



Annual Shareholders' Meeting

Auckland
6 April 2022

▶ New Zealand's Exchange
Te Paehoko O Aotearoa

Today's meeting

- Welcome and strategic overview – James Miller, Chair
- Report on financial and business performance – Mark Peterson, CEO
- Resolutions
 - Audit fees
 - Election of Peter Jessup
 - Re-election of James Miller
 - Re-election of Elaine Campbell
 - Director fees
- Voting
- Questions



Voting and asking questions



HELP NUMBER
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NZX

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📄 Annual report

Welcome and strategic overview

James Miller, Chair



NZX 10 1488.30 20 1001.34 50 7841.56 784 10.74 798 53.11 792 4.54 418 5487 224 4487 244 274

WAP 1000.0 WAP 1000.0 WAP 1000.0 0.8004 0.8036 8.0004 China Bank Financial, payment institutions Fintech Cybersecurity business 1000 19 Mar 2021

ANZ

NZX 2.0

Scale in capital flows drives complementary opportunities and growth



Empowered by: Platform, Efficiency, Resilience and Risk



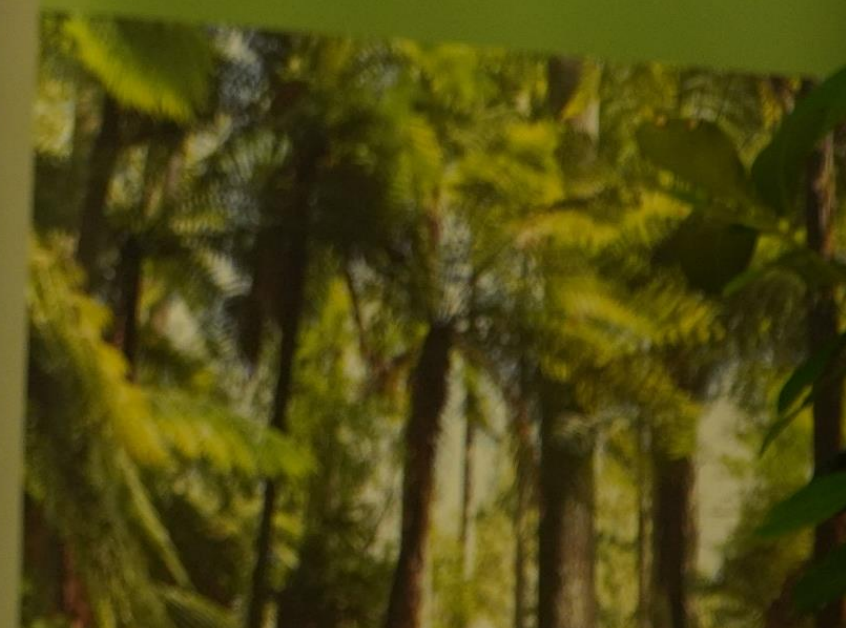
Commencement of a new growth phase
SGX-NZX Global Dairy Derivatives





**Celebrating
the first auction
of the
NZ Emissions
Trading Scheme**

17 March 202



Technology focus

- High priority placed on completing the Financial Markets Authority (FMA) action plan
- Appointment of Robbie Douglas as Chief Information Officer in 2021
- Appointment of Peter Jessup to the Technology Committee in 2021



