



# Welcome to NZX's Annual Meeting

30 June  
2017





# Address from Chairman James Miller

A handwritten signature in blue ink, reading 'J Miller', with a horizontal line underneath.

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# Your Board

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**JAMES MILLER**



**NEIL PAVIOUR-SMITH**



**DAME THERESE WALSH**



**JON MACDONALD**



**DR PATRICK STRANGE**

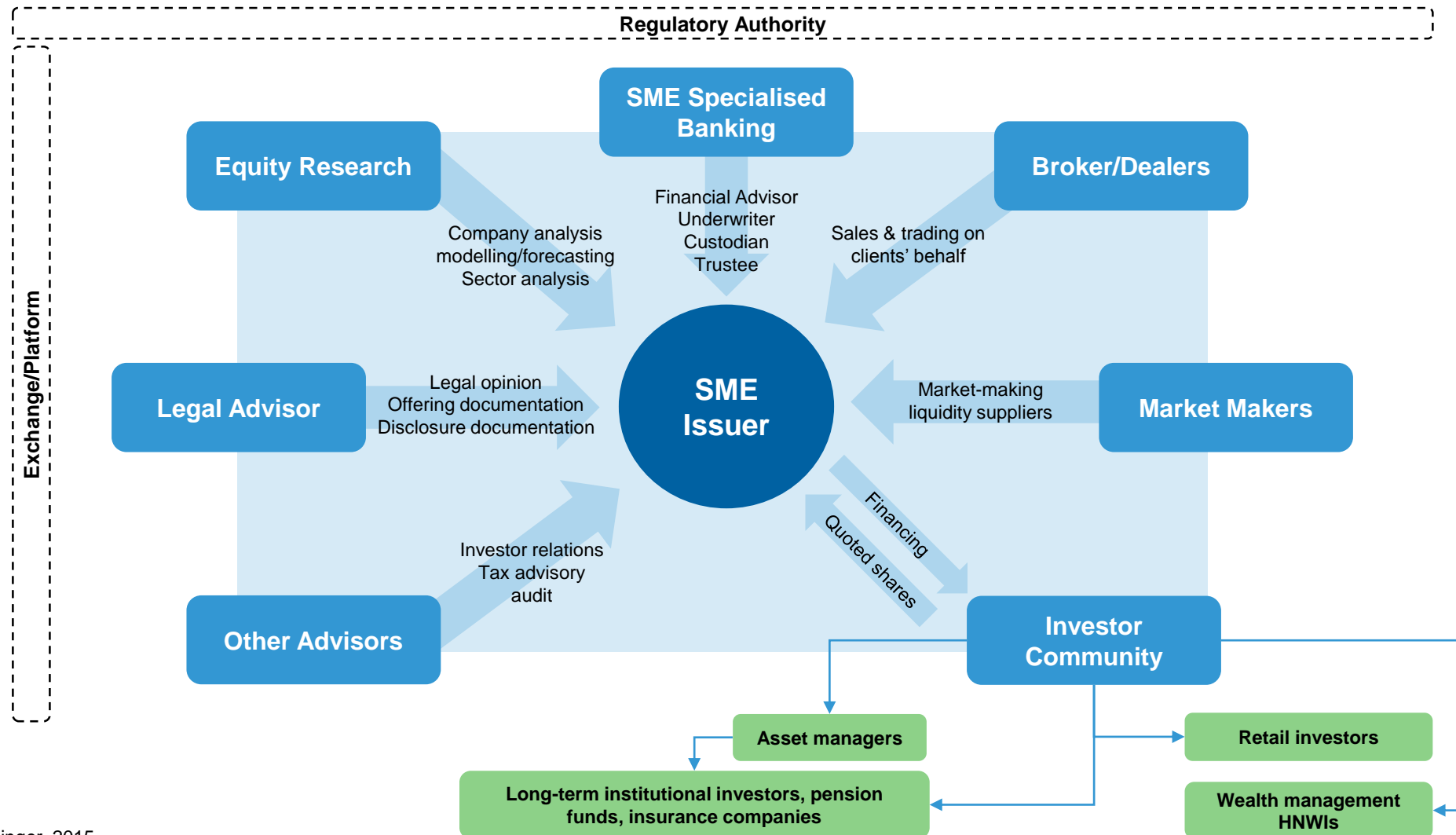


**RICHARD BODMAN**



**FRANK ALDRIDGE**

# Capital Markets Ecosystem

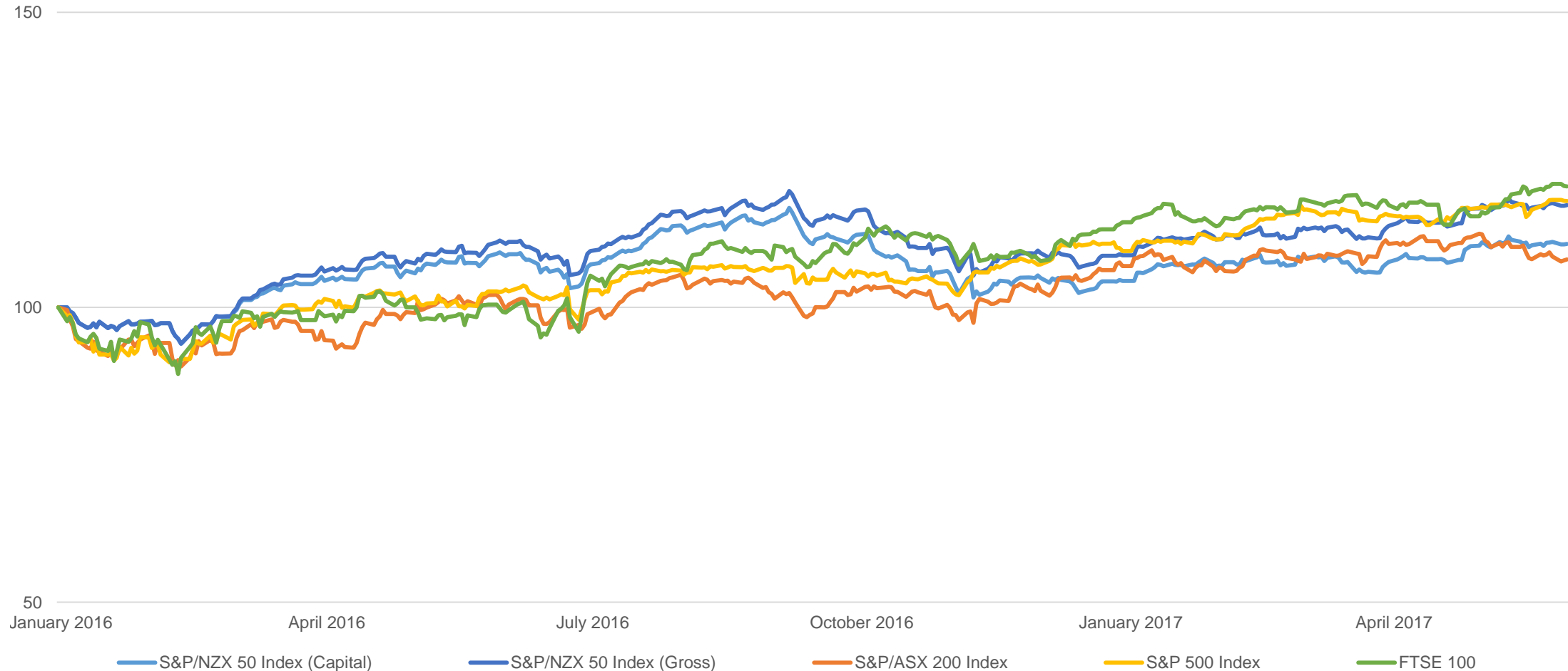


Source: Nassr & Wehinger, 2015



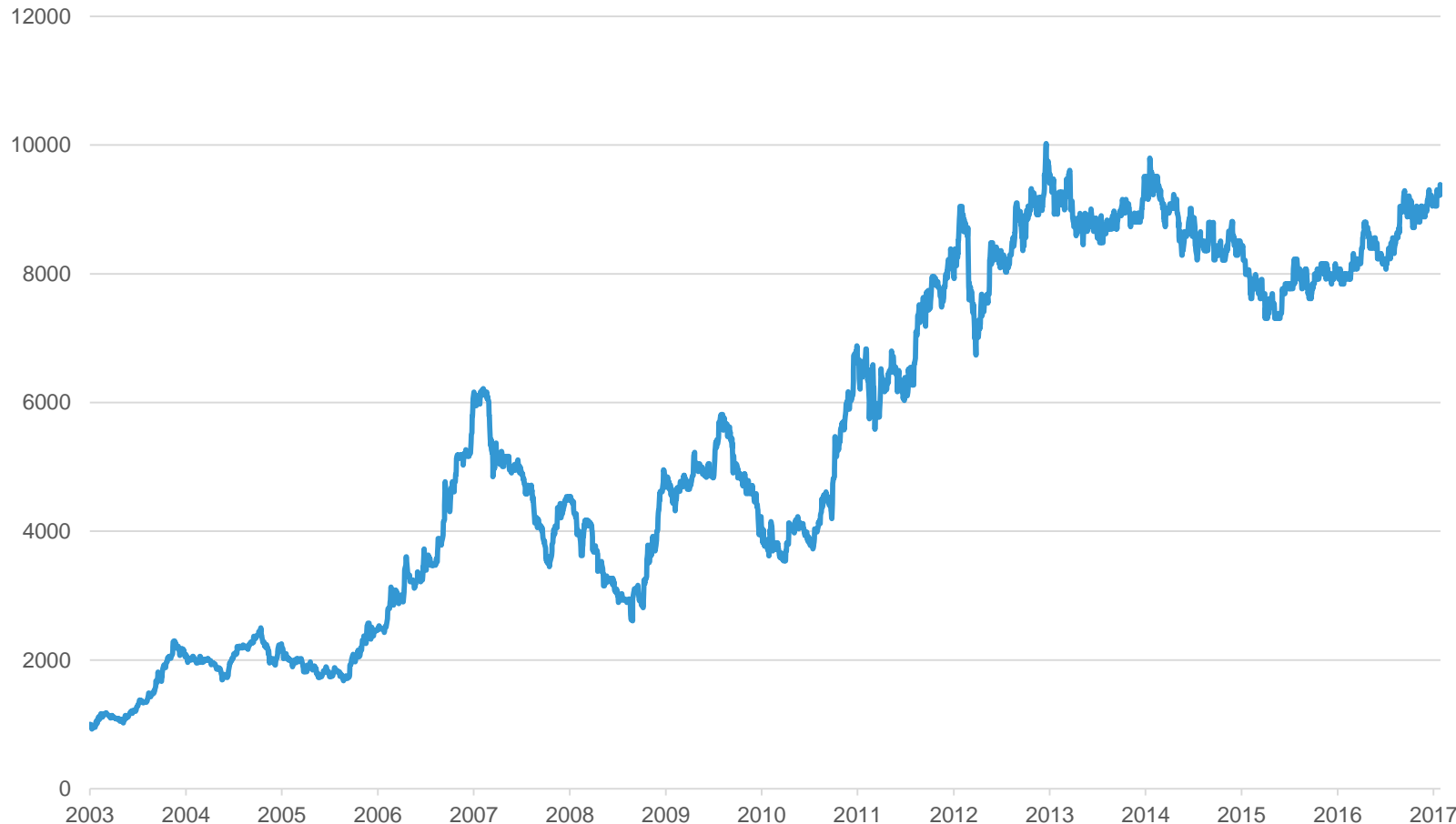
# New Zealand Market Health

S&P/NZX 50 index performance compared to S&P/ASX 200, S&P 500 & FTSE 100



