



**NZX – Annual Shareholders’ Meeting
6 April 2022**

[SLIDE: 2022 Annual Shareholders’ Meeting]

JAMES MILLER

[SLIDE: Welcome and strategic overview]

I am delighted to welcome you all here today to NZX’s 2022 Annual Shareholders’ Meeting – for those attending either in-person or online. We are limited to 200 attendees in person today due to Covid restrictions. Otherwise the meeting is being held as a normal hybrid ASM in all other respects.

[SLIDE: New Auckland office and Board Introduction]

We are pleased to be holding the meeting today in our new Auckland office, which has already been host to a number of market events. There have been previous attempts to get a centre for New Zealand’s capital markets in our biggest city and we are delighted to have finally delivered this vision. We hope it can become a hub for New Zealand’s capital markets as part of our efforts to continue to enhance NZX’s presence. The new space also supports a broader effort across the country to breathe life back into CBDs following COVID restrictions.

[PAUSE – Office fit out video to play]

Welcome also to those of you online. Shareholders participating online will be able to ask questions, and you can submit these at any time using the tab at the bottom of your screen. I encourage shareholders who have questions relating to the business of the meeting, to send their questions through as soon as possible.

Please note that only shareholders, proxy holders or shareholder company representatives may vote.

For those of you in the room, our directors and management team always enjoy these opportunities to chat with you, so please stay on after today’s meeting for refreshments.

Now to the introductions.

I am pleased to introduce to you the NZX Board... Elaine Campbell, Peter Jessup, Lindsay Wright, Frank Aldridge, Nigel Babbage, Richard Bodman and Victoria Newman our Future Director. I will explain our recent director changes shortly.

Also sitting with the Board – are our CEO Mark Peterson and Company Secretary Sara Wheeler and we have most of the Senior Leadership Team in the audience here at the meeting.



NZX's auditors, KPMG, are represented here today by Graeme Edwards and Brent Manning.

I am pleased to confirm that we have a quorum and therefore declare the 2022 Annual Shareholders' Meeting of NZX Limited open.

[SLIDE: NZX 2.0]

Four years ago, we set about transforming and re-engineering NZX for future growth. This involved focusing back on our core markets business and a plan for significant changes around regulation, pricing and market infrastructure, along with expanding our Smartshares and Wealth Technologies businesses.

In addition to strengthening the exchange business, the company's strategy is to grow an NZX Group that is stronger and better positioned to deliver sustainable value to our shareholders. We are describing this as NZX's 2.0 strategy to develop a set of complementary businesses which combine to drive growth for NZX and New Zealand's capital markets.

Our Capital Markets business had a strong year across new capital listed and raised, secondary trading levels, data usage and the number of investors connected to the markets. Likewise, our Smartshares and NZX Wealth Technologies businesses are also delivering growth.

All of NZX's businesses have strong interconnections, which means we can build on what we have to unlock growth. Smartshares provides alternate forms of savings products and solutions, based around passive investment. NZX Wealth Technologies provides an important element of market infrastructure for portfolio administration to the financial adviser community in New Zealand.

Expanding these businesses will create economies of scale and help grow returns, while also assisting in the evolution of the capital markets in New Zealand. After careful analysis and a period of testing the viability of an evolved strategy, I'm excited to say that we have locked-in what we are calling NZX 2.0 as a strategy for the best way to enhance the New Zealand capital markets and continue to grow the value of NZX.

This has led to the acquisition of the ASB superannuation master trust, which has added to the scale of NZX's existing passive funds management business and which Mark will discuss further in his presentation.

[SLIDE: Image of SGX]

When Mark and I took over the leadership of NZX we could both see significant potential for NZX to engage and create commercial relationships with other stock exchanges so that NZX could access the scale of larger markets. We were somewhat surprised to be so warmly welcomed whether it was in Singapore, Hong Kong, Europe, or America. We knew our best chance was dairy, as NZ is a dominate player in the physical traded dairy market and the accompanying financial markets are just developing. We could see the potential opportunity to create a Palm oil equivalent.



Long lasting relationships take time to develop. However, we were very proud to announce the launch of the NZX-SGX Dairy Derivatives Strategic Partnership late last year. This partnership brings together NZX's core dairy expertise with SGX's Asian presence and global distribution capability and will accelerate the growth potential of the market.

We have also signed a non-binding agreement with Fonterra to take a 33.33% ownership stake in the world's pre-eminent dairy trading platform, Global Dairy Trade (GDT), alongside Fonterra and the European Energy Exchange (EEX).

NZX sees an opportunity to evolve GDT to be a truly global trading facility, with the potential to grow financial products to many multiples of the physical dairy market.

Bringing together an ownership stake in the physical trading platform alongside some of the biggest players in the world, and overlaying our partnership with SGX to accelerate the growth of the NZX-SGX Dairy Derivatives markets, is a truly exciting opportunity.