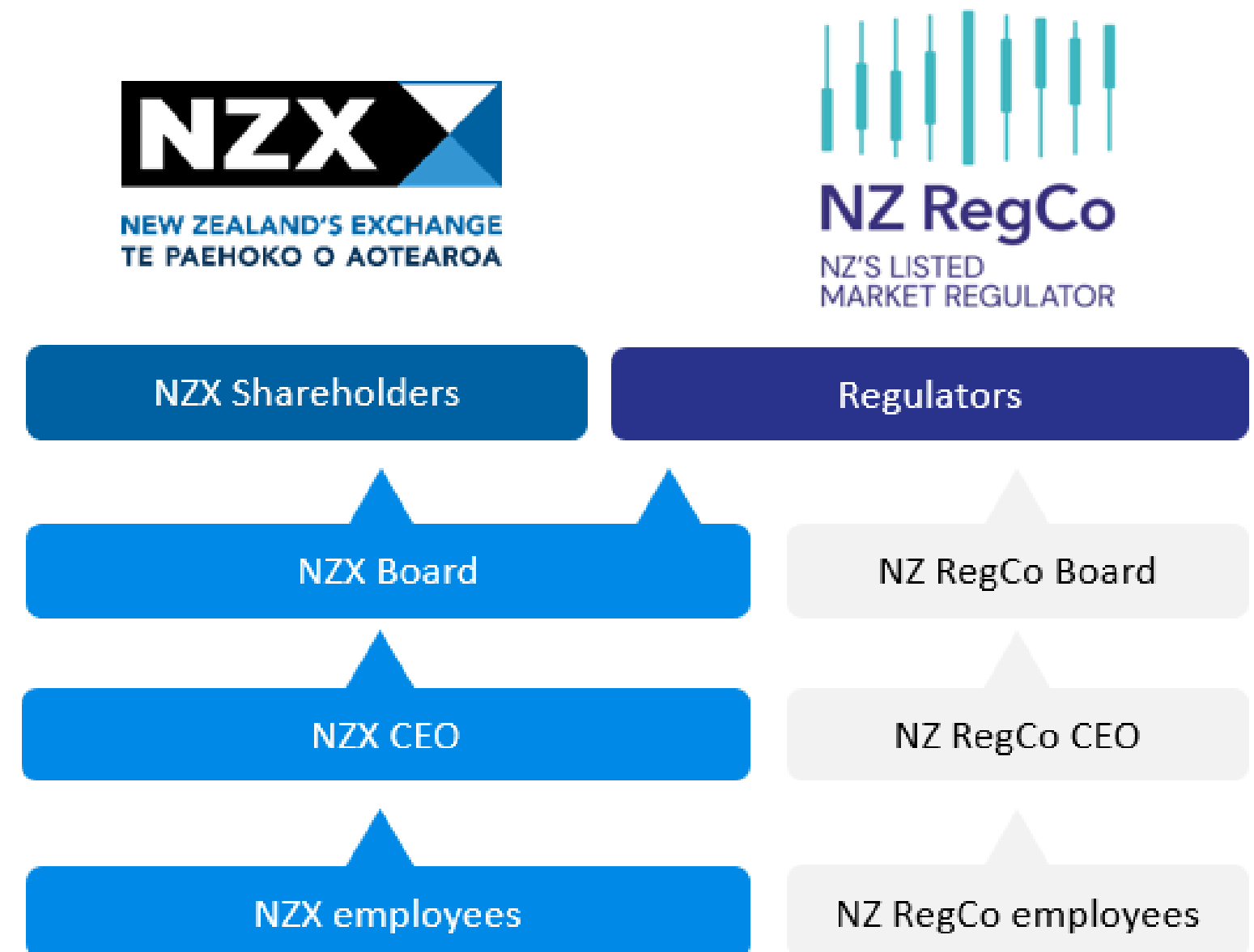
Director changes

- John McMahon retired from the NZX Board on 31 December 2021
- Peter Jessup appointed onto the NZX Board effective 1 January 2022
- Peter brings more than 35 years' financial markets IT experience – including trading, surveillance, clearing, depository and settlement systems
- He was Senior Vice President at Nasdaq's Global Technology Services group, leading an international team of software product engineers and support personnel of over 250 across four geographical locations.
- Peter previously worked for NZSE (New Zealand Stock Exchange)



NZ RegCo

- NZ RegCo is structurally separate from NZX's commercial and operational activities
- Governed by a separate board with:
 - An independent Chair - Trevor Janes; and
 - The majority of members independent of the NZX Group:
 - Elaine Campbell (NZX Director)
 - Annabel Cotton (Independent)
 - John Hawkins (Independent); and
 - Michael Heron QC (Independent)
- NZ RegCo CEO is Joost van Amelsfort



