



NZX Limited

Subordinated Notes

Summary Indicative Terms Sheet for the Election Process NZX is running prior to the first Election Date (20 June 2023)

Date 8 May 2023

Arranger and Joint Lead Manager



Joint Lead Managers



Set out below is a summary of the key terms and conditions of the unsecured, subordinated notes ("**Subordinated Notes**") issued by NZX Limited ("**NZX**") under a trust deed dated 15 May 2018 made by NZX and Public Trust (as amended from time to time) ("**Trust Deed**"). The summary includes the new terms and conditions that will apply to the Subordinated Notes with effect from the Election Date on 20 June 2023. This summary indicative terms sheet ("**Terms Sheet**") should be read together with the Trust Deed. The Trust Deed is available on the Disclose Register at <https://disclose-register.companiesoffice.govt.nz> (offer number OFR12393).

Capitalised terms used but not defined in the Terms Sheet have the meaning given to them in the Trust Deed.

Issuer	NZX Limited (the " Issuer " or " NZX ").
Instrument	Unsecured, subordinated notes.
Total Subordinated Notes on issue	\$40 million.
Election Process/sale offer	An Election Process is currently underway. NZX may Purchase or Redeem the Subordinated Notes of Holders who elect to Redeem their Subordinated Notes under the Election Process. If NZX Purchases Subordinated Notes, it may offer them for sale.
Ranking of the Subordinated Notes	The Subordinated Notes are unsecured and rank equally with all other Subordinated Notes and behind all indebtedness of NZX, other than indebtedness expressed to be equal with or subordinate to the Subordinated Notes.
New Interest Rate	<p>The Subordinated Notes will pay a fixed rate of interest for the 5 years from (and including) the first Election Date (20 June 2023) to (but excluding) the next Election Date (20 June 2028).</p> <p>This Interest Rate will be the higher of:</p> <ul style="list-style-type: none"> (a) 6.50% per annum; and (b) the sum of 2.25% per annum plus the mid-market interest swap rate for a 5 year term starting on the first Election Date (adjusted to a quarterly basis as necessary), as calculated by NZX in conjunction with the Joint Lead Managers (according to market convention) on 13 June 2023. <p>The new Interest Rate will be announced to the market on or about 13 June 2023.</p> <p>If NZX runs another Election Process, a new Interest Rate may be set via that process.</p>
Interest Payment Dates	<p>Interest shall be paid quarterly in arrear in equal amounts.</p> <p>On Interest Payment Dates, interest will be paid to the person registered as the Holder as at the Record Date.</p> <p>The Record Date for the Interest Payment Date is 5pm on the date that is 10 calendar days before the relevant Interest Payment Date.</p> <p>If the Record Date falls on a day which is not a Business Day, the Record Date will be the immediately preceding Business Day.</p>
Interest deferral	<p>NZX may defer the payment of interest at its absolute discretion.</p> <p>In the event interest is deferred the Interest Rate will increase to the Penalty Rate. The "Penalty Rate" is the sum of the Interest Rate plus an additional 4.00% per annum.</p> <p>Any Deferred Interest will also accrue interest at the Penalty Rate, compounding on each Interest Payment Date until paid.</p>
Dividend Stopper	<p>NZX will not be able to pay any dividend or make any other payments on or with respect to its ordinary shares or other securities, financial products or indebtedness ranking equally with or subordinate to the Subordinated Notes:</p> <ul style="list-style-type: none"> • if and for so long as there is any unpaid or Deferred Interest; or • if the Financial Covenant is failed on two consecutive Scheduled Test Dates, until NZX complies with the Financial Covenant.

Election Process

No less than 30 Business Days prior to the next Election Date, NZX will provide notice of its election to either:

- Redeem the Subordinated Notes on the Election Date; or
- run another Election Process offering New Conditions.

If NZX runs another Election Process, Holders can either:

- elect to continue to hold some or all of their Subordinated Notes subject to the New Conditions; or
- elect for NZX to Redeem some or all of their Subordinated Notes for cash at the Redemption Amount.

The New Conditions may modify the conditions applying to the Subordinated Notes (including, for example, the Interest Rate, Penalty Rate and Financial Covenant) but may not change the Maturity Date or next Election Date.

Holders who do not respond to an Election Process Invitation will be deemed to have elected to continue to hold all of their Subordinated Notes subject to the New Conditions.