# Total Shareholder Returns

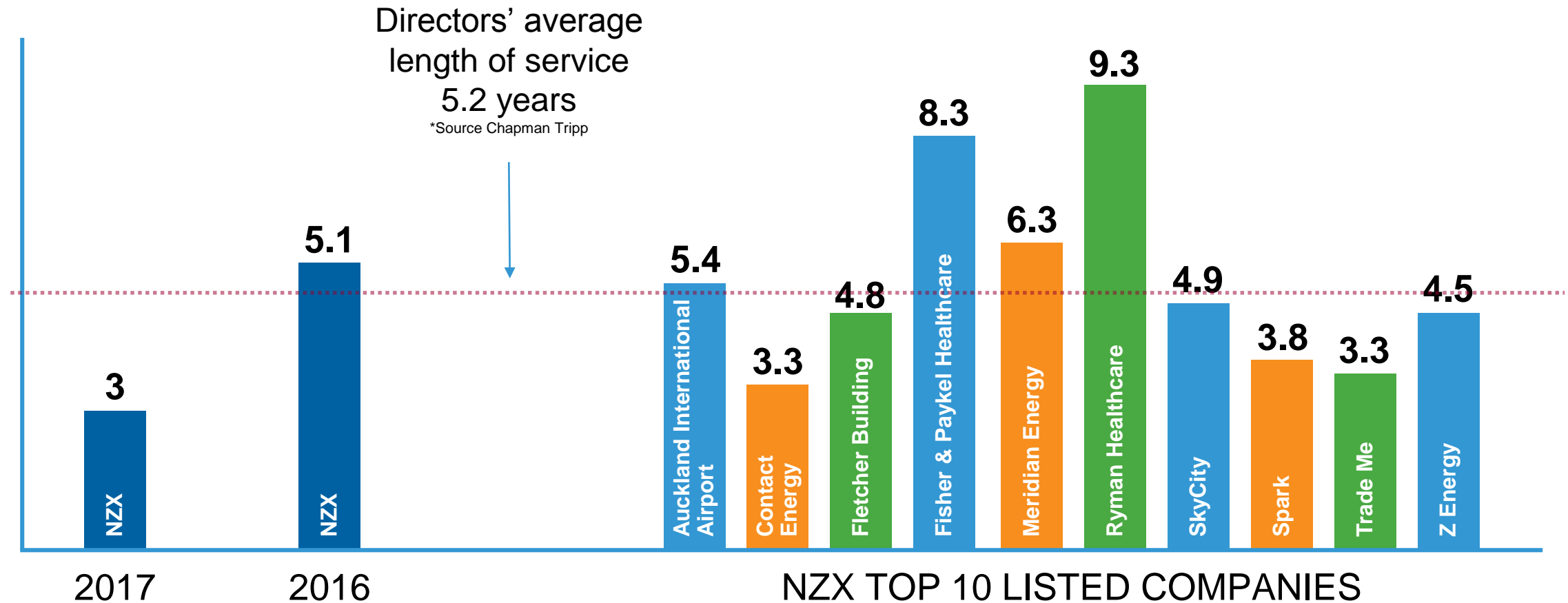
NZX gross indexed price 2003 – 2017 (2003 = 1,000)



- ▶ Last 12 months 17.4%
- ▶ Annualised TSR since listing 17.1%
- ▶ \$10,000 invested at IPO would now be worth \$92,210 with all dividends and capital returns reinvested
- ▶ TSR since 1 January 2017 is 9.7%

# Board Renewal

Directors average length of service