The future

- Mark Peterson's employment term extended as Chief Executive to April 2024
- With a clear date now set of CEO succession, it is an ideal opportunity for the board to consider Chair succession.
- The new Chair will lead the process to appoint the next NZX Chief Executive
- NZX will continue to pursue the NZX 2.0 strategy, including building scale in funds management and value from its growth options.
- James Miller to step down as Chair at 2023 ASM, Chair succession process underway with NZX's Nomination Committee, supported by external advisers



Directors fees

- Fee pool of \$435,000 was last independently benchmarked in 2003 and has remained static since
- PWC engaged to carry out market benchmarking for non-executive director fees based on a group of 20 peer companies
- The outcomes of this exercise are summarised in a report and can be found in NZX's NOM and [here](#)
- Target overall fee pool of approximately \$690,000 to allow for a Chair fee of \$150,000 and NED fee of \$80,000 over three-year period
- NZX Board proposes first step to increase the current fee pool by \$87,000 to \$522,000

NZX Limited

Non-executive directors' fees benchmarking Summary report

10 March 2022



Outlook for 2022

- NZX has today announced guidance* to be in the range of \$33.5 million to \$38.0 million
- NZX Board notes the increased market volatility from the start of the year, and a general tightening in financial conditions

*The guidance is subject to market outcomes, particularly with respect to market capitalisation, total capital listed and raised, secondary market value and derivatives volumes traded, funds under management and administration growth, acquisition related integration costs and technology costs

Additionally, this guidance assumes no material adverse events, significant one-off expenses, major accounting adjustments, other unforeseeable circumstances, or future acquisitions or divestments. This guidance should be read together with and subject to the risks in the 'Key Risks' section on slide 45 of NZX's Investor Presentation released on 17 February 2022.



Report on financial and business performance

Mark Peterson, CEO

Delivering on a growth strategy

- Capital listed and raised remains a high priority
- Continuing to build liquidity through greater connection, participation, functionality and new products (NZX20 Futures)
- Partnering to accelerate the growth and realise the potential in our Dairy market
- Investing to support scale in Smartshares and Wealth Technologies
- Built on strong foundation – efficient and accurate operations, resilient and secure technology, and a sound balance sheet



Performance and results

- 2021 successfully continued the step-change we saw in our markets in 2020
- Achieved higher levels of market activity particularly for capital listed and raised, and total value traded.
- Smartshares and Wealth Technologies continued to gain scale providing greater earnings diversity and a platform for future growth

2021 deliverables exceeded across all divisions other than Dairy

	FY21 Targets	FY21 Actuals	
Operating earnings¹	\$32.0m-\$35.5m	\$35.8m <i>(excl. acquisition costs)</i> <i>(\$34.4m after acquisition costs)</i>	✓
Capital listed and raised	\$10bn	\$19.8bn	✓
Total value traded	\$45bn	\$52.4bn	✓
Data & insights revenue	5% avg. growth	8.1% growth	✓
Funds under Mgmt.	14% avg. growth	28.8% growth	✓
Funds under Admin.	Migrate new clients onto the platform	53.2% growth <i>(three new clients)</i>	✓
Dairy derivatives lots traded	0.4m – 0.5m lots	305,937 lots traded	✗

Focus on our Capital Listed and Raised

- Recognition of global volatility impacting market conditions
- 2021 a solid year for new listings and capital raisings
- Listed issuers making use of the ability to source equity and debt funding when needed
- Continued focus on identifying new prospects



