to avoid liquidation, administration or receivership (or any overseas equivalent)? 	
7.	<p>Have you ever been banned (in New Zealand or overseas) from:</p> <ul style="list-style-type: none"> providing financial services or advice? acting as director of a company or other incorporated body? being involved in the management of any class of incorporated or unincorporated entity? 	Yes <input type="checkbox"/> No <input type="checkbox"/>
8.	<p>Have you ever been dismissed or asked to resign, or subject to disciplinary proceedings resulting from, or in respect of, a position of trust, fiduciary appointment or similar (in New Zealand or overseas)?</p>	Yes <input type="checkbox"/> No <input type="checkbox"/>
9.	<p>Have you ever been refused registration or other entry into, or restricted from the right to carry on in, any profession or occupation under the law of the country, or under the membership rules of any professional body at any time (in New Zealand or overseas)?</p>	Yes <input type="checkbox"/> No <input type="checkbox"/>
10.	<p>In the last 15 years have you been made bankrupt, entered into an agreement with creditors or been placed into statutory management (in New Zealand or overseas)?</p>	Yes <input type="checkbox"/> No <input type="checkbox"/>
11.	<p>Are you subject to any pending proceedings or actions (in New Zealand overseas) that mean you would have to answer YES to any of the above questions if an adverse finding is reached?</p>	Yes <input type="checkbox"/> No <input type="checkbox"/>
12	<p>Are you aware of any facts or circumstances which have the potential to give rise to an investigation, examination or inquiry in relation to your activities, or the activities of an organisation for which you have acted in a senior management capacity or as a director?</p>	Yes <input type="checkbox"/> No <input type="checkbox"/>

Declaration

Please sign and date below.

I understand the information provided in this form is being collected by NZX Limited (**NZX**) to assess whether I am a fit and proper person to hold the position of director or senior manager or employee.

I authorise NZX to conduct further enquiries and collect personal information about me from any third party, including any person and any New Zealand or overseas government agency, regulatory body or professional body, for the purposes of determining whether I am a fit and proper person to hold the position of director or senior manager or employee. This includes carrying out further character and criminal record checks. For that purposes, I authorise NZX



to disclose my personal information to any third party and the third party to disclose my personal information to NZX.

I declare that the information provided in this form, and in the documents attached to it, is true, correct and complete.

Signature:

Date:

You must notify the Head of People & Culture if any of the information in and attached to the Fit and Proper Declaration changes after the date of the declaration.