

Welcome to NZX's Annual Meeting

5 APRIL 2019



NEW ZEALAND'S EXCHANGE
TE PAEHOKO O AOTEAROA



Address from Chair James Miller



NZX

Agenda

- Chair address
- CEO address
- Resolutions
- Other business
- Refreshments with NZX team

NZX

NEW ZEALAND'S EXCHANGE
TE PAEHOKO O AOTEAROA

>> CELEBRATING 150 YEARS OF

NZ'S EXCHANGE >>

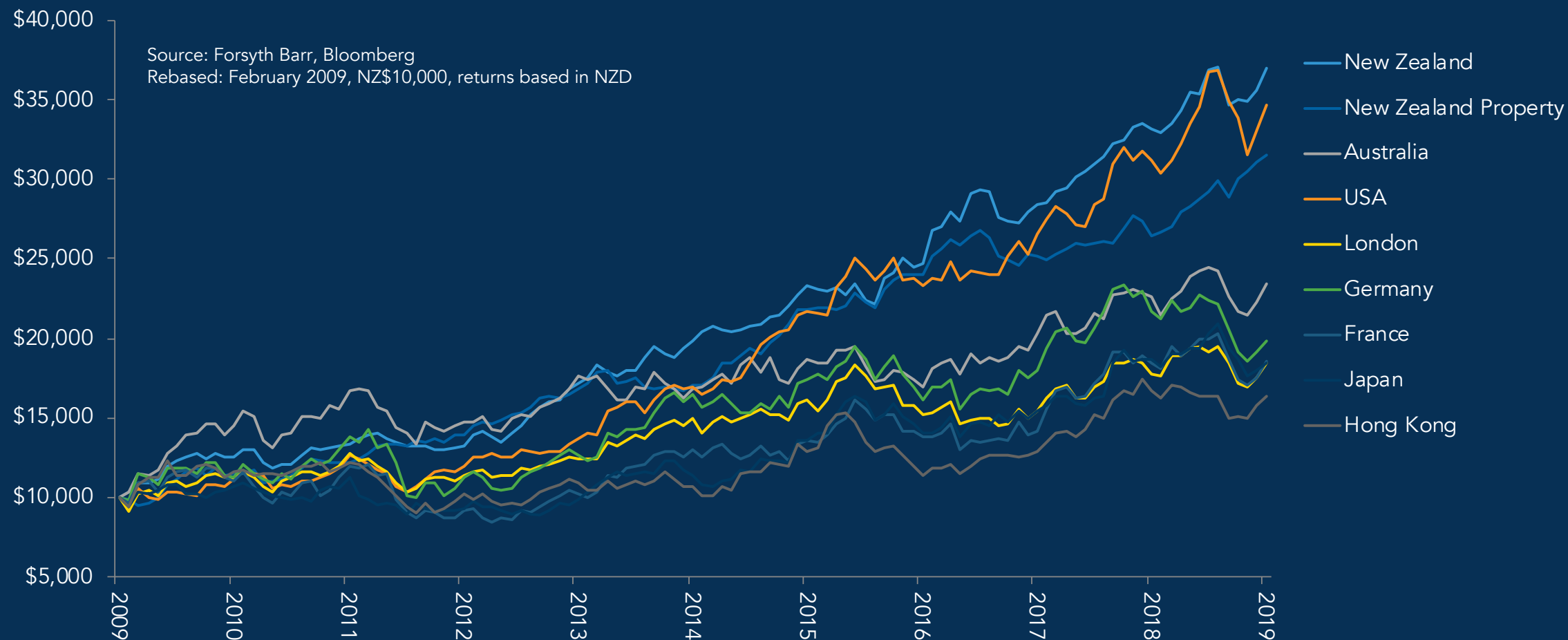
Celebrating 150 years of New Zealand's exchange