[SLIDE: NZ ETS launch]

Another strategically important milestone was the launch of the managed auction service for the New Zealand Emissions Trading Scheme (NZ ETS), on behalf of the Ministry for the Environment. This was a partnership achieved by combining the skills and experience of NZX and EEX to deliver a world-class solution tailored for New Zealand and is a key tool for the Government in addressing domestic and international climate policy targets.

The achievements in 2021 with EEX, SGX and Fonterra mark a step-change in our global alliances.

[SLIDE: Technology focus]

Underpinning our business growth is the investment required to create an efficient, reliable, and secure operations and technology platform.

The board has placed the highest priority in progressing the Financial Markets Authority (FMA) action plan following the cyber-attacks experienced in 2021. We were pleased to complete the action plan agreed with the FMA in December, and we will be looking closely at any recommendations in this year's Market Operator Obligations Review to embed any further learnings.

This has involved significant investment and costs for both NZX and the industry. We appreciate this expenditure has been a new burden for shareholders. However, it is critical New Zealand has resilient financial infrastructure. Cyber is an ever-changing challenge which all corporates are dealing with. Within the business, our new CIO, Robbie Douglas, brings a wealth of experience and has a highly capable team behind him with deep technology experience in markets.

These changes together with the appointment of Peter Jessup to the board, which I will discuss shortly, also recognise the commitment the board places on ensuring NZX has sufficient resources and capability to operate its licensed markets properly.

[SLIDE: Director changes]



We announced the resignation of John McMahon from our Board effective 31 December 2021. We were extremely disappointed to lose the services of a director of John's calibre but we understood that John needed to deal with some significant workloads on his other boards, particularly needing to step into the role of managing director for a company dealing with some urgent health matters. John has made a superb contribution to NZX during his time on the Board – particularly in applying his strong skills in the area of technology and bringing his extensive experience and connections across New Zealand and Australia's capital markets. I would like to thank John for his contribution.

We also announced the appointment of Peter Jessup as a director with effect from 1 January 2022. We were delighted to welcome Peter's global expertise in a highly specialised and technical part of the market, skills that are second to none – especially when paired with his deep understanding of stock exchanges. Peter has more than 35 years' financial markets IT experience and is the preeminent global expert in relation to technology requirements for regional stock exchanges.

The appointment of Peter reflects technology as a priority area in NZX's skills matrix and the need for high quality, specialist expertise to underpin the governance supporting the resilience and stability and development of NZX's technology framework

Victoria Newman joined the NZX Board in July as our fourth Future Director under the Institute of Directors' programme, bringing a broad-based professional services experience. This includes senior strategy and professional development roles with McKinsey & Co, and three years as Principal of Virgin Green Fund focused on private equity investment in the clean-tech sectors in North America and Europe.

We were fortunate to have had a Future Director of high calibre with strong market connections and knowledge in Hayley Buckley. Hayley made an excellent contribution to Board discussion, particularly in terms of market development initiatives, and response to the company's broad range of COVID-related issues during her term finishing in June 2021.

[SLIDE: NZ RegCo]

During 2021, we made significant changes to NZX's governance arrangements. We completed the first full year of NZ RegCo as a stand-alone, independently governed agency, performing all of NZX's frontline regulatory functions.

I want to thank the chair, Trevor Janes, and Board members Annabel Cotton, Elaine Campbell, John Hawkins and Mike Heron QC, who along with NZ RegCo Chief Executive, Joost van Amelsfort, and his team, have ensured a seamless transition for our issuer and participant customers.

Our assessment after approximately 18 months of operating NZ RegCo as a separate standalone entity, with the oversight of an independent board, is that this change has added clarity, specialisation and transparency to the role of our regulatory function and has been very well received by the New Zealand capital markets.

[SLIDE: The future]



NZX has made significant progress during Mark's tenure as CEO, and your Board has viewed continuity of his leadership as key to maintaining strong momentum. For this reason, we extended Mark's employment term as Chief Executive to April 2024. Mark has relocated to Auckland to lead NZX from its new office, reflecting the importance of the significant investment we have made in the capital markets centre.

With a clear date now set for CEO succession, it is an ideal opportunity for the Board to consider Chair succession. It is important that a new Chair leads the process to appoint the next NZX Chief Executive and ultimately take the business forward, and therefore although I stand for re-election today, I intend to step down from my role at the Annual Shareholders' Meeting in April 2023 to enable a new Chair to commence the CEO succession process.

During my time as Chair, we first had to stabilise the business and support management in developing a long-term strategic plan. I'm very pleased to report the growth businesses in Smartshares and NZX Wealth Technologies are creating significant value for shareholders and the core business has been reinvigorated. I am particularly proud of our developing partnerships with Nasdaq, SGX, Fonterra, and EEX, which is moving NZX from an isolated exchange in the South Pacific to a company with genuine global aspirations.

