

5 April 2019

NZX Annual Meeting: full script

Chair's Address

[Slide: Address from Chair James Miller]

Good morning and thank you for joining us.

My name is James Miller, Chair of the NZX board. Welcome to the 2019 NZX annual meeting in Dunedin.

A special mention to those shareholders joining us via webcast.

[Slide: Agenda]

Firstly, a quick summary of our agenda today and introductions ...

I will speak first, and be followed by our CEO Mark Peterson. We will then move to the formal business of the meeting.

There are four resolutions for you to consider and vote on, as set out in the Notice of Meeting.

After this, there will be a chance to ask questions and then we look forward to hosting you for refreshments.

Before we begin, I would like to introduce your board. On my far right:

- Jon Macdonald;
- Nigel Babbage;
- Lindsay Wright; and
- Next to me Mark Peterson our CEO.

On my far left:

- Anna Scott, our future director;
- Richard Bodman;
- Frank Aldridge; and
- Elaine Campbell.

Seated in the front row from our leadership team assisting us today:

- Graham Law, Chief Financial Officer; and
- Hamish Macdonald, General Counsel and Company Secretary.

We also have our share registry, Link Market Services, and our auditors KPMG, here.



I am pleased to confirm we have a quorum and declare NZX's 2019 annual shareholders meeting open.

[Slide: Celebrating 150 years of New Zealand's exchange]

Today's meeting is of particular importance because last night we kicked off celebrations to mark 150 years of New Zealand's exchange.

Past and present members of the capital markets community celebrated this milestone at an evening generously hosted by Forsyth Barr in Dunedin.

Thanks to Neil Paviour-Smith and his team for hosting a superb event. A special mention and thanks to Sir Eion Edgar who MC'd the evening also.

Events will be held across New Zealand this year to celebrate our exchange. These will enable NZX and the capital markets to celebrate what has come before and confidently look forward to what lies ahead.

The exchange's history has also been captured in a book which will be released in July. It features interviews with industry figures and includes imagery from our archives.

To find out more about the celebrations, and the book, please visit:
celebratingourexchange.co.nz

Our annual meeting is appropriately being held in Dunedin because this is where the exchange was born.

Sharebrokers, Connell & Moodie, formed the Dunedin Sharebrokers Association – which created the foundation of the New Zealand stock exchange.

It is great to be back where it all started – and share this milestone with the University of Otago – who are also celebrating 150 years.

Our director Nigel Babbage – a member of the Otago University alumni network – has been hosted by the university's business school this week. We look forward to continued success of both organisations over the next 150 years.

[Slide: Capital Markets 2029 will build on strong growth of New Zealand market to date]

Our role as an exchange operator means we have responsibility to bring the market together.

Critical to this is Capital Markets 2029, an initiative set up by NZX and the Financial Markets Authority to deliver a 10-year vision and growth agenda for our sector.

Recent years have seen rapid share market growth globally and New Zealand's benchmark S&P/NZX 50 index has been a standout performer up 4.9% last year and 22% in 2017.

As the graph on the screen shows, if you invested \$10,000 in 2009 it would be worth almost \$40,000 today, beating other global indexes.

While areas of the market have performed well, including KiwiSaver and debt issuance, equity listings remain the missing piece of the puzzle.

This is not unique to New Zealand with IPO activity down globally – but it is important we consider opportunities to improve the effectiveness of our capital markets – and remove any blockages for equity listings.

Direct investment into the share market plays an important role in the productivity of our economy – and Capital Markets 2029 will play an important role in ensuring this continues.

We would expect the 2029 team to detail clear recommendations for NZX, the Financial Markets Authority and Government on how to improve the industry's settings and ecosystem.

[Slide: Recommendations help spur growth]

For example, the graph on the screen shows the impact of the same class offer regime on the debt market.

This regime came in under the Financial Markets Conduct Act 2013, with the specific provisions taking effect from April 2014.

As you can see the change in legislation helped facilitate a significant increase in the issuance of retail debt securities.