CELEBRATINGOUREXCHANGE.CO.NZ

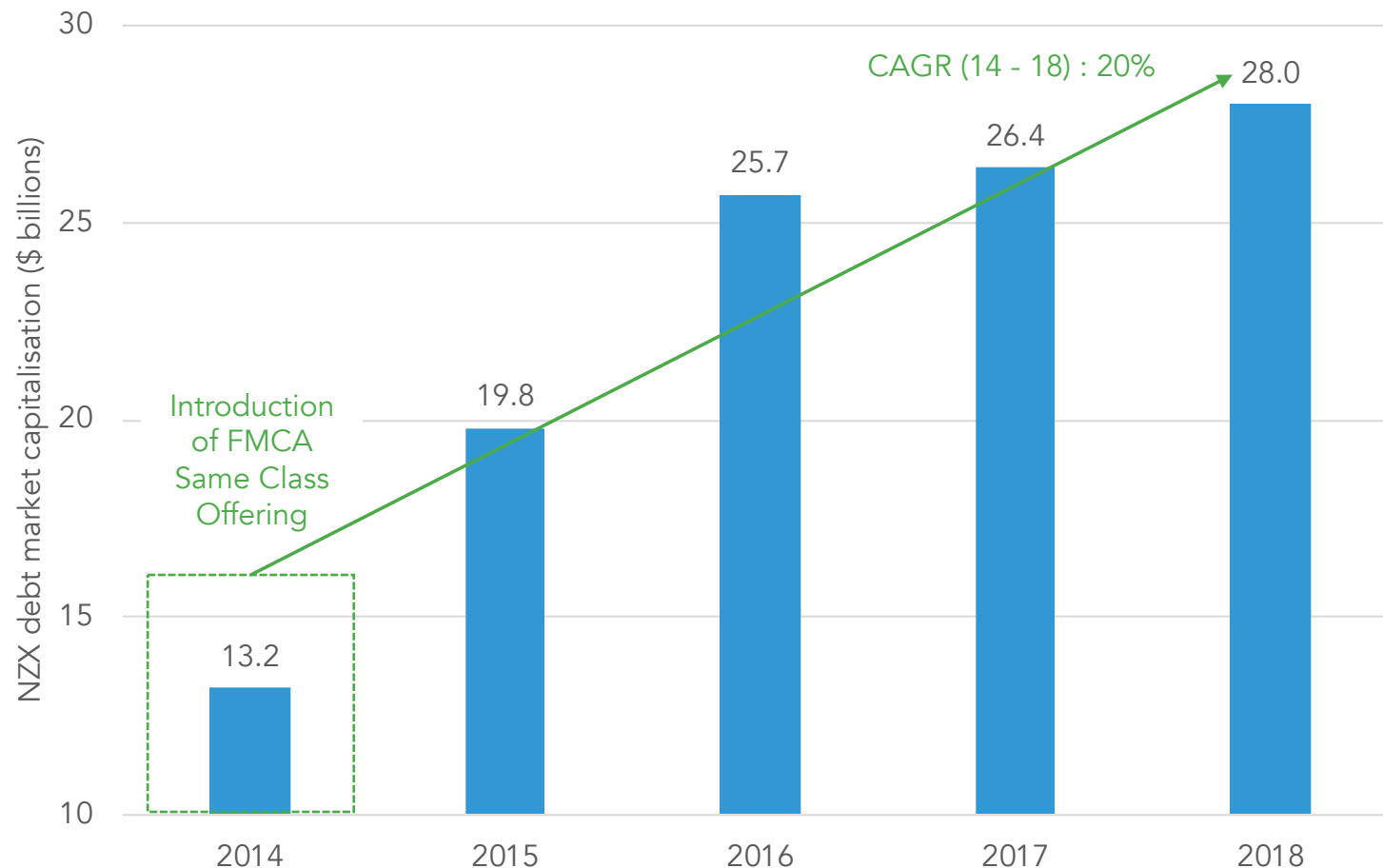
Capital Markets 2029 will build on strong growth of New Zealand market to date