As explained above, we have also evolved the strategy set in 2017 which we are describing as NZX 2.0, which will provide a strong base for a new Chair.

As with everything, there is still lots to do. However, I'm pleased that the new Chair will inherit a company with clear strategy, strong momentum and opportunities to grow the business and the returns for shareholders over time.

The Chair role is extremely demanding, with a very heavy workload beyond a normal chair's role, given the added leadership responsibility within New Zealand's broader capital markets. It is a very important role for New Zealand's capital markets, and I wish my successor every success. As you all know, I have a genuine passion for New Zealand's capital markets, and it has been a privilege to hold this role.

[SLIDE: Director fees]

With my proposed retirement announced, and the chair succession process underway, it is important NZX can attract the highest quality chair for the role. Therefore, while all directors on the NZX board have a strong sense of duty, it is critical to attract the highest quality of candidate and that we have a commitment to move the fees to a fair market level over a reasonable period of time.

One of the resolutions today relates to a proposed increase to NZX's director fee pool. The fee pool of \$435,000 was last independently benchmarked prior to NZX's listing in 2003. Fees paid to individual directors have remained static since.

The complexity of the business, together with technology requirements, and regulatory obligations have increased immeasurably since the IPO in 2003.

The board engaged PWC to carry out independent market benchmarking for non-executive director fees based on a group of 20 peer companies. The outcomes of this exercise are



summarised in an independent report published with NZX's Notice of Meeting. PWC's report identified the following factors:

- The market median pool fee across the agreed comparator group of 20 NZX-listed companies was \$725,000. The NZX current pool fee at \$435,000 is 60% of this sum.
- If current director fees had been adjusted for inflation from 2003 it would amount to a fee pool of \$562,835.
- NZX Board Chair and NED fees (\$100,000 and \$50,000 per annum respectively) each currently trail the market median observation, at 67% and 59% respectively.
- All of the peer group companies pay a committee fee to their Chair of Audit & Risk Committee (median \$15,000) and 75% pay a Chair of Remuneration Committee fee (median \$12,000). Between 25% -40% of these companies also pay committee member fees.

To facilitate the chair succession process and attract and retain talent, it is essential that NZX pays market rates for fees. The NZX board therefore proposes to increase the current director fee pool to \$522,000 (which would take it to 72% of the market median).

If approved, the Board would allocate the updated pool towards 7 non-executive directors, with a Chair fee of \$120,000 and a director fee of \$60,000 from 1 July 2022. NZX will not pay separate fees for non-executive director committee membership.

The Board will also introduce a policy for at least 50% of the increase from the FY2022 director's fee to be applied towards acquisition of NZX shares each year, subject to legal requirements. This policy will ensure alignment between directors and shareholder interests as a core belief, and is all the more important given we operate the stock exchange. This supports the existing policy for staff to receive \$1,000 worth of NZX shares on becoming employees of NZX. This policy for directors will be updated in time so that a proportion of overall director fees are used to acquire NZX shares on an ongoing basis.

Noting that there is still some way to go for the fee pool to reach the market median, the board also wishes to signal its intention to return to shareholders over the following two years (2023 and 2024) to achieve market median rates, provided company performance and shareholder returns support such increases. The Board considers this an important step to support a successful Chair succession process.

While I have received various views on the implementation of the fee increase, all have been supportive of the direction of travel. I ask for your support for this resolution today.

[SLIDE: Outlook for 2022]

Normally at the ASM we like to consider tightening the bottom of the earnings guidance range reflecting the first quarter results. However, this year we believe there is reason to be conservative due to geopolitical issues, rising inflation, and rising yield curves, and a switch from growth to value causing markets to pause as they assess new information.



Therefore, the NZX Board is leaving the full year 2022 operating earnings announced with release of our 2021 full year results unchanged within the range of \$33.5 million to \$38.0 million.

This guidance is subject to the caveats and assumptions outlined on the presentation slide and within NZX's 2021 Results Investor Presentation.

CONCLUSION

In concluding my speech, I would like to acknowledge the capability and genuine care from our CEO, Mark Peterson, in leading our team and the immense workload across the business and for our Board. That has been the case again in what has been a satisfying 2021.

I particularly want to commend our people across NZX and their families– the combination of COVID and the requirement of working-from-home for long periods for many, along with managing high levels of activity – creates pressures on individuals and families we have collectively responded to in an incredibly positive manner.

I'd personally like to thank our shareholders for your continuing support during my time as Chair of NZX.

I'll now hand over to our CEO, Mark.

Mark Peterson

[SLIDE: Report on financial and business performance]

Kia ora koutou katoa.

Good morning, ladies and gentlemen and thank you for joining us.

My name is Mark Peterson, and I am Chief Executive of NZX.

