### DETAILS OF DOCUMENTATION REQUIRED TO BECOME A MARKET MAKER

This document acts to assist an organisation applying for accreditation (the **Applicant**) as a Market Maker under the NZX Participant Rules (the **Rules**). The below table details the information required to complete the applications process, setting out the applicable Rules, relevant Appendices to be completed and supporting information to be provided (in addition to any information or documentation requested within the relevant Appendices).

The table will also act as a working document for the Applicant and NZ RegCo (**RegCo**) to communicate the specific files that satisfy each requirement, which items have been satisfied and those that remain outstanding. Accordingly RegCo asks that the Applicant clearly details within the ‘Applicant Comments’ column the document name, and relevant section/chapter if necessary, that is intended to meet each requirement.

Please note RegCo will not commence reviewing any application before the Applicant has paid the relevant application fee detailed under section 3.2.1 of the NZX Participant Fee Schedule. The full Schedule can be found [here](https://www.nzx.com/services/market-participants/participant-fees), which includes specifics of the ongoing membership and recovery fees.

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| REQUIREMENT  | DOCUMENTATION  | APPLICANT COMMENTS  | REGCO COMMENTS |
| Application Form: | Market Maker Application Form (Appendix 13) provided complete and executed by two of the applicants Authorised Signatories. |  |  |
| Market Maker Agreement  | The Applicant must provide the executed Market Making Agreement between itself and the Issuer of the Securities for which it intends to make markets, accounting for:1. The general terms on which the Applicant will perform its function as Market Maker in respect of the Issuer’s Securities;
2. Detail of each specific Security the Applicant will make markets in (consistent with what is detailed in Appendix 13);
3. The maximum Spread to be maintained in each Security during the Normal Trading Session; and
4. The minimum Order value to be quoted on the Bids and Offers for each Security during the Normal Trading Session.
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| Responsible Dealers and Employees | The Applicant must provide details of the Dealers and other Employees that will be responsible for:1. Entering Orders into the Trading System on behalf of the Applicant as Market Maker;
2. Operating any algorithmic trading programs that will enter Orders into the Trading System on behalf of the Applicant as Market Maker (please include details of which DMA system will be used); and
3. Overseeing and monitoring any market making activity in real-time.

The Applicant must also ensure it has:1. Adequate coverage of the abovementioned roles to ensure compliance with the Market Maker obligations is maintained through any absences, and
2. Sufficient training protocols in place to ensure Employees are aware of the applicant’s Market Maker obligations and how to appropriately perform this function.
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| Business Continuity Plan (BCP)*Rule 8.12* | The Applicant must provide its current BCP evidencing the inclusion of its Market Maker function (including in the testing of those continuity and recovery protocols at least annually). |  |  |
| Market Making Policy and Operating Procedures *Rules Section 16* | The Applicant must provide documentation setting out:1. Its policy for performing its function as Market Maker in accordance with the Rules and the Market Maker Agreement;
2. Its procedure for how the Employees responsible will carry out its Market Maker function; and
3. The circumstances and process for requesting the withdrawal of quotations as contemplated by Rule 16.6.
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| Conflict management arrangements and separation of the Market Making function*Rule 16.9* | The Applicant must provide details of how it has separated its activities as a Market Maker from its other business activities, including:1. Using a designated trader workstation or other authorised access exclusively for its Market Making activities; and
2. Ensuring that the Employees of a Market Maker, in performing their activities, do not execute client Orders.
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| Compliance Monitoring and Oversight  | * The applicant must provide details of its compliance monitoring and oversight applicable to its Market Maker function and documentation supporting these protocols, including Compliance Monitoring Plan tasks accounting for, at a minimum:
1. Detecting breaches of Rule 16.4 or the Market Maker Agreement; and
2. Monitoring compliance with Rule 16.9 and identifying potential conflicts arising out of the Market Maker function.
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