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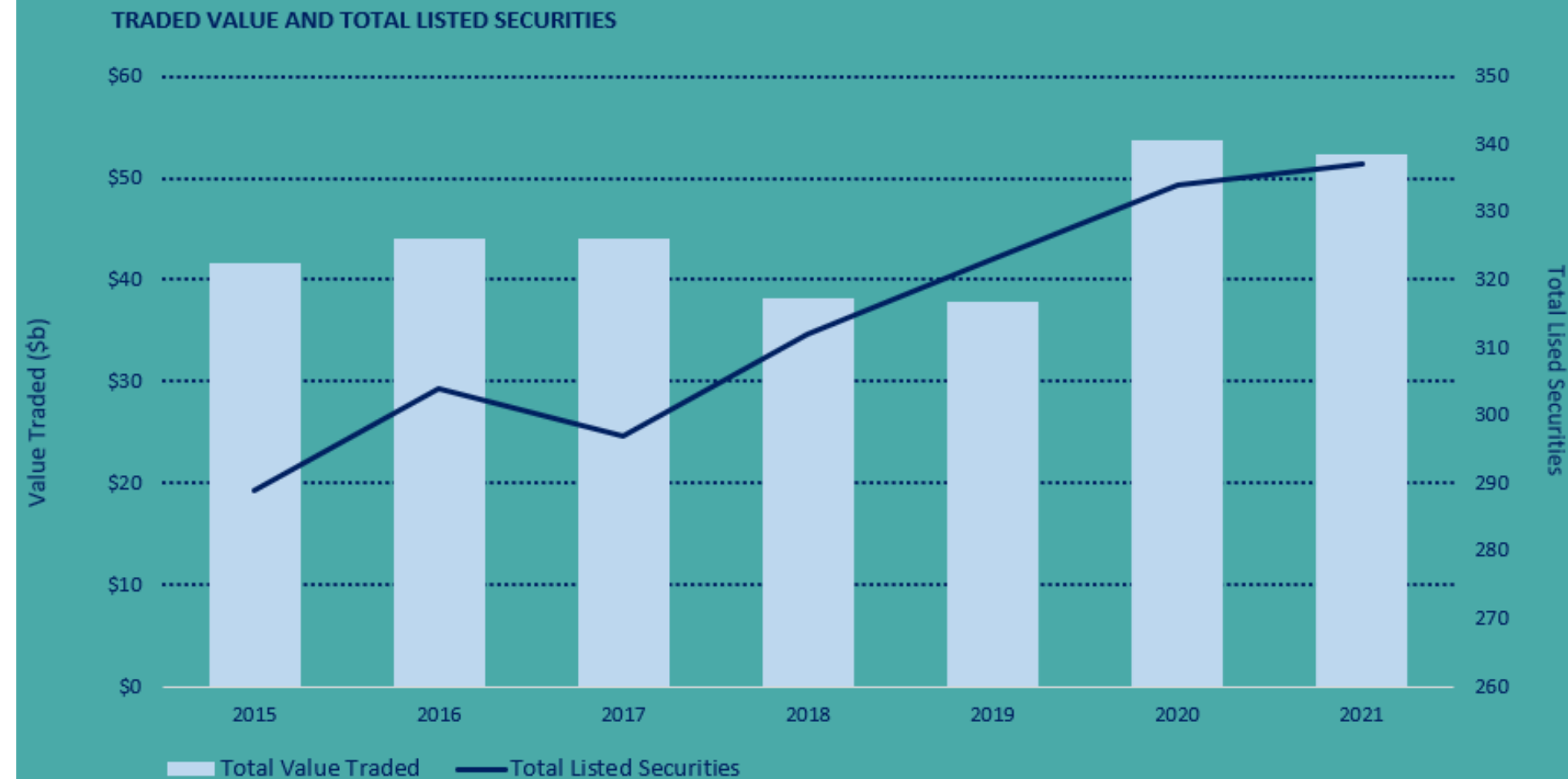