It is very special to be addressing you in our new office – which we are thinking of as *the Capital Markets Centre*, and I welcome all shareholders with us today and those attending online.

NZX at its core is a meeting point for buyers and sellers, and it's extremely fitting to have this reflected in our new Auckland office. We hope this can be a place for the capital markets sector to call their own.

We look forward to the opportunity to host listing events – which we were able to do at the end of last year with Winton Land Company, host investor presentations, and to welcome community groups and school tours to come and learn more about the exchange and the role it plays in the New Zealand economy.

2021 has been another significant year of progress for the NZX Group across all key areas - Capital Markets, Smartshares, Wealth Technologies and our operations and technology platforms

I could not be prouder of the entire team at NZX, for what has been achieved over the year in very trying conditions.



But before I talk to our performance, can I make a couple of comments on a few of the team.

- First, I want to take a moment to acknowledge someone who has been heavily involved in our efforts and progress for more than eight years, Hamish Macdonald. As he relocates to Australia with his family, I want to sincerely thank Hamish for his part in our success – through his contribution to our Leadership Team and in his support to the Board, and in his leadership more broadly.
- Second, Sara Wheeler, who James introduced, has replaced Hamish as General Counsel and Company Secretary. Sara is a highly experienced corporate and commercial lawyer who brings over 20 years' legal experience working in New Zealand, Sydney, and London.
- I also want to acknowledge several adjustments to the Senior Leadership Team which were made last year to better position the business in delivering on its strategic ambitions.
- Kristin Brandon, who previously reported to Hamish, continues in her role as Head of Policy & Regulatory Affairs reporting directly to me. Kristin has extensive knowledge of NZX, a deep background in regulatory policy, and is responsible for leading the development of NZX's market rules and managing our regulatory relationships. She has played an instrumental role in the execution of the Financial Markets Authority's (FMA) action plan following the cyber-attacks experienced in 2021 and will continue to work closely alongside the FMA as our main point of contact for NZX.
- We're also looking forward to welcoming Felicity Gibson back from parental leave as she moves into the role of General Manager, Market Operations. Felicity has been with us since 2014 and will lead the capital and energy markets' clearing businesses. A special congratulations to Felicity for recently being voted as one of the World Federation of Exchanges' Women Leaders of 2022. A well-deserved accolade!
- Finally, I want to acknowledge Roger Bayly who has been covering Felicity's role while she has been on leave. Roger brings over 30 years' experience to NZX in managing operations, risk and technology teams in the finance sector, and he has done an exceptional job during his time as General Manager, Market Operations. We're pleased to announce that Roger will be continuing with us as our Head of Energy IT once Felicity returns.

[SLIDE: Delivering on a growth strategy]

Reshaping our exchange to better harness its growth potential has been the board and management's strategic priority since in 2017. At our Annual Shareholders' Meeting last year, I reiterated our plan to grow the NZX Group into a more integrated financial markets infrastructure and services business through NZX 2.0. At the heart of the NZX 2.0 strategy, is a focus on creating value through a set of complementary businesses which combine to drive growth for NZX and New Zealand's capital markets. Creating scale in each is the key to unlocking their embedded value. Partnering with others to create scale has been a focus for NZX, and we are pleased to have made further gains in this area.



Growing markets is fundamental to what we do – helping businesses get access to capital and providing investors opportunities to grow their wealth via investing in equity, debt or fund securities.

Dairy has always been viewed as a growth opportunity. Our recent proposal to purchase a 33% cornerstone stake in Global Dairy Trade (GDT), alongside Fonterra and the European Energy Exchange (EEX), gives us greater input into the strategy and direction of the physical auctioning component of a fully functioning dairy market. Combined with our partnership with SGX to grow the dairy derivatives business, our dairy business is now much better positioned to reach its growth potential.

We continue to build scale in our Smartshares and Wealth Technology businesses. The acquisition of management rights for the ASB Superannuation Master Trust by Smartshares, completed earlier this year, winning KiwiSaver Default status, and the three additional high-quality clients that transitioned onto our Wealth Technologies platform are examples of our ambitions coming to life.

NZX's recent \$44 million capital raise supports both areas of our growth strategy, with proceeds being used to fund the ASB Superannuation Master Trust acquisition and our cornerstone stake in GDT, alongside other supporting future growth opportunities.

Lastly, it is about ensuring we have quality **operating infrastructure**. We have made a step-change in investment to lift the performance, resilience and security of our technology platforms. This will continue in 2022.

[SLIDE: Performance and Results]

2021 continued the momentum we saw in our markets in 2020, with structurally higher levels of market activity, particularly for capital listed and raised, and value traded.

Group operating earnings (EBITDA) held up well. On a like-for-like basis, operating earnings were up 4% to \$35.8 million, which is slightly ahead of our 2021 guidance range. If acquisition costs were included our operating earnings totalled \$34.4 million.