10 YEAR RETURN OF NZ\$10,000 (DIVIDENDS REINVESTED)



Recommendations help spur growth

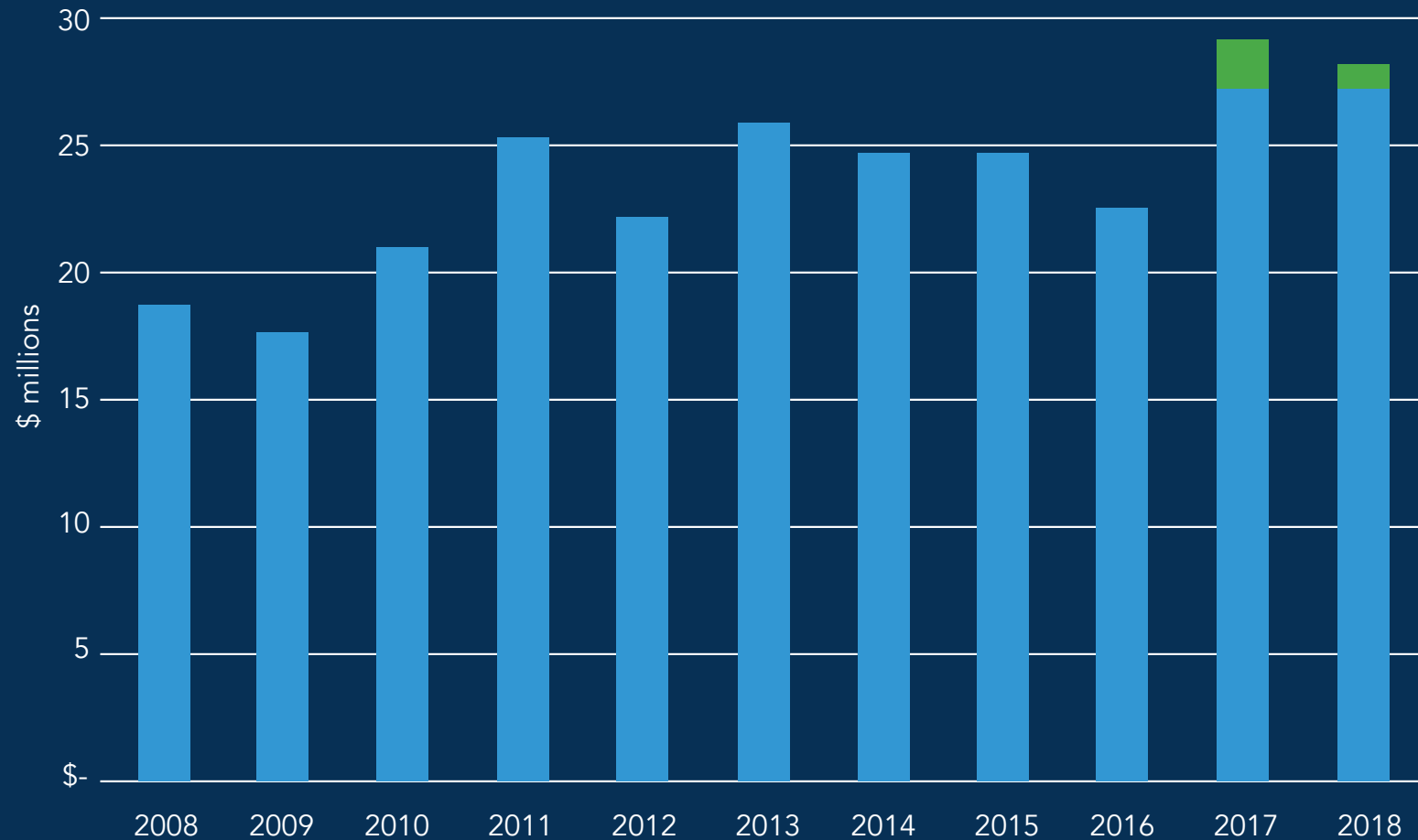
NEW ZEALAND DEBT MARKET CAPITALISATION



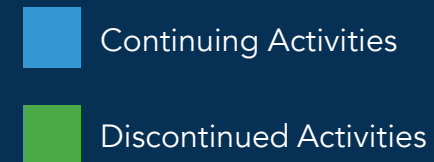
- Provisions in the Financial Markets Conduct Act 2013 helped remove blockages for debt listings
- This underpins our confidence that Capital Markets 2029 will deliver meaningful industry change