# Future Directors Programme

- ▶ NZX joins Future Directors Programme, May 2017
- ▶ Anna Molloy, NZX inaugural future director

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# Address from Chief Executive Mark Peterson

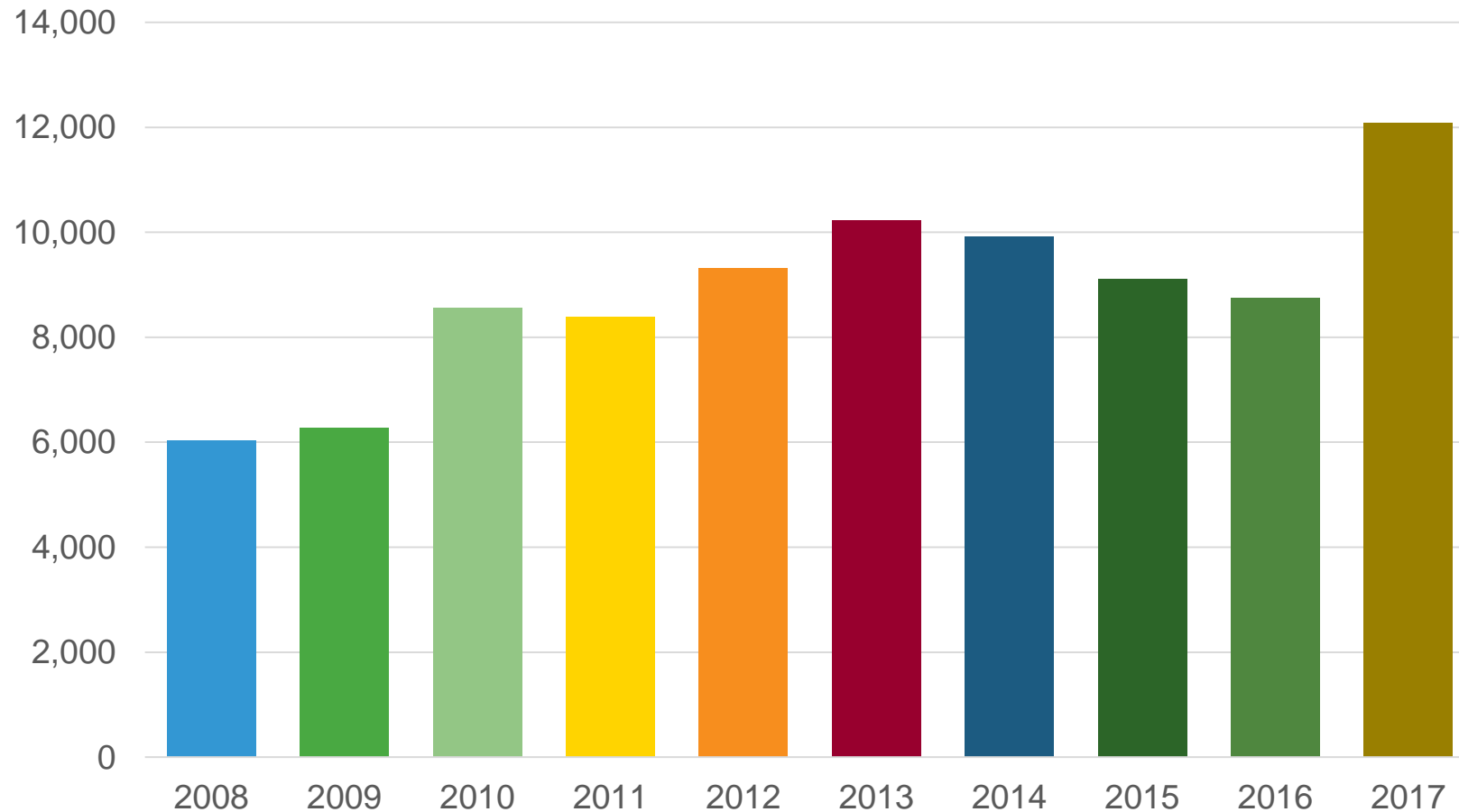
A stylized, handwritten signature in white ink, appearing to read 'Mark Peterson', positioned above a thin horizontal line.