- Group revenues increased 12% to nearly \$88 million for the full year.
- In our investor pack, we explain the changes to our cost base, which were grouped into 3 buckets – cost increases linked to growth initiatives (approx. \$4 million), costs associated with investment in Technology and Resilience (approx. \$2 million), and cost changes associated with inflation and labour market challenges (approx. \$2.4 million)
- Operating margin excluding acquisition costs at 40.7% was lower, due to investments in growth, including bringing forward increased spend in people and technology costs to ensure the resilience of our infrastructure and support expansion.
- Lower interest rates impacted interest income on operational cash balances, NZX clearing risk capital, and regulatory working capital.



- Amortisation was also higher due to capitalised costs in late 2020, relating to the spend associated migrating new clients onto NZX Wealth Technologies' platform, and the implementation of a new trading system.
- Net profit after tax for the year (NPAT) was \$15.0 million, compared with \$17.6 million the previous year.
- Capital expenditure continues to focus on investing in IT capacity, resilience, and security, alongside growth opportunities in Smartshares and NZX Wealth Technologies, and creating the *Capital Markets Centre* here in Auckland.

Alongside our financial performance, it's pleasing to also report the following positive results:

- \$19.8 billion capital listed and raised, the highest it's been since 2016.
- Total value traded of \$52.4 billion remained historically high, but slightly down by 2.4% from last year's record off the back of the 2020 COVID lockdown.
- Our Data & Insights business 8.1% increase in revenue - reaching \$17.5 million, largely reflected the lift in royalties from professional terminal use.
- Smartshares has continued strong growth with Funds Under Management up 28% to \$6.54 billion as at 31 December.
- And our NZX Wealth Technologies business recorded significant new client business which successfully transitioned onto the platform in 2021 taking the Funds Under Administration from \$7.2 billion to \$11 billion at year end.

FY2021 has been challenging for our Dairy Derivatives business. Total lots traded decreased by 15% to 305,937 due to subdued volatility in the underlying market for dairy ingredients and restrictions on international travel limiting promotional and marketing activity.

[SLIDE: Focus on our Capital Listed and Raised video reel]

While geo-politics and global economic influences, notably, rising inflation, continue to impact market conditions, there is still a real sense of positivity towards listing, as companies seek new capital to support their business goals and ambitions. It's been great to kick start the year with the listings of the Booster Innovation Fund and SBS Bank.

Last year, we were pleased to welcome nine new companies to the NZX equity markets, slightly higher than the eight listings in 2020.

We are encouraged to see different pathways being used to list, with the My Food Bag IPO in the first half of last year, alongside direct listings from NZ Automotive Investments and Third Age Health, and the foreign exempt dual listing of DGL Group.

Last year we also saw the sizeable Ventia Services Group foreign exempt listing, alongside Vulcan. The direct listings of Greenfern Industries and TradeWindow, and the Winton Land IPO closed out the year.



There are many paths to raising capital and we believe we've had another solid year for new listings and capital raisings, as our listed issuers source equity and debt funding when needed.

The quality of our prospect pipeline is the result of a concerted focus and the efforts of our Capital Markets Origination team, combined with strategic changes we have made to reduce complexity and costs, while promoting the full breadth of pathways to listing.

Our debt markets have also performed strongly with 21 new debt issues over 2021 and one existing issuer joining the debt market for the first time. We have also observed a notable increase in the issuance of listed sustainability related financial products – including wellbeing bonds and green bonds, which totalled \$9.78 billion at year end, up from \$8.6 billion in 2020, representing 21% of the NZX Debt Market.

[SLIDE: Market Development]

Our original objective five years ago was to grow liquidity by putting in place the right market settings to open greater access, attract greater participation and a broader range of investors, as well as lift on-market activity. We are continuing to see evidence that our strategy is working.

Alongside the high levels of value traded across our markets, we continue to observe growth in on-market liquidity levels which averaged 62% in 2021. We aim to take this higher, and we believe we will reach 70-80% over the next five years. This will be possible as a result of the functionality in the new trading system, implemented in August, which has given us the ability to launch our mid-point order book trading venue.

We have also seen a deeper level of activity and interest from local and offshore institutional investors. Greater demand for NZX data – from a range of jurisdictions including US, Australia, Hong Kong, and Singapore – drove an 11% increase in professional terminal subscriptions, now at record levels.

With a lift in royalties from professional terminal use, we have completed a project to provide enhanced connectivity with our participants via dedicated high-speed links that will improve the service we offer.

These positive trends across capital listed and raised, secondary trading activity and data usage show how a healthy listed market can deliver reliable, liquid, and open access to opportunities in New Zealand for all investors, so that everyone can support and benefit from the success of Kiwi companies.

We are also really looking forward to BNP Paribas joining as a General Clearing Participant in 2022 as they strengthen their commitment to helping grow New Zealand's capital markets.