This momentum has continued through to the first quarter of 2019 where we have seen six issues totalling \$1.95 billion, this compares to three totalling \$325 million in the first quarter of 2018.

This underpins our confidence that the Capital Market 2029 report will outline recommendations that will enhance market development and promote our capital markets.

Finally on Capital Markets 2029, I'd like to acknowledge the Minister of Commerce Kris Faafoi, Rob Everett and Simone Robbers of the Financial Markets Authority and Martin Stearne, Chair of Capital Markets 2029, for ensuring this initiative happened.

[Slide: Progress to date: transition and hard work]

Transition and hard work have been clear themes over the past 12 months with our team making significant progress to turn our business around.

We have focused on removing blockages for future growth and have delivered more than 70 projects that will improve efficiencies and connectivity to the New Zealand market.

Our leadership team also focused on embedding a customer centric culture across NZX.

This was achieved while delivering the second best operating earnings result in our history.

To support this, we also significantly lowered the risk profile of our capital structure to ensure it was appropriate for a business operating at the centre of New Zealand's capital markets.

There was an increased focus on our growth engines – Smartshares and Wealth Technologies – with these teams now aggressively focused on sales and product refinement.

With significant progress made to transform NZX strategically and culturally the board are now acutely focused on ensuring our financial performance supports this.

[Slide: We are making progress: expenses and operating margin explained]

We are committed to ensuring strong cost control in our business, while continuing to invest wisely in our growth engines. The board know shareholders are interested in our cost base and we are sensitive to your views.

In 2019 we want to ensure that efforts made to improve the customer centricity of NZX translate into revenue.

As you can see from the graph on the screen we have reduced our expenses by 26.9% since the end of 2016 after which Mark took over as Interim CEO.

People are our main investment and this reduction has been primarily driven by a fall in staffing numbers following the disposal of our non-core businesses last year.

Alongside this, our operating margin has continued to improve – up 10.2% over this same period – and we expect this to further improve in 2019. Our aspiration is to align with our peers; for whom the regional stock exchange average is 52%.

To provide shareholders with increased transparency and reassurance that costs are being effectively managed, the board today provides greater clarity that we expect NZX's 2019 expenses to be in the range of \$37.0 to \$38.0 million, down from \$40.2 million in 2018. These figures are subject to unexpected events and any unplanned investment in growth opportunities.

At this early stage in the year we consider it appropriate to leave earnings guidance unchanged. Therefore the NZX board reaffirms that it expects full year 2019 EBITDA to be in the range of \$28.0 million to \$31.0 million.

Our strategic priorities continue to be investing in our growth opportunities, Smartshares and Wealth Technologies to maximise the value of these businesses. Development of the Smartshares sales capabilities and development of the Wealth Technologies platform set these businesses up for future growth.

[Slide: We are committed to increased transparency]

All boards have a responsibility to act in the best interests of all shareholders. We want to acknowledge a challenge from a small group of shareholders – NZX Now – in 2018.

These events challenged your board to think deeply about our business and step up our engagement with you.

A key theme from shareholders has been the importance of regular performance metrics and targets so you can track our progress.

We have delivered on this, releasing five-year aspirational targets as part of our full year financial results in February. These targets are ambitious, and support annual guidance and the monthly shareholder metrics already in place.

We also adopted the principles of a formal sustainability-reporting framework, the Global Reporting Initiative, which was included in February's annual report. Integrating this into our annual reporting provides a comprehensive view of how we create value for our customers, community, and people.

I would like to acknowledge the hard work and additional effort from our team to deliver this increased level of transparency for shareholders.

[Slide: Your board]

Turning now to your board ...

I'd like to acknowledge Dr Patrick Strange who resigned as a director in October accepting the role of Chair at NZX listed issuer Auckland International Airport.

Patrick made a valuable contribution during his tenure at NZX, particularly to our strategy, and more recently the divestment of our non-core agri businesses.

I would also like to acknowledge the contribution made by Anna Molloy, our first future director who finished her term with us in November.

Anna Scott joined us in January as our second future director. Anna brings to NZX experience in programme, technology and business management. Anna works at Hobson Wealth Partners and was instrumental in their accreditation as our newest trading and clearing participant last year.