Progress to date: transition and hard work

SIGNIFICANT AMOUNT OF ENERGY SPENT IMPLEMENTING THE INITIAL STAGES OF OUR FIVE-YEAR STRATEGY

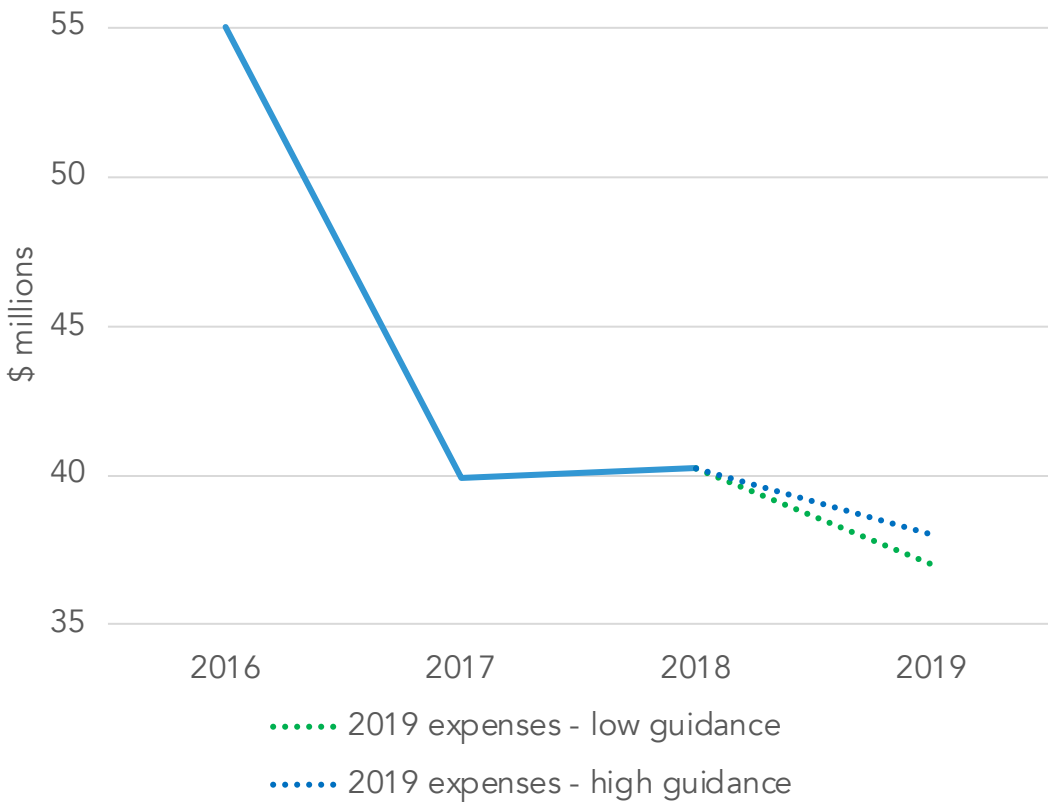


- Total operating earnings of \$28.1 million (2017: \$29.0 million)