[SLIDE: Smartshares]



Smartshares continues to make very good progress. Funds Under Management was up 28% to \$6.5 billion. This growth was underpinned by net cash inflows of more than \$1 billion. Operating earnings excluding acquisition costs lifted 64% to \$9.2 million.

In addition, the acquisition of the management rights of the ASB Superannuation Master Trust will add \$1.8 billion in retirement savings from more than 17,500 members across more than 100 employer groups – taking the passively managed FUM of workplace savings members in Smartshares' care to more than \$3.2 billion at year-end.

The SuperLife KiwiSaver Scheme became a default provider from 1 December 2021, and we expect the SuperLife Default Fund to be an excellent fit for New Zealand investors – with the flexibility for KiwiSaver investors to invest in 43 investment options including exposures to a range of Smartshares ETFs.

The KiwiSaver default transition occurred through December 2021, which resulted in \$385 million of FUM being transferred and a doubling of the number of New Zealanders who are supported by SuperLife KiwiSaver solutions. Holding default KiwiSaver provider status is expected to continue to add around 10,000 new members each year.

As I commented earlier, we remain confident about the growth prospects of the Smartshares business, and the related benefits it provides across the NZX Group and we remain ambitious for this business in particular.

Passive funds management as a proportion of total funds managed in New Zealand has some distance to catch up with levels in other countries. Scale in our Smartshares business also assists the growth of New Zealand's capital markets. Managing larger pools of money allows the creation of a greater range of ETF products, providing opportunity to support a broader range of mid and smaller cap stocks.

[SLIDE: NZX Wealth Technologies]

NZX Wealth Technologies also had a very strong year, welcoming three high quality clients transitioning onto the platform. This took Funds Under Administration to \$11 billion at year end. New client business has lifted revenues for the business and resulted in operating earnings being positive for the year. As at 31 December, NZX Wealth Technologies manage 32,095 investor portfolios, and it's pleasing to note we continue to get positive feedback from our clients about the platform and the service levels our staff provide.

This is flowing through to the increased level of demand for NZX Wealth Technologies service offerings we are observing. To take advantage of the growth opportunities, we have continued to invest in our platform technology and staffing capability to onboard and service our growing client base – with Public Trust, Hobson Wealth, Saturn Advice, JBWere and Craigs Investment Partners, among others on the platform.

This track record, and the opportunities in front of NZX Wealth Technologies, has seen NZX make additional investments to support these growth opportunities and we expect, given



NZX Wealth Technologies is engaged with several new prospects for project activity, continued growth in 2022 and a cash flow positive business with the next three years.

[SLIDE: A spotlight on Dairy Derivatives]

Through 2021 we advanced several unique opportunities to grow our business, through strategic partnerships.

To effectively support global trade, we believe a fully functioning dairy market must have three fundamental components:

- A price discovery platform for physical product that sets global prices for dairy commodities.
- A well-functioning derivatives market where users can effectively manage their risk positions and,
- Both elements are complemented by quality data and insights into the global dairy industry.

For more than a decade, NZX has been developing a global dairy derivatives market alongside our quality data and insight offering. It has been the fastest growing dairy derivatives market globally through this period.

Our recently launched partnership with SGX accelerates the growth of this market through SGX's increased distribution capability. The derivatives market has always been complemented by our dairy data and insights business, which has an excellent reputation globally for the quality of its work.

We are pleased to be progressing the final core component to assist in delivering our dairy ambition with the proposal to purchase a 33% cornerstone stake in Global Dairy Trade (GDT) alongside Fonterra and the European Energy Exchange (EEX), as mentioned earlier.

Our involvement in the move to a broader ownership structure for Global Dairy Trade, marks the next step in the evolution of the global physical trading platform – further enhancing GDT's role as an independent, neutral and transparent auction platform, and giving it a presence in prominent international dairy producing regions, fuelling future growth opportunities.

By working together with Fonterra and EEX on evolving GDT to be a global trading platform, there is potential to grow financial products to many multiples of the physical dairy market. The expansion of the physical trading environment would further strengthen existing financial market contracts and the development of GDT for new price points in the physical market would enable the creation of new financial markets contracts, providing new tools and opportunities for dairy processors and end-users to manage price volatility.

[SLIDE: Tech and Risk Management]



Technology remains a key priority for NZX, and we have lifted our focus materially on the capacity, reliability and security of our platforms. Additional resource and a wider range of skill sets have been added to technology teams.

NZX implemented a new trading system in early August 2021 working closely with our technology partner Nasdaq. The successful delivery of the new trading system was an extremely complicated project which stretched over three years and was supported and enabled by not only our staff but through essential contributions by stakeholders across the ecosystem supply chain.

With this new trading system now live, enhancements will assist us in anticipating the needs of participants in New Zealand's capital markets.