Since our last meeting we have welcomed Elaine Campbell as a director.

[Slide: We have a range of governance skills, reflecting our diverse customer base]

As you can see from the skills matrix on the screen, it is important to have a range of governance skills, reflecting our diverse customer base. Elaine's appointment supports this.

Elaine has a strong understanding of NZX and its regulatory obligations, and is passionate about the critical role the exchange plays within the economy. We were delighted to welcome her to our team.

Elaine also has funds management experience from her time at AMP Financial Services and listed company experience from her current role as General Counsel and Company Secretary of NZX listed issuer Chorus.

Joining the board in February, Elaine has hit the ground running ensuring our regulatory function is operating as efficiently as possible, while continuing to deliver on our commitment to operate fair, transparent and orderly markets.

Elaine will join the Regulatory Governance, Conflicts and Clearing Committees.

Given Elaine's appointment we have also reviewed our committee members.

Nigel will now Chair the Clearing Committee, with Lindsay standing down as a member and joining the Nominations Committee.

Jon will stand down from the Nominations, Conflicts and Regulatory Governance Committees, and join the Audit and Risk Committee, which Frank will step down from. Richard will step down from the Regulatory Governance Committee.

As set out in the Notice of Meeting, Elaine is seeking election today. She has the full support of the board.

I am also standing for re-election today. I will address you formally later, but would like to reiterate my commitment and passion for NZX. It is an absolute pleasure to serve as your Chair and is a position I take seriously.

[Slide: Areas of focus for the board in 2019]

Last year I spoke about how the board supported Mark and his team to reset our strategic direction. This involved removing barriers to entry to drive future revenue growth.

This included delivering the updated listing rules and market structure, implementing the mutualised default fund to attract new global derivatives participants, and several IT projects to ensure market connection is timely and cost effective for our customers.

We acknowledge – and do empathise with shareholder views – that this transition has taken longer than expected.

We are now entering an exciting chapter for NZX.

With significant progress delivered to ensure we have the right platform in place, we are heading in the right direction.

This year we are focused on generating growth from these changes and ensuring NZX operates efficiently because, after all, a dollar saved is a dollar made.

Thank you for your continued support of NZX. A particular thanks to those who travelled to be here today. Your continued support does not go unnoticed.

Thank you also to my fellow directors and the staff at NZX for your hard work.

I now invite Mark Peterson to address the meeting.

CEO address

[Slide: Address from CEO Mark Peterson]

Thanks James – and good morning to everyone joining us in person and online.

It's great to be in Dunedin. Last year's meeting was in Christchurch, and before that Wellington. Bringing NZX to Dunedin reinforces our commitment to all of New Zealand – and as James mentioned is timely given we are celebrating 150 years of the exchange.

A special mention to Dunedin's capital markets community joining us today. It's great to have your support.

Like James, I want to acknowledge Forsyth Barr's generosity hosting the 150 celebrations last night. It was a great evening, and a reminder of how passionate our industry is about growing New Zealand's capital market.

[Slide: Today you'll hear about ...]

I would like to cover four themes today:

1. Our strategic delivery efforts over 2018 and why they were important
2. Progress over the first quarter of 2019
3. The culture change we have seen internally, and our shift to create a stronger sales and growth focused NZX ... and
4. What you can expect from us looking forward

[Slide: Our strategic delivery efforts in 2018 and why they were important]

Starting with number one ... our 2018 delivery efforts and why they were important.

If we step back a minute it is important to remember what we are doing and why.

This won't be news to anyone, but to drive consistent growth in shareholder returns we need the New Zealand market to grow, we need NZX to grow, and we need earnings to grow year on year.

For the market to grow, we have to lift the number of traded securities, the number of participants and investor connections, which flow through to growth in secondary trading volumes – and we need to do this quickly, efficiently and without affecting the market's daily operation. That is what our core markets strategy is all about.

With all that said, NZX does not control every aspect of market growth. The broader ecosystem plays a major role in delivering the growth we all desire. This is why we initiated Capital Markets 2029 alongside the Financial Markets Authority.