Redemption Amount

Principal Amount plus all accrued but unpaid interest (including Deferred Interest).

Change of Control Event

The occurrence of one or more of the following:

- an offer is made which would result in the offeror (including its associates) holding or controlling more than 50% of the voting rights of NZX and the offer has been accepted, become unconditional and all regulatory approvals have been obtained; or
- any other circumstance or event arises which results in a person (and its associates) holding or controlling more than 50% of the voting rights of NZX.

If a Change of Control Event occurs then Holders have the right to elect that NZX must Redeem all of their Subordinated Notes for the Redemption Amount.

Tax Event

In summary, a Tax Event may occur if there has been, or there will be, a change in New Zealand law applying after the Issue Date, as a result of which:

- any interest payable on the Subordinated Notes, including interest which has been deferred, is not fully deductible for the purposes of the Income Tax Act 2007; or
- NZX would be, or is likely to be, exposed to any other adverse tax consequences in relation to the Subordinated Notes.

If a Tax Event occurs, NZX may elect to Redeem all of the Subordinated Notes at the Redemption Amount.

Less than 10 million Subordinated Notes

At any time, NZX may elect to Redeem at the Redemption Amount all of the Subordinated Notes on issue if there are less than 10 million Subordinated Notes outstanding.

Events of Default

The Subordinated Notes may become immediately Redeemable at the Redemption Amount if one of the following Events of Default occurs:

- NZX fails to pay the Principal Amount or interest when due, and that breach is not fully remedied within 10 days of the due date for payment;
- NZX fails to comply with the Dividend Stopper; or
- an Insolvency Event of NZX occurs.

A failure to pay interest that has been deferred is not an Event of Default. NZX may defer payments of interest at any time at its discretion.

Financial Covenant	<p>NZX has undertaken that it will ensure that the ratio of Net Senior Debt to Operating Earnings will be no greater than 1.5:1.</p> <p>The Financial Covenant will be tested as at each 30 June and 31 December.</p>
Retail Liquidity Support Facility	<p>NZX has engaged Forsyth Barr Limited as facility agent to provide a retail liquidity support facility on a reasonable endeavours basis on behalf of NZX. This arrangement intends to facilitate and support liquidity for small investors where liquidity is not otherwise being provided by the market.</p>
Listing	<p>NZX Debt Market.</p>
Minimum subscription	<p>\$5,000 and in multiples of NZ\$1,000 thereafter.</p>
Brokerage	<p>0.50% payable by NZX</p>

Important dates

Election Process record date	4 May 2023
Election Process Invitation sent	8 May 2023
Response Cut-off Date	5:00pm, 29 May 2023
New Interest Rate set	13 June 2023
First Election Date	20 June 2023
Expected date of new quotation and resumption of trading on the NZX Debt Market	21 June 2023
Interest Payment Dates	20 March, 20 June, 20 September, 20 December in each year, with the first Interest Payment Date after the first Election Date being 20 September 2023*
Next Election Date	20 June 2028
Maturity Date	20 June 2033

* If any date on which an interest payment is due to be made is not a Business Day, payment shall instead be made on the next Business Day. Interest payments may be deferred at NZX's discretion, as described in the Trust Deed.

Some of the dates set out in this Terms Sheet are indicative only and subject to change. The Issuer may vary these dates in its absolute discretion and without notice. Any such changes will not affect the validity of any applications received. The Issuer reserves the right to cancel any sale offer.

Selling restrictions

You may only offer for sale or sell any Subordinated Note in conformity with all applicable laws and regulations in any jurisdiction in which it is offered, sold or delivered.

NZX has not taken and will not take any action which would permit an offer or sale of Subordinated Notes, or possession or distribution of any offering material in respect of the Subordinated Notes, in any country or jurisdiction where action for that purpose is required (other than New Zealand).

Any information memorandum, disclosure statement, circular, advertisement or other offering material in respect of the Subordinated Notes may only be published, delivered or distributed in compliance with all applicable laws and regulations (including those of the country or jurisdiction in which the material is published, delivered or distributed).

By subscribing for or otherwise acquiring any Subordinated Notes, you agree to indemnify, among others, NZX, the Supervisor, the Arranger and the Joint Lead Managers for any loss suffered as a result of any breach by you of the selling restrictions referred to in this section.