[Slide: Commitment to sustainability]

James talked earlier about our strategic partnership with the European Energy Exchange (EEX) and how we took our first step into carbon markets by implementing the managed auction service for the New Zealand Emissions Trading Scheme (NZ ETS). Since then, we have successfully run a total of five auctions and seen interest building in emissions trading and growing international participation.

Along with a strong relationship with the Ministry for the Environment, the mix of participation is a vote of confidence in what we have delivered in partnership with EEX. NZX-EEX as auction operator cleared total transaction value of \$1.325 billion by year-end. The rising New Zealand Unit (NZU) price and importance of the NZ ETS to New Zealand's climate change targets is seeing increased focus from Government and the sector on potential trading and managing market risks. We do see the development of exchange traded secondary and derivatives markets as a logical next step.

We also understand the importance of our own environmental performance and areas where we can improve. We took an important step forward this year, engaging Toitū Envirocare to independently verify and report NZX emissions from 2022, along with a commitment to a Carbon Zero programme. Verified environmental disclosures will be released in Q2 2022 so that investors and stakeholders have a better view of our ESG performance.

We have also continued to support the work undertaken by the Aotearoa Circle's Sustainable Finance Forum, including the launch of Toitū Tahua, the Sustainable Finance Centre, along with promoting the development of the issuance of sustainability-related securities.

[SLIDE: Tribute to teamwork]

2021 has been a year of delivery in every part of our business.

The team at NZX has risen to the challenge in trying conditions. I would also like to acknowledge the efforts of the teams at our participant firms, corporate advisory firms, law firms, the investing community and many other organisations in New Zealand's capital



market eco-system. It's the entire community that creates the growth and all have crucial roles to play.

The role of capital, and a trading platform like the exchange, is central in the story of New Zealand's economic development. It's a story of helping people grow their wealth to achieve their dreams. Those dreams may be a safe and happy retirement, or they could be to have your business grow to compete on the world stage.

We have stood the test of time, we are New Zealand's Exchange, and when we grow the country grows. With that, we will also deliver long-term value for our shareholders.

As we look ahead, the opportunities for the future give me considerable optimism.

Before I hand back to James, I want to thank you, our shareholders for your continued support and confidence in NZX.

Thank you.

JAMES MILLER

[SLIDE: Resolutions]

Thanks Mark.

We now move on to the formal business of the day.

All items of business are ordinary resolutions and are required to be passed by a simple majority – being more than 50% – of the eligible votes cast.

The resolutions that we will be voting on today are as follows:

Resolution 1: Auditor's fees

Resolution 2: Election of Peter Jessup as a director of NZX

Resolution 3: Re-election of myself, James Miller as a director of NZX

Resolution 4: Re-election of Elaine Campbell as a director of NZX

Resolution 5: Approval of an updated director fee pool

As stated in the Voting/Proxy Form, all voting at today's meeting will be by way of poll and, accordingly, in my capacity as Chair I require that a poll be held for each of the resolutions.

Shareholders attending in person, please mark your voting card by ticking "FOR", "AGAINST" or "ABSTAIN" beside the corresponding resolution and hand your voting card back to Link, who you registered with on entry.

Shareholders on Link's virtual meeting platform will be able to cast their vote using the electronic voting card received when online registration is validated – voting will be open until the close of the meeting. Please refer to the virtual meeting portal guide or use the helpline 0800 200 220.

To vote, you will need to click "Get Voting Card" within the online meeting platform.



You will be asked to enter your Shareholder or Proxy Number to validate. Please then mark your voting card in the way you wish to vote by clicking "FOR", "AGAINST" or "ABSTAIN" on the voting card.

Once you have made your selection please click "Submit Vote" on the bottom of the card to lodge your vote. Voting will remain open until five minutes after the conclusion of the meeting.

Proxy appointments have been received for the purpose of this meeting in respect of approximately 122,900,000 [one hundred and twenty-two million, nine hundred thousand] ordinary shares. As was indicated on the proxy form, where proxy discretion has been given, I as Chairman, and the other Directors, intend to vote those proxies we have received in favour of resolutions 1 to 4 and will abstain from voting on resolution 5. As requested by the New Zealand Shareholders Association, we will not disclose the voting of proxies received for each resolution before shareholders vote.

The results of the vote will be announced via a market announcement on nzx.com.

I will now introduce each of the resolutions in turn for discussion.

[SLIDE: Resolution 1 – Auditor]

Resolution one relates to the Board being authorised to fix the fees and expenses of KPMG as the company's auditor for the 2022 financial year. KPMG is the current auditor of NZX.

The Board unanimously recommends shareholders vote in favour of this resolution.

I move, as an ordinary resolution, that the Board be authorised to determine the auditor's fees and expenses for the 2022 financial year.

Are there any questions from the floor on this resolution?

Are there any questions from shareholders online?

[IF NO QUESTIONS] – There are no questions on this matter from shareholders joining online.