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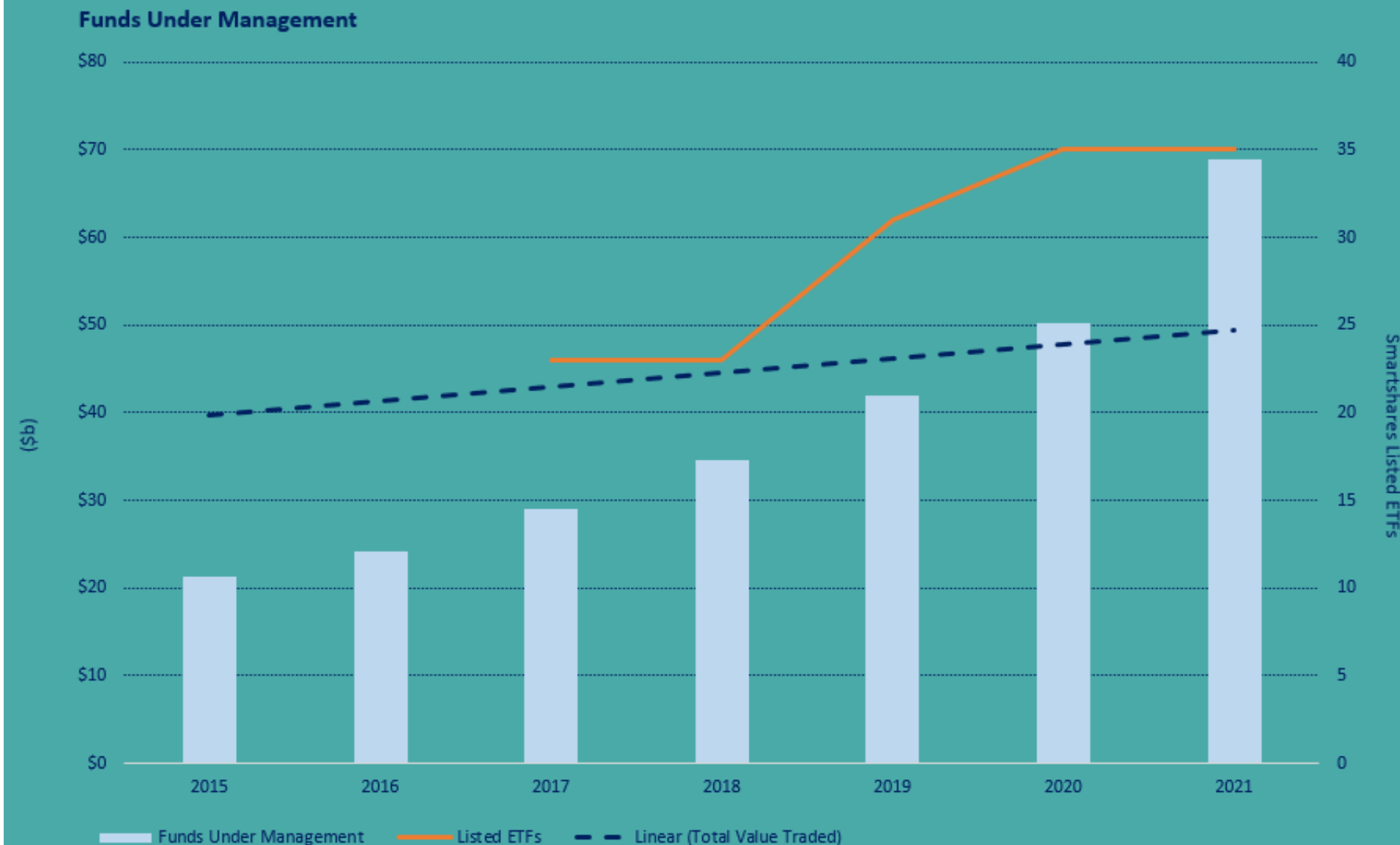
Market development