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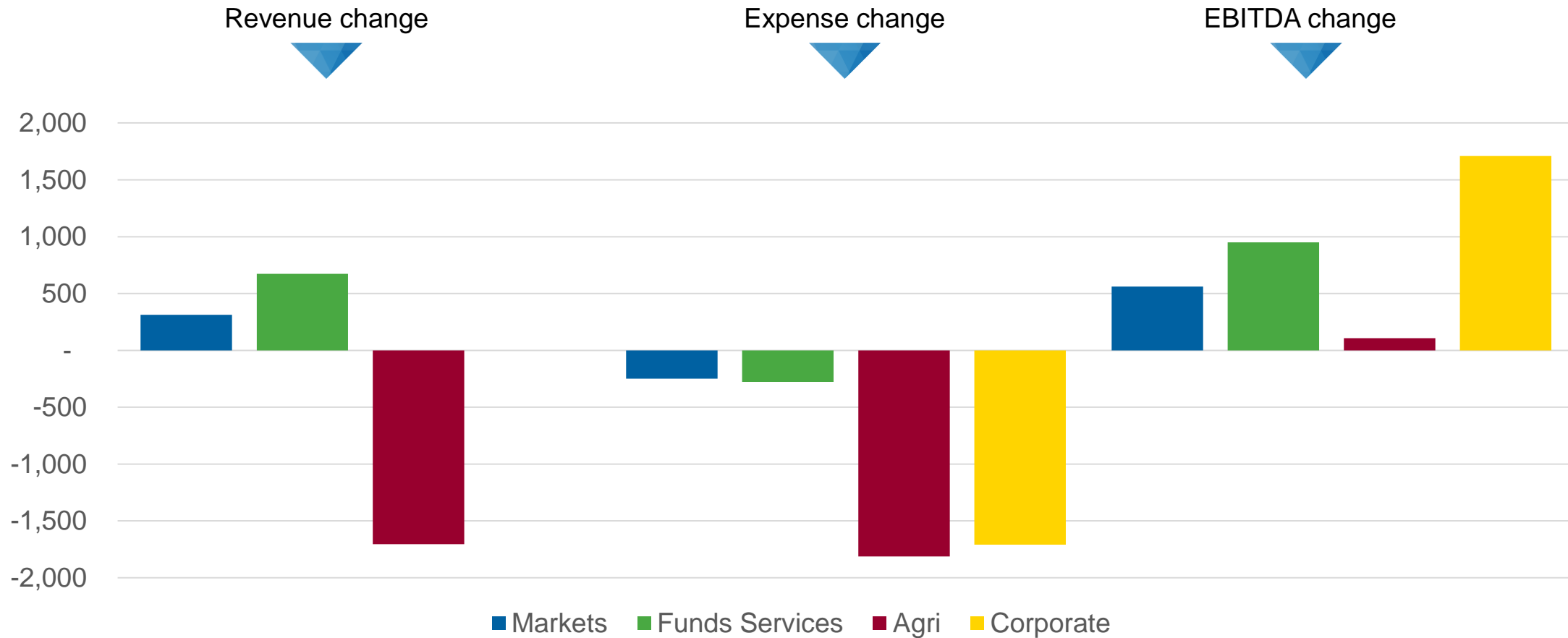
# 2017 – Five Months In Review