With this as a backdrop, since the last meeting we have significantly sharpened our focus on our core business – the operation of New Zealand's equity, debt, funds and derivatives markets.

Divesting the non-core agri businesses meant we were no longer distracted by initiatives, which did not support core markets growth. This allows us to focus on projects critical to 'removing barriers to growth' in the market.

This was supported by restructuring our business around our three natural customer groups: issuers, participants and data.

Our entire organisation now focuses on deepening customer relationships, adding value and delivering growth in their respective areas. Our reputation is transforming, and we are beginning to be known for putting customers at the heart of what we do.

Make no mistake – we still have a way to go – but we are heading in the right direction.

As I said, to pursue growth and improve market access we needed to remove several barriers.

The market's structure and rule set had to be simplified to make it easier for current and prospective customers to raise capital. We have also extended the product set to include green bonds.

To attract new participants, the percentage of on-market value traded had to lift.

New participants, particularly international firms, need to be sure that price discovery originates from the trading activity that is matched on the screen. This has improved materially over the last two years, with 2018 levels averaging 53.4%, and reaching a record high of 57.2% in December. This is well up from 2017 levels, which averaged 41.9%, and we would like to see further growth over time.

The next barrier to new participants joining the market was a technical one.

Previously new global participants had to wait months to connect their trading and data systems to our market infrastructure. We need new participants to lift overall liquidity levels – so our team had to find a simpler, cheaper and faster way for participants to connect.

And they did – from 1 January a new international participant can use our services to connect to the New Zealand market in as little two weeks.

Our markets also need more clearers. To do this we had to ensure NZX's own risk waterfall model was of a global standard.

This was achieved through the implementation a mutualised default fund for the derivatives market which now asks clearers to share in the capital contribution to the Clearing House. This now brings us up to the global standard, and brings the added benefit of creating a further five year growth runway for the derivatives market before NZX needs to contribute more capital.

Further to this, NZX's own capital structure was changed in 2018 through the issuance of a subordinated note. This has ensured we have a balance sheet risk profile appropriate for a business critical to New Zealand's capital markets infrastructure.

These projects were all delivered in 2018 – and were supported by the automation of some operational processes to improve our team's accuracy, timeliness and reputation.

In addition to these actions undertaken in the core, our growth businesses Smartshares and Wealth Technologies had milestone years.

Smartshares operating earnings increased 29% in 2018 – and we have a clear plan in place to grow revenues and create more operating leverage in this business.



Our Wealth Technologies team launched its core platform, with the addition of \$1 billion funds under administration, and the focus now turns to converting the interest that we have seen from the market.

2018 was a year of change and delivery for NZX.

We absorbed the delivery of 70 projects – a 90% increase on 2017 – and the business is now in much better shape to grow.

[Slide: Progress in the first quarter of 2019]

Now these barriers have been removed, we are shifting our energy to convert interest shown by prospective customers into market growth and earnings uplift

While it is early days the team are off to a strong start in 2019.

Wellington-based investment platform, Sharesies, which actively targets retail investors, is intending to become a cash market trading and clearing participant.

And Tiger Financial, which recently listed on the NASDAQ has started discussions with our team to become a trading and clearing participant.

The exciting aspect with Sharesies and Tiger Financial joining NZX is that they will bring new liquidity.

Sharesies is focused on a new area of the New Zealand retail investor market, and Tiger Financial has a large Asian retail investor client base. We anticipate that both will bring new trading flows to the market.

In addition, we are in the final phases of accrediting a large global custodian who will join the market as a depository participant. This participant's accreditation positions NZX's Central Securities Depository as the most efficient and leading post trade service in New Zealand. We look forward to making this announcement in the next couple of weeks.

The pipeline of participants looking to connect to the New Zealand market is the strongest it has been. We want to provide investors with efficient, innovative and cost effective access to market to keep growing liquidity.

Our Issuer Relationship team is also seeing encouraging interest from prospective equity, retail and wholesale debt, and fund issuers looking to take advantage of the updated rules.

