

# Our Annual Shareholders' Meeting

As a shareholder of NZX Limited (**NZX**), you are invited to our Annual Meeting to be held at our Auckland Office at Level 15, 45 Queen Street, Auckland and virtually via an online platform provided by NZX's share registrar, Link Market Services at <http://www.virtualmeeting.co.nz/NZX24> on Thursday, 18 April 2024 at 10:00am.

Venue: **Level 15, 45 Queen Street, Auckland 1010**  
Details of how to attend online are set out in the "Important Information" section

Date: **Thursday, 18 April 2024**

Time: **10:00am**

If you are attending the meeting in person, please bring your Proxy form (intact) or your CSN/Security holder number with you to help make registration quick and simple with the Link Market Services team (who will be at the entrance to the room). If you are joining the meeting online, further instructions on how to participate are outlined below.

## Business

- A. Chairman's welcome and strategic overview
- B. CEO report on financial and business performance
- C. Financial statements

To receive the Annual Report for the 12 months ended 31 December 2023, including the financial statements and the auditor's report.

- D. Ordinary resolutions

The following resolutions will be voted on at the meeting:

1. That the Board be authorised to determine the auditor's fees and expenses for the 2024 financial year;
2. That John McMahon (appointed by the Board as a Director with effect from 10 May 2023), who retires and is eligible for election, be elected as a director of NZX Limited;
3. That Lindsay Wright, who retires and is eligible for re-election, be re-elected as a director of NZX Limited; and
4. That the annual remuneration payable to each director of NZX Limited be set at \$88,000, the Chair's annual remuneration be set at \$166,000, with the Chair of the Audit & Risk Committee to receive an additional annual fee of \$15,000, the Chairs of each of the Clearing, Human Resources & Remuneration and Technology Committees to receive an additional annual fee of \$10,000, for any NZX Directors who are appointed to the board of NZX Regulation Limited to receive an additional annual fee of \$20,000 and for any non-executive Directors appointed to the board of NZX Wealth Technologies Limited to receive an annual fee of \$20,000, all with effect from 1 July 2024.

- E. Other business

To consider shareholder questions or any other business that may be properly brought before the meeting.

By order of the Board



**Sara Wheeler**  
COMPANY SECRETARY

# Explanatory Notes

All resolutions to be put to the meeting are discussed in the following Explanatory Notes.

All of the resolutions are proposed as ordinary resolutions and, to be passed, require approval by a simple majority of votes of shareholders who are entitled to vote on the resolutions and who exercise their right to vote. All references in this Notice of Meeting to the "Listing Rules" are references to the NZX Listing Rules dated 15 January 2024.

## Resolution 1:

### Auditor

KPMG is the current auditor of NZX. The Companies Act 1993 (**Act**) provides that a company's auditor is automatically re-appointed unless its shareholders resolve to appoint a replacement auditor, or there is another reason for the auditor not to be re-appointed. Further, section 207S of the Act provides that an auditor's fees and expenses must be fixed by the company, or in the manner that the company determines at a shareholders' meeting.

Shareholders are being asked to resolve that the Board is authorised to fix the fees and expenses of KPMG for the 2024 financial year.

The Board unanimously supports resolution 1 and recommends that you vote in favour of it at the meeting.

### Election of Directors

*Resolution 2 relates to the election of John McMahon, who was appointed by the Board during the year as a Director of NZX.*

*Pursuant to clause 26.2 of the Constitution and Listing Rule 2.7.1, any person who is appointed as a Director by the Board must retire at the next Annual Meeting but shall be eligible for election at that meeting.*

## Resolution 2:

### Election of John McMahon as a Director of NZX



John McMahon retires in accordance with clause 26.2 of the Constitution and Listing Rule 2.7.1, and offers himself for election.

John was appointed as an independent Director in May 2023. He previously served on the Board from 2019 to 2021. He has extensive professional experience in the finance sector, including a background in technology, company turnarounds and transformation, and entrepreneurial small cap governance.

He is a seasoned capital markets professional with over 30 years' experience in Australasian equity markets, primarily as an equity analyst. He is a Director of several small cap NZX-listed companies: Solution Dynamics (Chair), AoFrio and Vital (Chair). John intends to reduce his non-NZX director workload over the coming 12-24 months.

John is Chair of the Board, and a member of the Human Resources & Remuneration, Clearing, Nominations and Technology Committees and an ex-officio member of the Audit & Risk Committee.

The Board has determined that, in its view, John McMahon is an Independent Director (as defined in the Listing Rules).

The Board unanimously supports resolution 2 and recommends that you vote in favour of it at the meeting.

## Resolution 3:

### Re-election of Lindsay Wright as a Director of NZX



Pursuant to Listing Rule 2.7.1, a director must not hold office (without re-election) past the third annual meeting following the director's appointment, or 3 years, whichever is longer.