EBITDA year-to-date 31 May



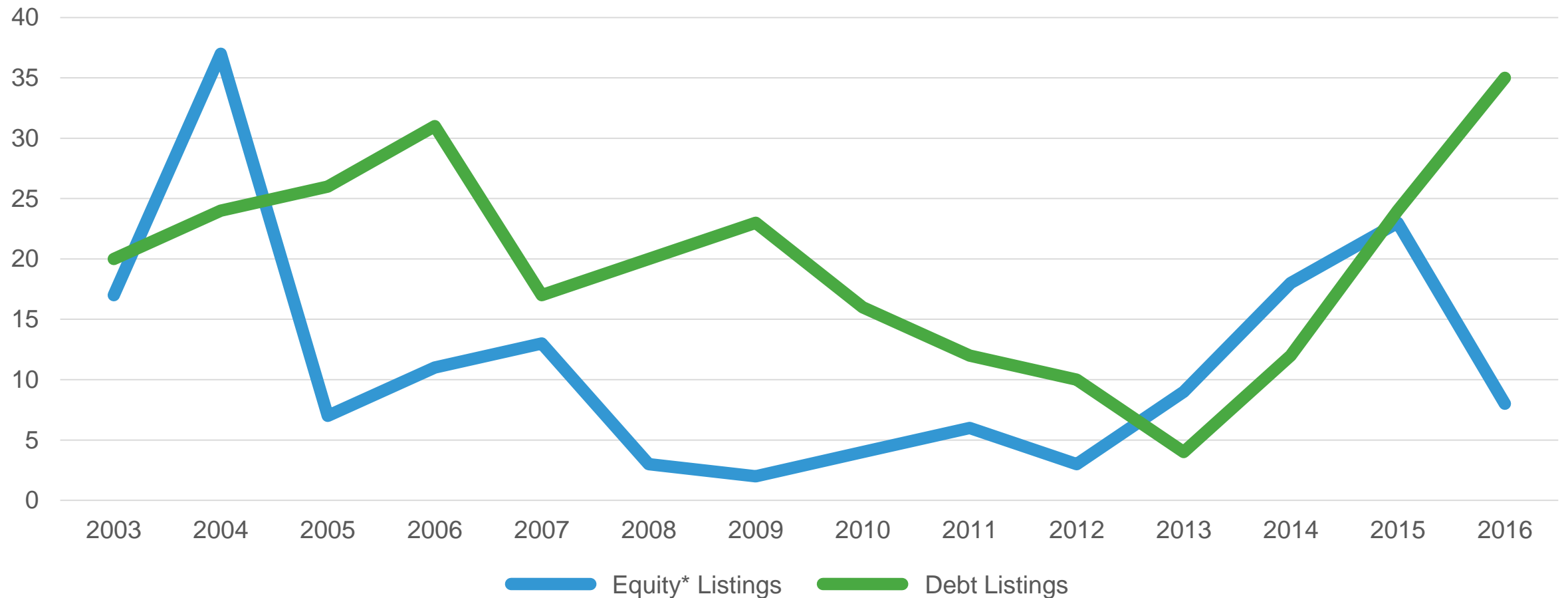
- ▶ Record EBITDA up 38%
- ▶ Revenue up 3% on a like-for-like basis
- ▶ Operating expenses down 18%