Napier Port announced their intention to complete a partial listing this year and the first wholesale debt listing took place last month officially launching this product set.

Today, Housing New Zealand listed four wholesale bonds totalling \$1.3 billion, this includes three existing issues and a new \$500 million sustainability bond.

The retail debt market has continued to grow with primary debt issuance up 533% on the first quarter of last year and we have six issued securities certified as green. Its early days, but this is an area that New Zealand and the NZX has natural brand advantage in global markets.

Total capital raised in the first quarter of this year is up 411% on the prior corresponding period.



We continue to operate the fastest growing dairy derivatives market globally, with last month being a record breaking month, overtaking the previous record held in July 2018.

Our investment to extend the derivatives market's trading hours was well received with more than 50% of all first quarter trading occurring in the extended session, which aligns with the Asian close and European open.

Smartshares funds under management exceeded \$3.19 billion in March and Wealth Technologies has a strong pipeline in play.

To give some more colour on Wealth Technologies, we are pitching for approximately \$32 billion in funds under administration, and are talking to additional potential customers who have a further \$8 billion.

[Slide: Our culture has changed]

Over the last two years, NZX has undergone a culture change.

Across our teams, we have been clear in our strategic direction and priorities, we have been clear in our focus on delivery, customers and how these will add value and deliver our growth ambitions.

We have reviewed the skill sets we need, our structure, and our leadership.

Our delivery and staff engagement levels are also higher. Our team take pride in working at NZX and are focused on growing this market. We set a clear direction for the business in November 2017 which our people believe in and are delivering on.

As I mentioned at the start, we are transforming the reputation of NZX to one that is delivery orientated, outward focused and customer centric. We will build on this in 2019 by adding a much stronger focus on sales and pipeline conversion which will drive through to growth.

[Slide: Looking forward, what you can expect from us ...]

2018 was about getting our house in order – and tangible growth is now happening because of this work.

2019 is about delivering on the pipeline of opportunities we have created in our core markets business – specifically in equity, retail and wholesale debt, and funds issuance.

It also includes growing our participant community across all areas – but trading, clearing and depository in particular.

Overlaying this, we naturally create an opportunity to grow our data and insights business.

Alongside our core markets team – we have our growth engines: the dairy derivatives market, Smartshares and Wealth Technologies businesses.

We have strong growth proof points across each of these areas already and I hope you are encouraged and share some of our optimism from what you have heard today.



2019 is also about continuing to evolve our culture into one that is stronger on sales, marketing and growth.

Finally, leadership is a key theme and as James mentioned the initiation of Capital Markets 2029 is a good example of this. It is important that the wider ecosystem, which includes NZX and policy makers, work together to drive change and growth if we are to create a vibrant capital market which is important for our countries prosperity.

All these actions are done with the intention to lift returns for you, our shareholders.

The last two years have been busy and productive. Shareholder returns remain front of mind, and the special dividend paid last year should have reinforced how we want to treat shareholders.

Thank you for your attention today and for your ongoing support of NZX and the New Zealand market.

I will now hand back to James as we move to the formal part of the meeting.

Resolutions

[Slide: Resolutions]

We now move to the formal part of the meeting.

As you entered today shareholders and proxy holders will have received either a white voting card or a non-voting investor card.

If you wish to ask a question, please hold up your card as only shareholders and proxy holders can ask questions. Please begin your question by stating your name, and whether you are a shareholder or proxy holder. In the interests of fairness to all shareholders if you would like to ask a question please be as concise as possible.

Please also remember that this meeting is being webcast so you will be heard by an audience outside this room.

During the formal part of the meeting, questions must be related to the resolution at hand. All other questions will be answered in general business at the end of the meeting.

The first three items of business are ordinary resolutions, and are required to be passed by a simple majority – more than 50% - of the votes of shareholders who are entitled to vote on the resolutions and who exercise their right to vote. The final item of business, being to amend NZX's constitution, is proposed as a special resolution. To be passed, this requires approval by a majority of 75% of votes of shareholders who are entitled to vote on the resolution and who exercise their right to vote. Voting on each of the resolutions will be by poll. KPMG, NZX's auditor, will act as scrutineer.

