

NZ RegCo – Quarterly Regulation Metrics

Q2 2022

These Regulation Metrics represent the key features of NZ RegCo's activities in regulating NZX's markets. The metrics focus on key activities so as to provide transparency and a means of comparison across periods.

ISSUERS – KEY METRICS

	Q2 2021	Q2 2022
Total announcements released	4803	4796
Trading halts at request of Issuer or NZ RegCo ¹	12	15
Documents approved and waivers ² granted to Issuers	14	19
Complaints received concerning Issuers	0	3
Price enquiries concerning Issuers	3	1
Investigations ³ begun in relation to Issuers	9	6
Investigations ongoing at the end of the quarter/period in relation to Issuers	5	2

PARTICIPANTS – KEY METRICS

Waivers ² , Exemptions and Rulings granted to Participants	14	10
Inspections commenced	4	5
Complaints received concerning Participants	2	0
Investigations ³ begun in relation to Participants	24	12
Investigations ongoing at the end of the quarter/period in relation to Participants	17	12

NOTES

The metrics are derived from NZX's internal records.

1. Trading halts imposed routinely, for example on release of price-sensitive information or in the context of corporate actions are excluded.
2. Details of waivers granted by NZX are released to the Market, and available on <https://nzx.com/> and through i-search except where the decisions are confidential.
3. NZX will commence an investigation when it identifies a possible breach of rules.

NZX Limited – Quarterly Policy Update

Q2 2022

This section outlines the key NZX rules and policy activity over the preceding quarter.

NZX RULES AND POLICY

Corporate Governance Code Review

NZX has completed its first round of consultation on the review of the NZX Corporate Governance Code and the establishment of the NZ Corporate Governance Institute. NZX received significant feedback through both written and oral submissions across the full spectrum of the market eco-system. NZX has since considered the submissions received and undertaken additional research to develop a suite of proposals for the second round of consultation.

The second round of consultation will include an exposure draft of amendments to the Corporate Governance Code and the ESG Guidance Note, and will be supported by a program of workshops designed to inform our consideration of the more detailed recommendations. NZX Policy is currently in the process of finalising the consultation documents in anticipation of commencing the second round of consultation by the end of July 2022.

Capital Raising Review

NZX is conducting a review of the capital raising settings in the Listing Rules following the temporary relief from the Listing Rule requirements granted to listed companies raising capital during the initial Covid period. The objective of this review is to ensure that NZX's rules facilitate current transaction structures with necessary shareholder protections and ensure that NZX's rule settings reflect international developments in quoted product design and primary and secondary capital raisings. NZX is also seeking preliminary feedback on whether to enable additional pathways to the listed market in New Zealand. NZX Policy is in the process of finalising the consultation documents and intends to formally consult on the proposed capital raising settings via an exposure draft of the proposed rule amendments in Q3 2022.

NZMDT Rules and Procedures Amendments

NZX consulted on the proposed amendments to the NZMDT Rules and Procedures in relation to (i) Tribunal composition, (ii) appeals, and (iii) penalty provisions of the Rules. NZX Policy considered the matters raised in the submissions in consultation with NZ RegCo, and has provided the FMA with an application for approval of the proposed amendments to the NZMDT Rules and Procedures. An announcement regarding the Rule amendments will be made later in Q3, once the FMA has completed its review of the proposed changes.

Related Party and Major Transactions Guidance Note

NZX has conducted a review of the Related Party and Major Transactions Guidance Note, in consultation with NZ RegCo. The objective of this review is to clarify the operation of the relevant Listing Rules and provide guidance in relation to current market practices. NZX Policy and NZ RegCo are in the process of finalising the consultation documents and intend to formally consult on the proposed changes to the Guidance Note in Q3 2022.