Lindsay Wright retires in accordance with Listing Rule 2.7.1, and offers herself for re-election.

Lindsay was appointed as a Director in February 2018. She was last presented for re-election in 2021.

She has an extensive understanding of financial services and funds management, and recently stepped down as CEO of the Hong Kong-based funds management business of Sun Hung Kai & Co to return to New Zealand. She has held a range of senior roles in the funds management sector including for BNY Mellon, Invesco, Harvest Funds and Deutsche Asset Management

Lindsay is currently a director of Milford Asset Management and the ASX-listed Navigator Global Investments. She has previously served as a Guardian of the NZ Super Fund and as a director of Kiwibank.

Lindsay is Chair of the Audit & Risk Committee and a member of the Clearing Committee.

The Board has determined that, in its view, Lindsay Wright is an Independent Director (as defined in the Listing Rules).

The Board unanimously supports resolution 3 and recommends that you vote in favour of it at the meeting.

## Resolution 4: Increase Director Fees

Listing Rule 2.11.1 and NZX's Constitution require the remuneration of the Directors to be approved by ordinary resolution of shareholders. This may be expressed as either a monetary sum payable either to all Directors in aggregate, or to each person who holds office as a director of NZX. NZX is requesting that shareholders approve Director fees as a monetary sum payable to any person who holds office as a director of NZX (or of certain subsidiaries of NZX).

When increases to the director remuneration fee pool were sought in 2022, NZX signalled its intention to return to its shareholders over the following 2 years (2023 and 2024) to seek further adjustments to bring NZX Director fees in line with the market median. NZX has subsequently received a refreshed independent director fee benchmarking report from PwC, which is available [here](#).

PwC's report identified the following:

- The market median fee pool across the agree comparator group of 20 NZX-listed companies was \$725,000. The NZX current fee pool of \$564,000 has a comparative ratio of 78% of the market median.
- The market median Board Chair fee across the comparator group is \$166,000, while that for non-executive Directors (NED) is \$88,200. The NZX Board Chair and NED fees each currently trail the market median observation, at 78% and 74% respectively.
- 21 of the 22 (95%) comparator companies pay a committee fee to the Chair of their Audit and Risk Committee (median \$15,300) and 17 out of 22 (77%) pay a fee to the Chair of their Remuneration Committee (median \$12,000). 11 companies (50%) also paid committee fees to members of their Audit and Risk Committee while seven (32%) paid committee fees to members of their Remuneration Committee.

To attract and retain talent for the Board and ensure strong governance of New Zealand's stock exchange, the Board considers that it is essential that NZX pays market rates for fees. Based on the independent benchmarking information undertaken in 2024, and subject to shareholder approval, the Board proposes to increase Director fees to \$88,000 for NEDs, with \$166,000 payable to the Chair (an increase of \$23,000 or ~35.4% for NEDs and an increase of \$36,000 or ~27.7% for the Chair). This would bring both Director and Board Chair fees in line with the market median set out in PwC's benchmarking report.

In addition, the Chair of the Audit & Risk Committee would receive a fee of \$15,000 and the Chairs of other committees (excluding the Nominations Committee) would receive a fee of \$10,000. Currently, the Chairs of NZX's committees receive no additional fees.

The crossover Director of both NZX and NZX Regulation Limited (NZ RegCo), will be paid Director fees solely by NZX, including continuing an additional \$20,000 component for their role on the board of NZX RegCo. The non-executive Director who sits on the board of NZX Wealth Technologies Limited will continue to be paid an annual fee of \$20,000. These fees were previously paid out of the director fee pool.

Previously fees have been approved on the basis of a director fee pool. This resolution will instead approve the fee payment based on the Director's role. The resolution will result in an increase in the level of Directors' fees to \$779,000 (an increase of ~38.1%). Note that this would bring the total approved fees above the market median of \$725,000.

This difference against market median is the result of several factors:

- the Board has a greater number of directors than the median number of directors on the comparator boards in the PwC report (seven versus six). The Board considers the greater number of directors is appropriate given the broad and specialised range of domain knowledge required to operate the various businesses within NZX;
- reflecting that range of businesses within NZX, there are additional specialised committees for Technology and Clearing House; and,
- inclusion of a crossover Director for NZ RegCo and a non-executive Director for NZX Wealth Technologies.

On a per Director basis for NZX, the fees proposed are in line with median amounts in PwC's report, as described above.

It remains the policy for at least 50% of the increase from each of the FY2023 Directors' fees to be applied towards on-market acquisition of NZX shares each year, subject to legal requirements. Accordingly, 50% of any increase this year will be used to buy shares.