You should all have a voting paper which was given to you when you registered. If you do not, can you please indicate that now by raising your hand and a member of the Link Market Services team will assist you.

To cast your vote please complete your voting paper by ticking 'for', 'against' or 'abstain' in the appropriate place for each resolution. Voting cards will be collected at the end of this section of the meeting by Link Market Services.

If you have any difficulty, please raise your hand and Link Market Services will assist you.

[Slide: Ordinary Resolution 1]

Resolution one relates to the Auditor's fees and expenses

This resolution is to authorise the board to determine the auditor's fees and expenses for the 2019 financial year. KPMG continue in office as NZX's auditors, and in the board's opinion continue to provide excellent service.

Details of the fees paid to KPMG in 2018 are set out in note 10 of the financial statements on page 91 of the annual report.

I move that the board be authorised to determine the auditor's fees and expenses for the 2019 financial year.

Are there any questions on this resolution?

[Deal with questions, if any]

There being no [more] questions I invite you to vote by marking resolution one on your voting card.

The next two resolutions deal with the election and re-election of your directors. As I am standing for re-election, I will ask Lindsay Wright, NZX's Lead Independent Director, to Chair resolution three.

The board supports all directors standing today.

[Slide: Ordinary Resolution 2]

Resolution two relates to the election of Elaine Campbell.

As I mentioned earlier, Elaine brings to the board a deep understanding of NZX and the regulatory settings in New Zealand's capital markets. She has a passion for the critical role an exchange plays within the economy and understands NZX's need to focus on our core business and operate it effectively.

Elaine is highly focused on delivering shareholder returns and her extensive legal experience in capital markets will also be invaluable to implement any recommendations arising from Capital Markets 2029.

The board unanimously supports Elaine's election to the board.

I invite Elaine to address the meeting on her proposed election.

[Elaine to address the meeting]



Thank you Elaine.

I move that Elaine Campbell be elected as a director of NZX.

Are there any questions on this resolution?

[Deal with questions, if any]

There being no [more] questions I invite you to vote by marking resolution two on your voting card.

[Lindsay moves to the podium and addresses shareholders]

[Slide: Ordinary Resolution 3]

Resolution three relates to the re-election of James Miller. James is retiring in accordance with the NZX listing rules and offers himself for re-election today.

James joined NZX's board in 2010 and has held the role of chair since 2015.

After 14 years in the share-broking industry, James became a professional director. Based in Auckland, he is currently a director of Mercury NZ, the Accident Compensation Corporation and the New Zealand Refining Company.

James is a qualified chartered accountant, New Zealand Institute of Chartered Accountants fellow, Certified Securities Analyst Professional, Institute of Directors member, and a graduate of Harvard Business School's Advanced Management Programme.

The board unanimously supports James's election to the board.

I invite James to address the meeting on his proposed election.

[James to address the meeting]

Thank you James.

I move that James Miller be re-elected as a director of NZX.

Are there any questions on this resolution?

[Deal with questions, if any]

There being no [more] questions I invite you to vote by marking resolution three on your voting card.

I will now hand back to James to continue Chairing the meeting.

[Slide: Resolution 4: Special Resolution]

Resolution four is a special resolution to amend NZX's constitution. In January this year, NZX transitioned to the updated listing rules. In order for the constitution to align with the updated rules, a number of changes are proposed.

The proposed amendments are explained in the notice of meeting. In principle, the amendments proposed are limited to those required to conform to the Listing Rules, changes to update relevant references to the Company name and legislation and allow for electronic voting.

In accordance with the Companies Act, this resolution is a special resolution and needs to be passed by a 75% majority of eligible votes submitted. As part of these amendments, changes are proposed in relation to Schedule 1 of the constitution to align the Schedule with relevant legislation – much of which has been replaced by the Financial Markets Conduct Act.