# 2017 – Business Breakdown



# Capital Markets Are Cyclical

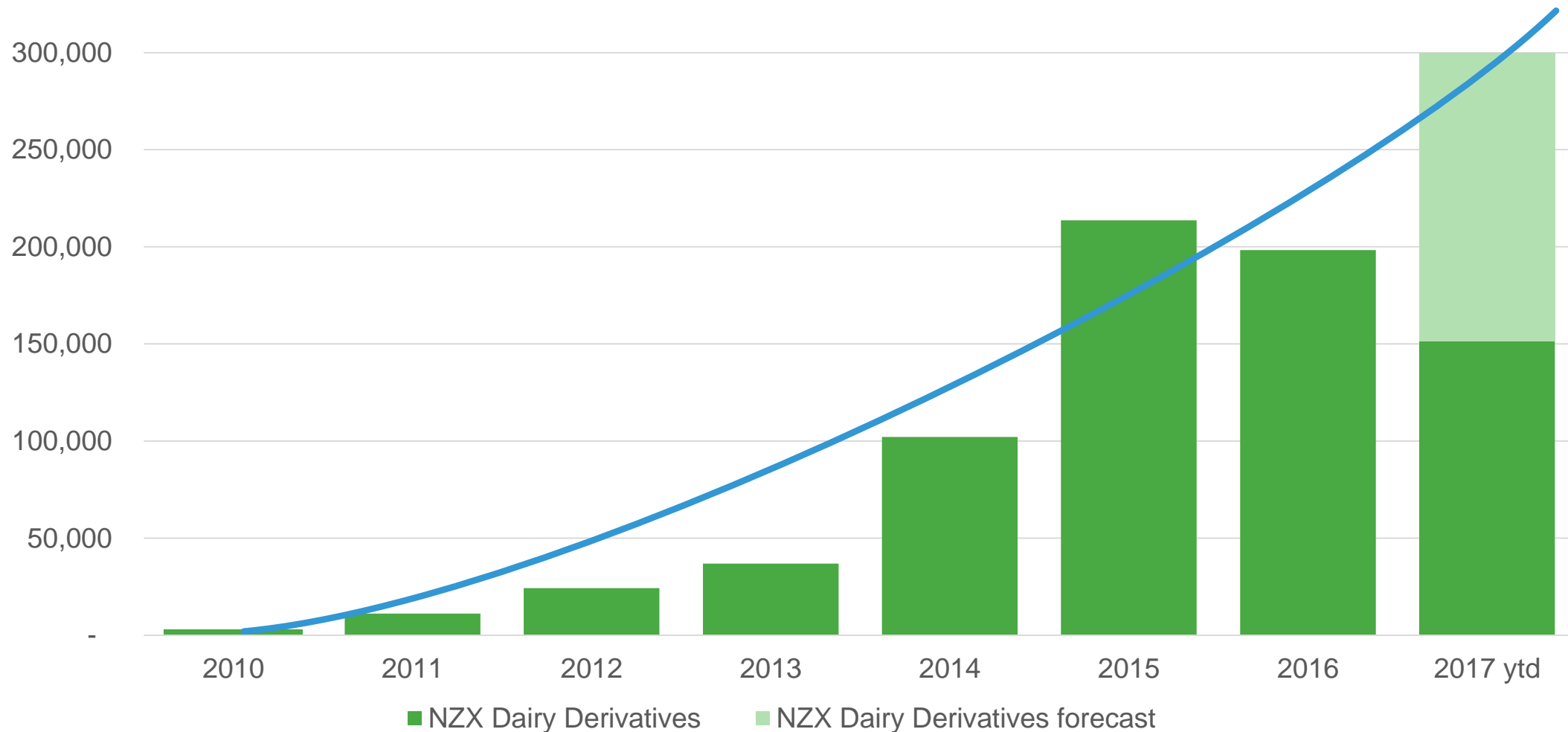
Number of new listings – equity and debt



\*Includes Exchange Traded Funds

# Developing Our Derivatives Market

NZX dairy derivatives volume since launch





# Market Engagement





# Our Strategic Review – Key Themes

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- ▶ Reduce complexity
- ▶ Influence & align our industry
- ▶ Focus on the core
- ▶ Seek our global markets
- ▶ Understand investors' needs
- ▶ Earn the right to grow



# Focusing On What NZX Can Control

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## Controllable

- ▶ Cost
- ▶ Customer-centricity and facilitation of processes
- ▶ Operational competitiveness vs alternatives
- ▶ Sales focus

**Address Directly**

## Non-Controllables

- ▶ Total cost to issuers
- ▶ Compliance requirements
- ▶ Structural competitiveness of New Zealand markets vs other jurisdictions/options
- ▶ New Zealand market demand (eg, for new listings)