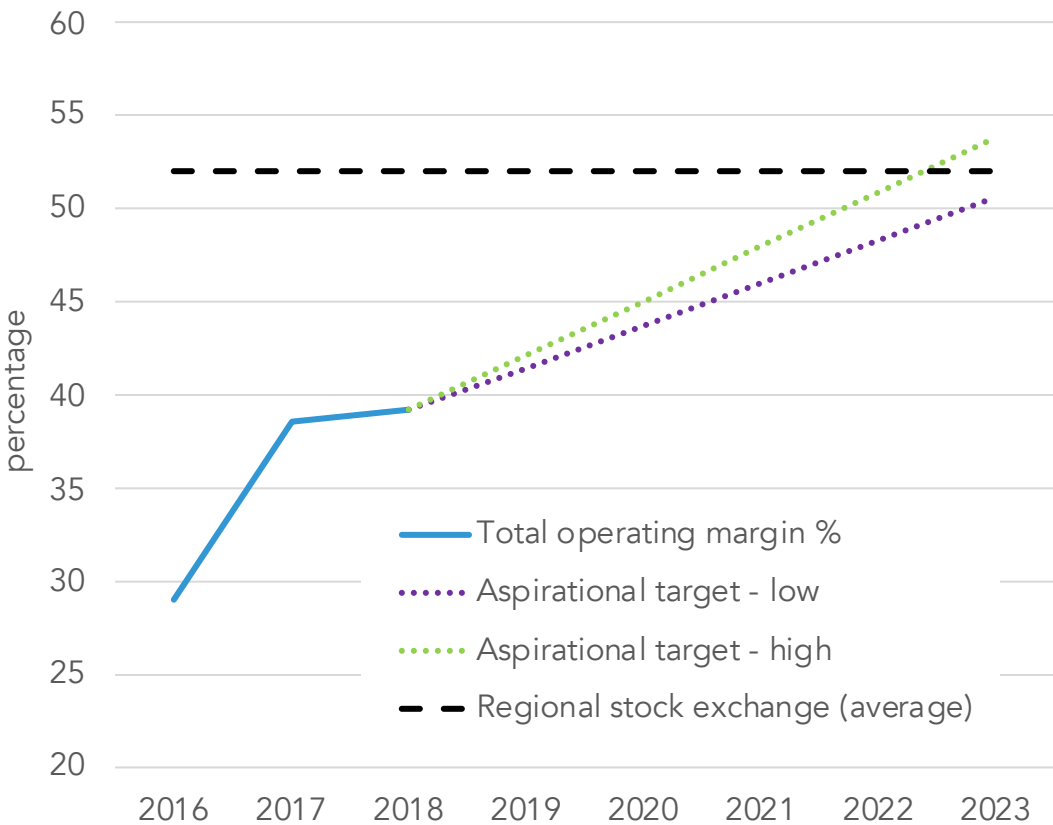


We are making progress: expenses and operating margin explained

EXPENSES



OPERATING MARGIN



We are committed to increased transparency

| | | External dependencies | 2019 deliverables | Five-year aspirational target ranges (2023)** | |
|----------------------|--|---|---|---|--|
| | | | | Low | High |
| NZX Group | Total shareholder return (percentage)* | <ul style="list-style-type: none"> Dependant on external factors outlined below | | TSR average of 9.29% p.a. to 11.29% p.a. by December 2022 | |
| | Earnings per share* | <ul style="list-style-type: none"> Dependant on external factors outlined below | | EPS average of 8% p.a. to 16% p.a. by December 2022 | |
| | Operating earnings | <ul style="list-style-type: none"> See earnings guidance | \$28 - \$31 million | \$42 million | \$54 million |
| Core Markets | | | | | |
| Issuer Relationships | Capital raised (total primary and secondary capital issued or raised for equity, funds and debt) | <ul style="list-style-type: none"> Listing ecosystem dependent on others No major market correction | \$9.1 billion (average of two prior years) | Three year rolling average: \$11 billion | Three year rolling average: \$12 billion |
| Secondary Markets | Total value traded | <ul style="list-style-type: none"> Participant activity levels drive value traded No major market correction | \$41.0 billion | \$42.5 billion | \$45.0 billion |
| | Dairy derivatives lots traded | <ul style="list-style-type: none"> Participant activity levels drive lots traded | 0.45 million lots | 0.85 million lots | 1.4 million lots |
| Data & Insights | Revenue growth (in subscriptions, licenses and dairy subscriptions changing revenue mix) | <ul style="list-style-type: none"> Dependent on core markets growth | <ul style="list-style-type: none"> License growth: 10% Dairy subscription product growth: 24% | Three year rolling average revenue growth: 2.0% p.a. | Three year rolling average revenue growth: 4.2% p.a. |
| Funds Management | Total Funds under management | <ul style="list-style-type: none"> Investment market returns impacts FUM (all asset classes) No major market correction | Continue three year rolling average growth: 14% | 2023 average FUM: \$5.0 billion | 2023 average FUM: \$5.75 billion |
| Wealth Technologies | Total Funds under administration | <ul style="list-style-type: none"> Investment market returns impacts FUA (all asset classes) No major market correction | Prepare for new client phase two migration and transition of current clients | 2023 average FUA: \$35 billion | 2023 average FUA: \$50 billion |

The impact from Capital Markets 2029 has not yet been factored into our core markets aspirational targets

* Consistent with CEO long term incentive programme, see share based payments note in the financial statements for more information.