In order for the changes in relation to Schedule 1 to take effect, the special resolution also needs to be supported by 75% of all shares eligible to vote. If this threshold is not met the changes in relation to Schedule 1 will not take effect and this schedule of the constitution will need to be read in light of the interpretation provision in clause 2.3, which provides that references to legislation are to be interpreted as references to current legislation.

Are there any questions on this resolution?

[Deal with questions, if any]

There being no [more] questions I invite you to vote by marking resolution four on your voting card.

[Slide: Other business]

Thank you all.

That concludes the meetings formal resolutions. The results will be published to the market later today.

Link Market Services will now come and collect your ballot papers.

Before we open the floor up to questions I would like to answer those we have already received from shareholders in advance of today's meeting.

We have received several question about where our next annual meeting will be held and if there is anything NZX can do to avoid listed companies releasing their annual meetings and full year results on the same day.

Judith Hoskins, the board have not decided where next year's annual meeting will be held. Last year's meeting was in Christchurch, and before that Wellington. Bringing the annual meeting to different cities reinforces our commitment to all of New Zealand – and Dunedin was timely this year given we are celebrating 150 years of the exchange. We will ensure shareholders receive plenty of notice regarding next year's location.

Robert Gray, we agree it is frustrating when listed companies release their full year results and hold their annual meetings on the same day. NZX is an active member of the investor relations community and as an exchange operator and regulator we encourage all investor relations

professionals to reach out to companies within the same sector to avoid clashes. Unfortunately, there is currently no system, which NZX is aware of, that would avoid this from happening.

The second question is from Darrel Chey who has asked if the Port of Napier will list this year.

Darrel, Port of Napier has confirmed its intention to list on the NZX this year.

Our third question comes from David Grindell who has asked for NZX's view on a particular transaction.

David, thank you for your question. However, it is not appropriate for NZX to take a view on the approach our issuers take to structuring particular issuances.

Through the listing rules review we have sought to ensure that the rules permit common issuance structures, which balance investor protections, while lowering the cost of capital for issuers. This has hardwired some accelerated entitlement offer structures, but they maintain the standard offer timetables for retail investors. If you would like further information on this transition, please contact our Regulation Team who will be able to provide you with more information.

Our next two questions also relate to the listing rules and are from Robert Gray.

Robert, in response to your first question, the listing rules have always included the concept of a minimum holding in relation to listed products.

The key reasons for that are:

1. to ensure issuers have a sufficient spread and free float of holdings to support trading; and
2. to provide a way for issuers to manage the composition of their share registers by having minimum holding requirements.

Previously, the minimum holding level for shares was set at various tiers based on an issuer's share price. Following the listing rules review, that has now been set at \$1,000 for all shares, irrespective of share price. The decision on whether any issuer will exercise any rights in relation to minimum holdings is fundamentally a business decision for the issuer – it is not mandated under the rules that minimum holdings are sold.

In the case of Chorus, which you asked about in your question, it has announced a share sale facility for holders holding less than the minimum holding. That does not require those holders to sell. It offers them three options:

1. to sell via the share sale facility with no costs/brokerage;
2. to buy more shares to take a holder above the minimum holding; or
3. to notify Chorus that the holder wants to keep their holding as is.

On your second question Robert, which related to the publication of interim reports, one of the changes made through the recent listing rules review was to remove the requirement for issuers to publish separate printed interim reports.

There are three key points to note in relation to ensuring investors have access to relevant information.

1. issuers are still subject to the requirement to disclose financial results to market for the half year
2. those half financial reporting requirements have been enhanced, by requiring issuers to provide further information for shareholders, including management commentary; and
3. issuers remain subject to continuous disclosure obligations, which require them to immediately release any material information relating to the issuer or their securities. This has been enhanced by now imposing a "constructive knowledge" test.

Thank you for your questions.

We will now open the floor to further questions.

Are there any questions?

[Deal with questions]

I'll take one more question.

There appears to be no further business for discussion.

[Slide: Thank you]

I would like to reiterate that your board and leadership team are committed to delivering for you all.

Thank you for taking the time to be here today.

I declare the meeting closed and invite you to join our team for morning tea.

ENDS.