



# TECHNOLOGY COMMITTEE CHARTER

7 April 2021

## 1. Introduction

This Charter sets out the responsibilities and framework for the operation of the Committee.

## 2. Objective

2.1 The Committee assists the Board in oversight of the role and use of technology in executing NZX's strategy (including ICT recommendations from Capital Markets 2029), meeting regulatory requirements and standards and in supporting the function of the markets operated by NZX and cleared by NZX Clearing. For the avoidance of doubt, the Committee does not have responsibility for technology at NZX Wealth Technologies or Smartshares.

## 3. Responsibilities

3.1 The Committee is responsible for:

- (a) Reviewing and making recommendations to the Board regarding investment in technology (including the prioritisation and timing of such investment, the use of new technology, partnering with providers of trading and/or clearing systems, system upgrades of trading and clearing systems and related infrastructure), and technology as it relates to NZX strategy;
- (b) Reviewing and making recommendations to the Board and/or the Audit & Risk Committee regarding technology risk matters and cyber security such as the security of NZX systems, infrastructure, and information held by NZX;
- (c) Reviewing and making recommendations to the Board and/or the Audit & Risk Committee regarding the IT Acceptable Use Policy and other core IT policies and procedures;
- (d) Reviewing information and reports (as deemed appropriate) from management and independent external advisers (where relevant) regarding NZX's technology and associated activities including:
  - (i) the establishment and monitoring of key system performance indicators;
  - (ii) ensuring trading/clearing system performance (e.g. capacity, stability, uptime, patching, versioning, testing processes, tools and performance, loading and stressing testing results);
  - (iii) any outages and any proposed remediation actions to address any issues arising, including incident response plans, scenario planning and running sheets;
  - (iv) reviewing and overseeing the management and delivery of major technology projects;



- (v) operations and personnel capacity, skills and knowledge, including reviewing and making recommendations to the Human Resources and Remuneration Committee in respect of the CIO performance and appointment;
  - (vi) associated IT policies, procedures, controls and practices, and information about technological changes and industry trends that may be relevant to NZX;
  - (vii) relevant cybersecurity intelligence reporting, including vulnerabilities rated Critical and High risk reported to NZX through support providers and intelligence partners.
- (e) Ensuring NZX has an internal Technology Steering Committee and an appropriate industry working group structure exists to effectively collaborate and engage with external ecosystem partners that utilise NZX's core systems;
  - (f) Ensuring appropriate service level and/or accreditation policies are in place amongst the technology ecosystems participants (NZX, ISV and BOS vendors and broker Participants) in the public markets provided by NZX;
  - (g) Providing feedback and escalation mechanisms from external ecosystem partners to the Committee; and
  - (h) Ensuring adequate and standardised communications protocols and procedures are in place, covering incidents and incident responses, patching, testing and releases.
- 3.2 The Committee may obtain advice or assistance from independent external advisers as it may deem necessary in relation to the matters in this Charter.

#### **4. Membership**

4.1 The Committee will:

- (a) have a minimum of three members; and
- (b) either have:
  - (i) a minimum of three directors of the Company as members; or
  - (ii) a minimum of two directors of the Company and one external independent person as members (the external independent person must have skills and experience relevant to the operation of the Committee).

4.2 The Board will appoint and remove the members of the Committee and the Chairperson.

#### **5. Meetings**

5.1 Committee meetings will be conducted in accordance with the Company's Constitution and otherwise as determined by the Chairperson.

5.2 The Committee will meet at least four times a year. The Committee may meet at any other time at the request of a member or NZX Chief Information Officer, NZX CEO, NZX Chair or the Board.



- 5.3 The Committee will establish an annual work programme to ensure that it reviews, assesses and/or reports on each of the areas for which it is responsible under this Charter.
- 5.4 The Committee will have unrestricted access to management and the Company's external auditor as necessary.
- 5.5 Directors may attend meetings of the Committee.
- 5.6 NZX Chief Information Officer will attend meetings. Other members of management may only attend meetings at the invitation of the Committee. The Committee may meet without NZX Chief Information Officer present.
- 5.7 The Chairperson may ask any person attending a meeting to leave.
- 5.8 The quorum for a meeting is two members.
- 5.9 Unless the requirement is waived, notice of meetings will be given to all members. Notice will usually be by way of secure electronic transmission to an email address provided by the member.
- 5.10 Members are expected to attend all meetings and may be required to give an explanation to the Chairperson if they miss a meeting. Meetings can take place by means of video conference or telephone conference, provided all members are connected and able to hear each other.
- 5.11 All decisions of the Committee will be by majority vote. In the event of a deadlock, the Chairperson does not have a casting vote.

## **6. Conflicts of interest**

- 6.1 Members must disclose to the Committee any actual or potential conflict of interest.
- 6.2 A member must excuse himself or herself from all discussions or decisions, in respect of any matter in which he or she may have an actual conflict. The Chairperson will determine whether a member will receive supporting documentation in respect of any matter in which the member may have an actual conflict.

## **7. Secretarial**

- 7.1 The Company Secretary (or his/her delegate) will act as the secretary to the Committee.
- 7.2 The Company Secretary will generally circulate the agenda and supporting documentation to members and NZX Clearing's Chief Operating Officer at least five business days prior to each meeting.
- 7.3 The Company Secretary will take minutes at each meeting and circulate them to members and NZX Clearing's Chief Operating Officer.

## **8. Authority**

The Committee has authority to undertake any activity set out in this Charter or authorised by a separate resolution of the Board.



## 9. Reporting

- 9.1 The advice from independent external advisers will be provided to the Board.
- 9.2 The minutes of meetings will be provided to the Board.
- 9.3 The Chairperson will report to the Board in respect of the Committee's work and findings.

## 10. Confidentiality

All discussions, papers and records of Committee meetings will remain confidential to the Company, unless there is specific direction from the Committee or Board, or disclosure is required by law.

## 11. Performance

- 11.1 The Committee will assess its performance against the responsibilities set out in this Charter at least annually.
- 11.2 The Board will review the Committee's performance at least annually.

## 12. Interpretation

In this Charter:

**Board** means the board of directors of the Company;

**Chairperson** means the chairperson of the Committee;

**Committee** means the Technology Committee of the Company;

**Company** means NZX Limited; and

<b>Approver:</b>	NZX Limited Board
<b>Document owner:</b>	Company Secretary
<b>Review:</b>	Every two years