There appears to be no [further] discussion. I will therefore move to resolution two.

[SLIDE: Resolution 2 – Election of Peter Jessup]

Resolution two relates to the election of Peter Jessup.

Peter Jessup was appointed a director of NZX with effect from 1 January 2022. Peter retires in accordance with the Listing Rules and NZX's constitution, and offers himself for election.

The Board recommends Peter Jessup as a director of NZX and unanimously supports his election.

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

[Pause - Peter addresses meeting]



Thank you Peter.

I move, as an ordinary resolution, that Peter Jessup be elected as a director of NZX Limited.

Are there any questions on this resolution?

[IF NO QUESTIONS] – There are no questions on this matter from shareholders joining online.

There appears to be no [further] discussion.

[SLIDE: Resolution 3 – Re-election of James Miller]

Resolution three relates to the re-election of myself as a director. I will hand to Elaine Campbell to Chair this part of the meeting.

ELAINE CAMPBELL

James was appointed as a director in August 2010 and has been NZX Chair since May 2015. James retires by rotation in accordance with Listing Rules, and offers himself for re-election.

The Board recommends James Miller to you as a director of NZX and unanimously supports his re-election.

Being eligible, James has confirmed he is available for re-election. I invite James to address this meeting on his proposed re-election.

[Pause - James addresses meeting]

Thank you, James.

I move, as an ordinary resolution, that James Miller be re-elected as a director. Are there any questions from the floor on this resolution?

Are there any questions from shareholders online?

[IF NO QUESTIONS] – There are no questions on this matter from shareholders joining online.

There appears to be no [further] discussion. I will now hand the chair back to James.

[Elaine to remain standing beside James while resolution 4 is being read]

JAMES MILLER

[SLIDE: Resolution 4 – Re-election of Elaine Campbell]

Resolution four relates to the re-election of Elaine Campbell.

Elaine was appointed as a director in February 2019. Elaine retires by rotation in accordance with Listing Rules, and offers herself for re-election.

The Board recommends Elaine Campbell to you as a director of NZX and unanimously supports her re-election.



Being eligible, Elaine has confirmed she is available for re-election. I invite Elaine to address this meeting on her proposed re-election.

[Pause - Elaine addresses meeting]

Thank you, Elaine.

I move, as an ordinary resolution, that Elaine Campbell be re-elected as a director. Are there any questions from the floor on this resolution?

Are there any questions from shareholders online?

[IF NO QUESTIONS] – There are no questions on this matter from shareholders joining online.

There appears to be no [further] discussion. I will therefore move to resolution five.

[SLIDE: Resolution 5 – Director fees]

Resolution five seeks approval for the total annual remuneration payable to all directors to be increased by \$87,000 from \$435,000 to \$522,000 with effect from 1 July 2022.

As noted earlier in my presentation, the current NZX director fee pool was approved in 2012, although it has not been substantively reviewed or benchmarked since NZX listed in 2003. It is important that NZX pays market rates in order to attract and retain quality directors. NZX has therefore engaged PWC to conduct independent market benchmarking and the results of this process are outlined in a summary report available on NZX.com [\[here\]](#).

Paying market fees is especially important in the context of the Chair succession process now underway. As noted, if the resolution is supported today, and subject to ongoing company performance, the Board would also like to signal its intention to seek further increases of the fee pool to achieve market rates.

I move, as an ordinary resolution, that the total annual remuneration payable to all directors to be increased by \$87,000 from \$435,000 to \$522,000 with effect from 1 July 2022.

Are there any questions from the floor on this resolution?

Are there any questions from shareholders online?

[IF NO QUESTIONS] – There are no questions on this matter from shareholders joining online.

There appears to be no [further] discussion.

[SLIDE: Voting]

We will now turn to voting, for any shareholders who have not already cast a postal or proxy vote.



Shareholders should now submit their votes – select “for”, “against” or “abstain”, alongside each resolution. Voting will be open until the close of the meeting.

Once all the votes have been cast, they will be counted by the Company’s share registrar, Link Market Services, and scrutinised by the company’s auditor KPMG, who are in attendance at this meeting.

The results of today’s meeting will be released to the market on the completion of verification of voting.

[SLIDE: Questions]

At this point we will open up to any questions from shareholders in attendance and online in relation to general business.

Please complete your voting while we take questions.

Are there any items of general business from the floor to be discussed?

QUESTIONS FROM SHAREHOLDERS

Are there any items of general business from shareholders online to be discussed?

QUESTIONS FROM SHAREHOLDERS

[IF NO QUESTIONS] – There are no questions from shareholders joining online.

There appears to be no further business for discussion.

Ladies and gentlemen, that brings us to the end of formal business for NZX’s 2022 Annual Shareholders’ Meeting.

That brings this meeting to a close.

[SLIDE: Thank you]

Thank you.