- High levels of engagement and interest in our markets – attracting both local and international attention
- On-market liquidity levels averaged 62% in 2021. Our objective is to reach 70-80% over the next five years.
- Positive trends showcase how a healthy listed market can deliver reliable liquid and open access to investment in New Zealand



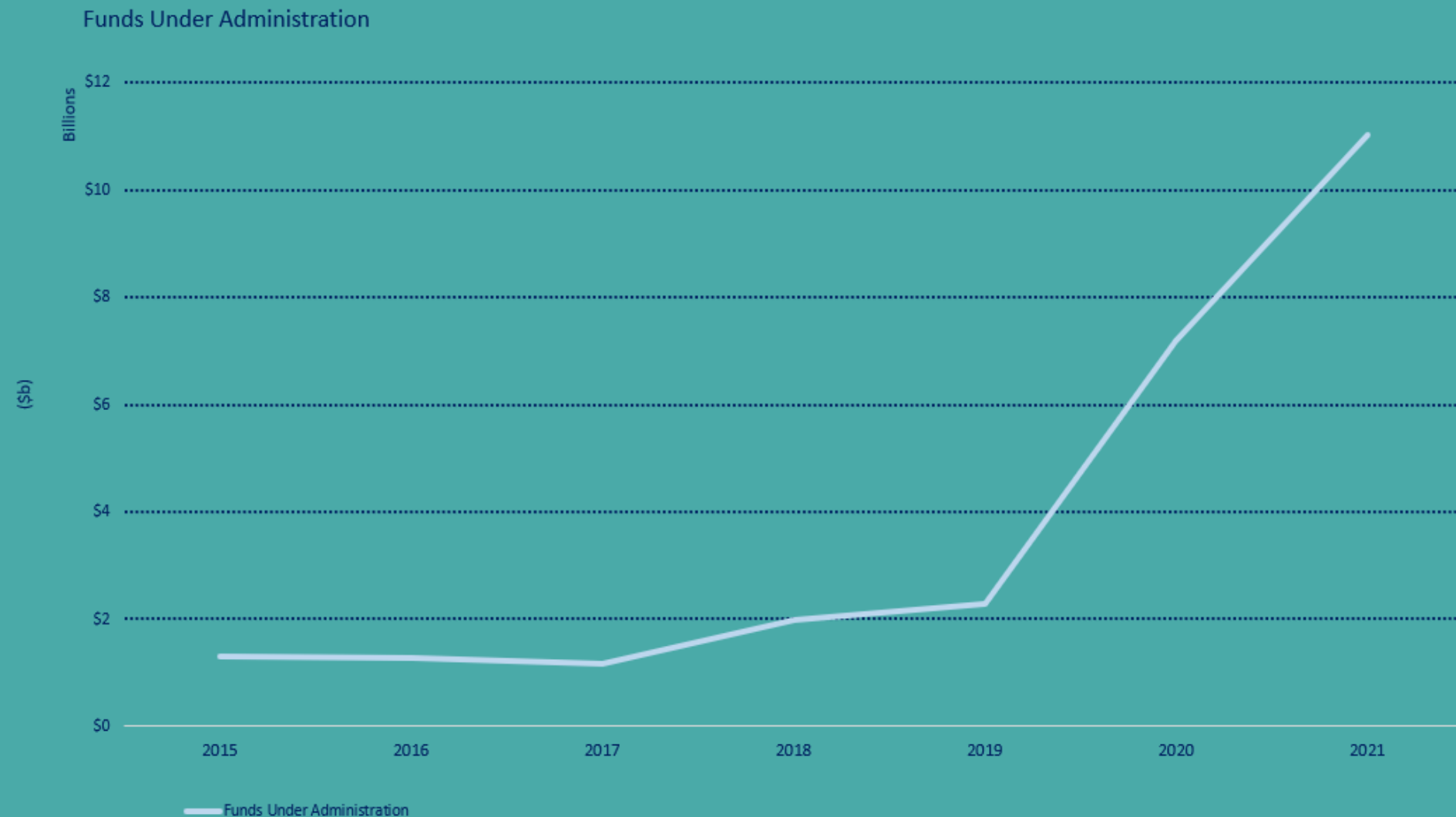
Smartshares

- 119,869 members across KiwiSaver, investment superannuation, and insurance solutions
- Attracted more than \$1 billion in net investor cash flows
- Acquisition of ASB Superannuation Master Trust management rights to add \$1.8 billion in retirement saving
- Additional \$385 million of FUM transferred to Smartshares from KiwiSaver default transition in December 2021
- KiwiSaver default status expected to bring in 10,000 new members each year



Wealth technologies

- Client transitions have driven growth, and there is a positive outlook for this to continue
- Eight clients on the new platform, three new onboarded in 2021
- 32,095 investor portfolios being managed through our wealth management platform
- Increased level of demand for NZX Wealth Technologies service offerings
- Engaged with a number of new prospects for project activity