**Seek To Influence**



# Ordinary Business

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# Ordinary Resolution 1

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- ▶ That the Board be authorised to determine the auditor's fees and expenses for the 2017 financial year
- ▶ Resolution 1 – proxies received
  - For           110,101,726       (97.2%)
  - Open        3,182,524        (2.8%)
  - Against    10,000         (0.01%)





# Director Appointment Process

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# Engage In Strategy & Performance

Name	Stock exchange Sector expertise	International stakeholder engagement strategy	Rural sector Expertise & connectivity	Data / information / media	Technology & business operations	Regulated business	Energy sector
Director 1	●		○	○	○	●	●
Director 2	○		○	●	●	●	○
Director 3	○		○	●	●	○	○
Director 4	○		●	○	●	●	●
Director 5 (Left March 2017)	○		○	●	●	●	●
Replacement Candidate 1	●				●	●	
Director 6 (Left May 2017)	●		○	○	●	●	○
Replacement Candidate 2	●				●	●	
Current State	●	●	●	●	●	●	●
Standing Candidate					●		

KEY: ● High Capacity ○ Moderate Capacity

# Engage In Strategy & Performance

Name	Funds management ETF	International M&A & sector trends	Risk management	Entrepreneurial (IPO focus)	Strategic / commercial capability	Health & safety
Director 1	●	○	○	○	●	●
Director 2	○	○	●	○	●	●
Director 3	○	●	○	●	●	○
Director 4	○	○	●	○	●	●
Director 5 (Left March 2017)	○	○	●	○	●	●
Replacement Candidate 1	●	○	●	○	●	○
Director 6 (Left May 2017)	●	○	●	●	●	○
Replacement Candidate 2	●	○	●	○	●	○
Current State	●	●	●	●	●	●
Standing Candidate			●	●	●	●

KEY:      ● High Capacity      ○ Moderate Capacity

# Ensuring Quality Committee Leadership

Name	Audit & risk	HR & remuneration	Legal expert, conflicts, FMCA & listing rules	Clearing house	Regulatory governance
Director 1	●	○	○	●	○
Director 2	●	●	○	○	●
Director 3	○	●	○	○	○
Director 4	○	○	○	○	●
Director 5 (Left March 2017)	●	●	○	●	●
Replacement Candidate 1	●	●	○	●	●
Director 6 (Left May 2017)	●	●	○	○	●
Replacement Candidate 2	●	●	○	○	●
Current State	●	●	●	●	●
Standing Candidate	○		○		

KEY:      ● High Capacity      ○ Moderate Capacity

# Connectivity To Stakeholder Groups

Name	Government & opposition relationships	Reserve Bank / FMA relationships	EC relationships	Listed company relationships	Stock market broker relationships	Insto relationships
Director 1	●	●	●	●	●	●
Director 2	●	●	○	●	○	○
Director 3	○	○	○	●	●	○
Director 4	●	○	●	●	○	○
Director 5 (Left March 2017)	○	●	○	●	○	○
Replacement Candidate 1	●	●	○	●	●	○
Director 6 (Left May 2017)	●	●	○	●	●	●
Replacement Candidate 2	○	●		●	●	●
Current State	●	●	●	●	●	●
Standing Candidate				●		

KEY:      ● High Capacity      ○ Moderate Capacity



# NZX Connectivity

Our framework for operation



# Ordinary Resolution 2

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- ▶ That Frank Aldridge be elected as a Director of NZX Limited
- ▶ Resolution 2 – proxies received
  - For 100,786,971 (86.9%)
  - Open 1,502,298 (1.3%)
  - Against 13,727,709 (11.8%)



# Ordinary Resolution 3

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- ▶ That Richard Bodman be elected as a Director of NZX Limited
- ▶ Resolution 3 – proxies received
  - For 96,478,326 (84.1%)
  - Open 1,326,798 (1.2%)
  - Against 16,914,896 (14.7%)





# Ordinary Resolution 4

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- ▶ That Dr Patrick Strange be re-elected as a Director of NZX Limited
- ▶ Resolution 4 – proxies received
  - For 99,823,489 (86.4%)
  - Open 1,522,798 (1.3%)
  - Against 14,261,519 (12.3%)



# Ordinary Resolution 5

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- ▶ That Tony Falkenstein be elected as a Director of NZX Limited
- ▶ Resolution 5 – proxies received
  - For 19,322,433 (16.7%)
  - Open 2,506,429 (2.2%)
  - Against 93,868,907 (81.1%)







# General Business

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Thank You

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