Note that fees paid to independent Directors of NZX's subsidiary NZ RegCo are excluded from NZX's fee pool and shareholder approval requirements under a waiver granted by Special Division in December 2021 and are approved separately by NZX. That waiver is summarised in NZX's annual report for the 2023 financial year at page 142 and a link to the full text of that waiver is available [here](#). The waiver does not apply to Directors of NZ RegCo who are also Directors of NZX. Further details of the remuneration of the NZ RegCo Directors are set out in the NZX Limited Annual Report.

Under the Listing Rules, fees paid to the Directors of Smartshares (which itself is a Listed Issuer) are approved separately by NZX as a shareholder of Smartshares.

The Listing Rules require that the remuneration of Directors be authorised by an ordinary resolution.

Voting restrictions apply to this resolution.

See the "Important Information" section on the next page for further details.



## Important Information

### Voting

You are entitled to vote at the Annual Meeting if you have a shareholding in NZX Limited at **5:00pm on Tuesday 16 April 2024**. If you are entitled to vote and wish to do so in person, you should attend the Annual Meeting.

A proxy form is enclosed with this Notice of Annual Meeting which allows you to vote on the resolutions notified in this Notice of Annual Meeting. Please bring this form with you to the meeting, as the barcode will assist with your registration.

### Proxies and corporate representatives

Any shareholder of NZX who is entitled to attend and vote at the Annual Meeting, is entitled to appoint a proxy (or representative in the case of a corporate shareholder) to attend the meeting and vote on their behalf. A proxy need not be a shareholder of NZX.

If you appoint a proxy, you may either direct your proxy how to vote for you, or you may give the proxy discretion to vote as they see fit. If you wish to give your proxy discretion, then you should make the appropriate election, either online or on the proxy form, to grant your proxy that discretion. You will be deemed to have given your proxy discretion if you do not make an election in relation to any of resolutions 1 to 4.

The Chair of the meeting is willing to act as proxy for any shareholder who appoints him for that purpose. If you appoint the Chair of the meeting as your proxy and do not direct the Chair how to vote in the proxy form, the Chair will vote in favour of resolutions 1 to 3 and will abstain from voting on resolution 4.

If, in appointing your proxy, you do not name a person as your proxy (either online or on the proxy form that is lodged with Link Market Services), or your named proxy does not attend the meeting, the Chair of the meeting will be your proxy and may only vote in accordance with your express direction. To be valid, a completed proxy form must be returned so that it is received by no later than **10:00am on Tuesday 16 April 2024**. Any proxy form received after this time will not be valid for the meeting. You may return your completed proxy form by delivering it to Link Market Services using one of the following methods:

**Online at:** <https://investorcentre.linkgroup.nz/voting/nzx>  
(you will need your CSN/holder number and authorisation code (FIN))

**Scan and email to:** [meetings@linkmarketservices.com](mailto:meetings@linkmarketservices.com)  
(use 'NZX Proxy' as email subject)

**Mail to:** Link Market Services, PO Box 91976, Auckland 1142, New Zealand using the enclosed reply paid envelope

**By hand to:** Link Market Services, Level 30, PwC Tower, 15 Customs Street West, Auckland 1010, New Zealand

### Online Participation

To participate at the meeting online use the following link to NZX's share registrar's virtual meeting platform: [www.virtualmeeting.co.nz/NZX24](http://www.virtualmeeting.co.nz/NZX24)

Shareholders attending and participating in the meeting virtually via the online platform will be able to vote and ask questions during the meeting. If you will be participating online you will require your shareholder number, found on your proxy form, for verification purposes.

More information regarding virtual attendance at the meeting (including how to vote and ask questions virtually during the meeting) is available in the Virtual Annual Meeting Online Portal Guide, which is available at: <https://bcast.linkinvestorservices.co.nz/generic/docs/OnlinePortalGuide.pdf>

A full replay of the meeting will be available via the link below and can be accessed online at NZX's Investor Centre: <https://www.nzx.com/about-nzx/investor-centre/shareholder-meetings>

### Resolutions

All of the resolutions are ordinary resolutions, meaning they can be approved by a simple majority (more than 50%) of the votes cast that are entities to vote on the resolution.

### Voting Restrictions

In accordance with the Listing Rules, each Director and all Associated Persons of each Director (as that term is defined in the Listing Rules) is disqualified from casting a vote in favour of resolution 4, other than where the vote is cast by a Director or an Associated Person as a proxy for a person who is entitled to vote, in accordance with express directions on the Voting/Proxy Form to vote for or against the resolution. Any votes otherwise cast in favour of resolution 4 by a Director or an Associated Person of a Director will be disregarded by NZX.