** These are not financial forecasts

Your board



Frank
Aldridge



Nigel
Babbage



Richard
Bodman



Elaine
Campbell



Jon
Macdonald



James
Miller



Anna Scott
(future director)



Lindsay
Wright



We have a range of governance skills, reflecting our diverse customer base

NZX BOARD SKILLS EXPERIENCE MATRIX – 2018/2019

| | NZX Limited Board – tenure | Stock exchange sector expertise | International stakeholder engagement strategy / sector trends | Data / information | Technology and business operations | Environmental and energy sector | Funds management ETFs | Debt capital markets | Entrepreneurial (equity capital markets focus) | Strategic / commercial capability | Dairy derivatives | Legal expert, conflicts, FMCA and listing rules | Clearing House | Regulatory governance |
|-----------------|----------------------------|---------------------------------|---|--------------------|------------------------------------|---------------------------------|-----------------------|----------------------|--|-----------------------------------|-------------------|---|----------------|-----------------------|
| Frank Aldridge | 1 | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Nigel Babbage | 1 | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Richard Bodman | 1 | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Jon Macdonald | 5 | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| James Miller | 8 | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Lindsay Wright | 1 | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Elaine Campbell | | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |

● Strong experience
● Solid experience
● Minimal to some experience

Areas of focus for the board in 2019

ENTERING
AN EXCITING
CHAPTER
FOR NZX

WE HAVE THE
RIGHT PLATFORM
IN PLACE – WE ARE
HEADING IN THE
RIGHT DIRECTION

THIS YEAR WE ARE
COMMITTED TO
GENERATING
GROWTH FROM
2018 CHANGES: A
DOLLAR SAVED, IS
A DOLLAR MADE

Address from CEO Mark Peterson



NZX

Today you'll hear about ...

1. Our strategic delivery efforts in 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
4. What you can expect from us looking forward

Our strategic delivery efforts in 2018 and why they were important

- Sharpened strategic focus
- Removed barriers to growth
- Created efficiency and improved team's accuracy, timeliness and reputation
- Improved balance sheet resilience



Progress in the first quarter of 2019

- Sharesies and Tiger Financial announced intentions to become cash market trading and clearing participants
- Napier Port announced intention to complete partial listing
- Single largest non-Government bond issued
- Five wholesale bonds listed
- Record breaking month for the derivatives market
- Smartshares funds under management \$3.19 billion
- Wealth Technologies chasing strong customer pipeline



Our culture has changed

- Clear focus on strategic delivery and customer relationships. Turning to sales and pipeline conversation in 2019
- Skill sets and organisational structure reviewed to match strategic intent
- Delivered 70 projects in 2018 – a 90% increase on 2017
- Staff engagement levels never higher, attrition levels never lower



Looking forward, what you can expect from us

- 2018 was about getting our house in order
- 2019 is about delivering on the pipeline of opportunities we have created
- Active leadership role in the market: Capital Markets 2029 and responding to the Tax Working Group Report
- Everything done with an intention to lift returns for shareholders and promote a strong capital market for New Zealand



Resolutions



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Blue pools in Mount Aspiring National Park, Wanaka, New Zealand. Photo by: Cory Woodruff

Ordinary Resolution 1

That the board be authorised to determine the auditor's fees and expenses for the 2019 financial year

Ordinary Resolution 2



To elect Elaine Campbell as a
director of NZX

Ordinary Resolution 3

To re-elect James Miller
as a director of NZX



Resolution 4: special resolution

That NZX amend its existing Constitution, in the manner marked up in the Constitution as presented to shareholders at the annual meeting and initialled by a director of the Company for the purposes of identification.

Other business

150

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Thank you

Please join our team for refreshments