A spotlight on Dairy Derivatives



Creation of truly global reference prices to drive financial market

Notes:
 1 NZX, EEX and Fonterra participation in GDT is subject to the approval of Boards, clearance from any relevant competition law authorities (including European), and finalisation of transaction documentation, the partnership is expected to be completed mid-2022, with Fonterra, NZX and EEX each holding an equal one-third (33.33%) shareholding in GDT

Tech and Risk Management

- Technology remains a key priority for NZX
- Capacity added to the technology and securities IT team
- Continued focus on quality, reliability and risk reduction
- New trading system to assist NZX in meeting the anticipated needs of Participants in New Zealand's capital markets



Commitment to sustainability

- NZX has held five successful NZ ETS auctions with increased interest building
- Rising New Zealand Unit (NZU) price and importance of NZ ETS seeing increased focus from Government and sector
- Toitū Envirocare engaged to independently verify and report NZX emissions from FY2022
- NZX continue to support work undertaken by the Aotearoa Circle's Sustainable Finance Forum, including the launch of Toitū Tahua, the Sustainable Finance Centre



Tribute to teamwork

- NZX is bound by a team who brings our culture to life, while we work hard to build New Zealand's tomorrow
- The role of capital, and a trading platform like the exchange, is a central chapter in the story of New Zealand's economic development
- We have stood the test of time, we are New Zealand's Exchange



Resolutions

Resolution 1: Auditor

That the Board be authorised to determine the auditor's fees and expenses for the 2022 financial year.



Resolution 2: Election of Peter Jessup

To elect Peter Jessup as a director of NZX Limited.

Peter joined the NZX Board in January 2022, following his appointment to the Technology Sub-committee in April 2021. He brings more than 35 years' financial markets IT experience – including trading, surveillance, clearing, depository and settlement systems.

Prior to establishing an independent consultancy in 2018, Peter was Senior Vice President at Nasdaq's Global Technology Services group, leading an international team of software product engineers and support personnel of over 250 across four geographical locations. Over his 23 years at Nasdaq, he oversaw the development and deployment of financial markets products with a global customer base of over 50 exchanges, CSDs and clearing houses.

Peter previously worked for NZSE (New Zealand Stock Exchange), where he played a key role in automation of the exchange, including the implementation of electronic settlement and automated trading technology.



Resolution 3: Re-election of James Miller

To re-elect James Miller as a director of NZX Limited.

James was appointed as a director in August 2010 and has been NZX Chair since May 2015. He has deep experience in the share broking industry, with more than 14 years across Craigs Investment Partners, ABN AMRO, Barclays de Zoete Wedd and ANZ Securities.

He is a qualified chartered accountant, a Certified Securities Analyst Professional, and is a Fellow of both the Institute of Chartered Accountants and the Institute of Directors in New Zealand. James is a director of Mercury NZ, Channel Infrastructure (previously New Zealand Refining Company) and Vista Group.

He retired as deputy chair of ACC on 31 December 2021, and is a former director of Auckland International Airport and Vector. was an inaugural director of the Financial Markets Authority, and previously a member of the ABN AMRO Securities, INFINZ and Financial Reporting Standards Boards.



Resolution 4: Re-election of Elaine Campbell

To re-elect Elaine Campbell as a director of NZX Limited.

Elaine was appointed as a director in February 2019. She has more than 20 years' legal experience, primarily focusing on financial and capital markets, IT and telecommunications law.

Elaine is currently Chief Corporate Officer & General Counsel of NZX-listed Chorus. During her time on the executive team at NZX from 2002 to 2008, Elaine led the legal workstream for the demutualisation and listing of NZX and was responsible for the insourcing of regulatory functions, along with chairing Smartshares.

Elaine spent five years at the Financial Markets Authority as Director of Compliance before joining AMP as an executive director and General Counsel. She has previously worked in the UK and USA for multinational Sun Microsystems.



Resolution 5: Director fees

To increase the NZX director fee pool by \$87,000 to \$522,000.



Voting

Questions

Thank you

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