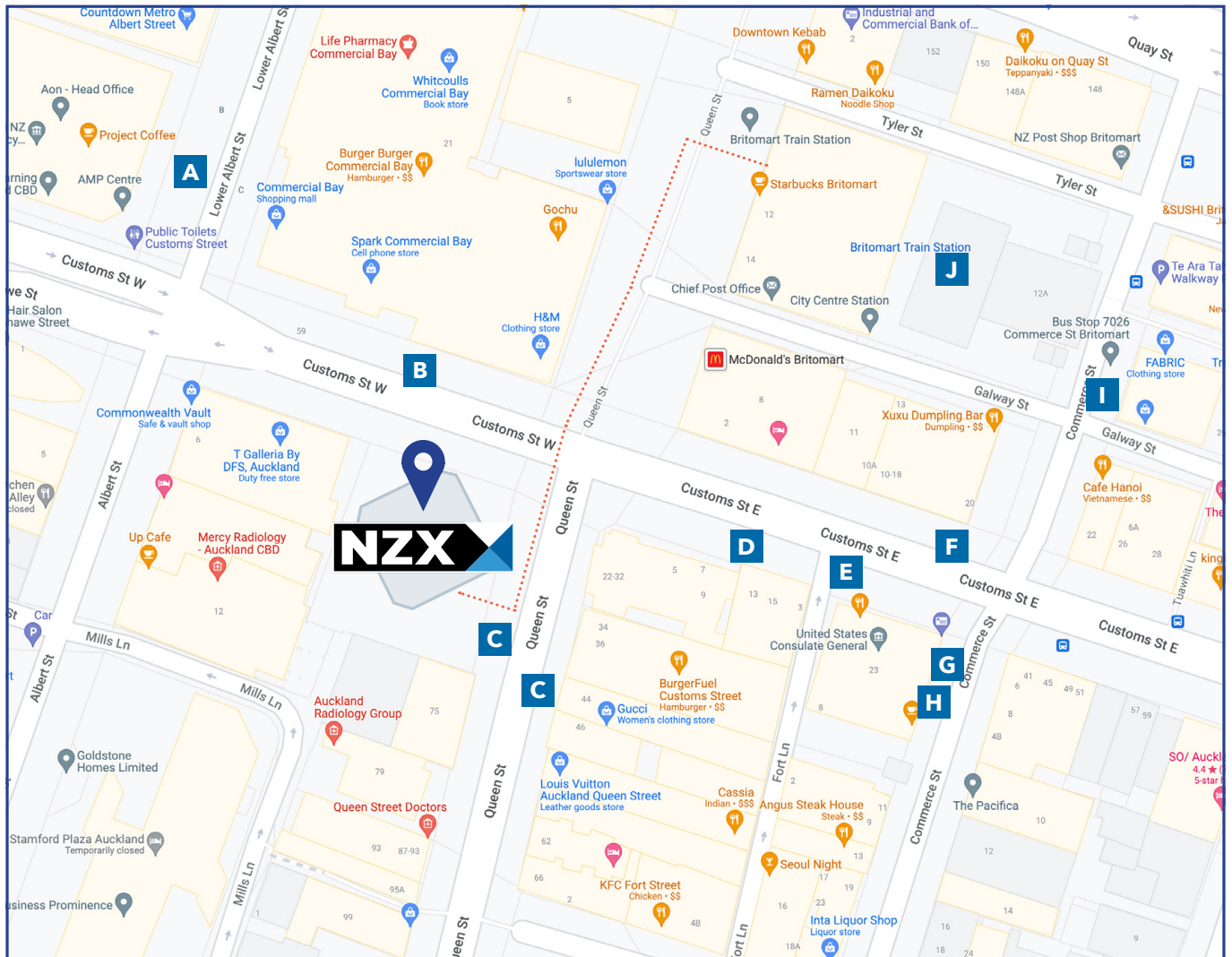
### Questions

Following the conclusion of formal business, there will be an opportunity for shareholders at the meeting (attending either in person or using the virtual meeting platform) to ask questions.

To encourage shareholder participation, we also invite those unable to attend in person to submit questions ahead of the meeting. If you would like to submit a question you can do so online or using the enclosed proxy form. The Company may not address questions that were not received by **10:00am on Tuesday 16 April 2024** (noting that the questions may be raised by a shareholder at the meeting).

Copies of the Annual Meeting presentation materials will be published and available online shortly before the meeting begins.

# How to get to the Annual Meeting



▶ NZX Limited  
Level 15  
45 Queen Street

Transit by train to Britomart  
Train Station then walk/taxi

## BUS STOPS/ROUTES

- A.** Lower Albert Street
- B.** Custom Street West
- C.** Britomart Te Komititanga
- D.** Stop A Britomart Queens Arcade
- E.** Stop B Britomart Queens Arcade
- F.** Britomart Queens Arcade
- G.** Britomart
- H.** Britomart Custom Street East
- I.** Britomart Commerce Street
- J.** Britomart Train Station