

Two further directors named for NZX regulatory Establishment Board

2 June 2020 – NZX today announced Annabel Cotton and John Hawkins as the two further directors for the Establishment Board to form the new governance framework for the Exchange's regulatory function.

Independent chair, Trevor Janes, said the two directors – joining Elaine Campbell and Mike Heron QC – would add further depth with their respective backgrounds in governance and commercial roles, along with audit and risk experience and in representing investor perspectives.

NZX announced at its Annual Meeting in March this year the proposal to structurally separate the Exchange's commercial and regulatory roles, with the establishment of a separate board, with an independent Chair (and the majority of members independent of the NZX Group).

NZX Chair, James Miller, said he wholeheartedly endorsed the Board selection of Annabel Cotton and John Hawkins.

"This is a vital evolution of the structure, governance and the operating model for NZX Regulation and we cannot emphasise enough the need to have the right skills and governance experience around the table.

"At the inner workings of our capital markets we are adding the eyes and insights of John Hawkins, who has a passion for shareholders' rights – particularly retail – and has been transformational over the past decade in building-up the role and constructive impact of the New Zealand Shareholders' Association, together with Annabel's strong perspectives from corporate New Zealand, experience on the Securities Commission, and in leading one of this country's foremost investor relations consulting firms."

Mr Janes said the two further directors would enrich the composition of the Establishment Board and add complementary skills, important to the successful implementation of the proposal.

The proposed model requires amendments to be made to NZX's market rules, as well as to the designation order in place for the NZX Clearing settlement system. NZX is targeting implementation of the revised regulatory structure during the 2020 calendar year.

Mr Miller described the move as ground-breaking in the 150-year history of New Zealand's capital markets, and "aligned with global best practice".

The recommendations come out of a full review of NZX's regulatory operating model completed in 2019, which was prompted by the increasing complexity of governance arrangements.

A wholly-owned operating subsidiary of the Exchange will perform all frontline regulatory functions in support of NZX's obligations as a market operator and as operator of the designated settlement system. The entity will be led by Joost van Amelsfort as CEO, who has served as NZX Head of Market Supervision since 2014.

Mr Miller says the structural separation of the proposed model also provides the NZX Board increased capacity to focus on NZX's commercial mandate and initiatives, to deliver shareholder value.

Annabel Cotton

Annabel Cotton is Managing Director of Merlin Consulting, a consultancy that provides investor relations and governance support to a wide range of NZX-listed companies. She has more than 20 years' experience as a governor across a wide range of entities from listed companies, to not-for-profit, and Crown and Council-controlled organisations. Annabel has a strong knowledge of board practices across the New Zealand corporate sector, and has had a particular focus on audit and risk committee work having previously served on the Securities Commission's Audit & Risk Committee along with those for Genesis Power Limited, Marlin Global Limited, Barramundi Limited, Kingfish Limited – and currently the Waikato Regional Airport Limited, New Zealand Global Women, and Trust Investments Management Limited.

John Hawkins

John Hawkins led the New Zealand Shareholders Association (NZSA) as Chairman/Executive Chairman for 10 years to 2019, and has been a strong advocate for the voice of retail shareholders and lobbied for the separation of NZX's regulatory responsibilities from the company's commercial and operational interests.

During his tenure, NZSA forged strong relationships with Government, regulators and New Zealand companies – and Mr Hawkins has been closely involved in advising on governance issues in listed companies, together with work under MBIE, the Financial Markets Authority, NZX, the Takeovers Panel and Institute of Directors. John Hawkins also has a long commercial background in the manufacturing sector.

ENDS.

For further information, please contact:

Media – Hamish Macdonald 027 704 6377

NZX Regulation – Joost van Amelsfort 021 918 427

About NZX

For more than 150 years we have been creating opportunities for Kiwis to grow their personal wealth and helping businesses prosper. As New Zealand's Exchange, we are proud of our record in supporting the growth and global ambitions of local companies.

NZX operates New Zealand's equity, debt, funds, derivatives and energy markets. To support the growth of our markets, we provide trading, clearing, settlement, depository and data services for our customers. We also own Smartshares, New Zealand's only issuer of listed Exchange Traded Funds (ETFs), and KiwiSaver provider SuperLife. NZX Wealth Technologies is a 100%-owned subsidiary delivering rich online platform functionality to enable New Zealand investment advisors and providers to efficiently manage, trade and administer their client's assets. Learn more about us at: www.nzx.com