



NEW ZEALAND'S EXCHANGE

Dividend Reinvestment Plan



This is an important document. If you have any questions in relation to the Dividend Reinvestment Plan, or are in any doubt as to how to act, please contact your financial adviser. This document is dated **15 August 2018**.

Contents

Letter from the Chair	2
Terms & Conditions.....	4
1. INTRODUCTION.....	4
2. THE OFFER	5
3. METHOD OF PARTICIPATION.....	8
4. ADDITIONAL SHARE ENTITLEMENT	10
5. OPERATION OF THE PLAN	13
6. SOURCE OF ADDITIONAL SHARES.....	13
7. STATEMENT TO PARTICIPATING SHAREHOLDERS.....	14
8. TERMINATION, SUSPENSION AND MODIFICATION	15
9. REDUCTION OR TERMINATION OF PARTICIPATION WHERE NO NOTICE GIVEN	18
10. TAXATION.....	19
11. COSTS.....	22
12. STOCK EXCHANGE QUOTATION	22
13. NZMDT SPECIAL DIVISION	23
14. GOVERNING LAW	23
15. ANNUAL REPORT AND FINANCIAL STATEMENTS	23
Q&A	24
Glossary.....	28
Directory	30
NZX Limited Dividend Reinvestment Plan Participation Form	32



Letter from the Chair

Dear Shareholder,

Dividend Reinvestment Plan

We are pleased to announce that as indicated in NZX's 2017 annual report, a dividend reinvestment plan has been established. NZX has received strong interest over the years from retail investors for introduction of a dividend reinvestment plan.

This is an opportunity for you to reinvest all or part of your dividends into additional NZX shares instead of being paid cash.

There is a brief summary of the process below and this booklet explains how the full process works.

How to participate

Participating is optional, and it is also flexible. You can elect to participate with all or part of your dividends, and you can start or stop your participation at any time.

If you would like to participate in the dividend reinvestment plan, please follow the link below or complete and return the enclosed participation form included in the booklet to Link Market Services by 5.00pm on the Record Date 2019.

<https://investorcentre.linkmarketservices.co.nz> - you will need your CSN/Holder Number and Authorisation Code (FIN) to complete the investor validation process

If you decide not to participate, you don't need to do anything and you will continue to receive all future dividends in cash, unless and until you decide at a later date to participate.

What will the share price be?

The price of the shares will be based on the volume weighted average sale price of NZX shares sold on the NZX Main Board over five business days, starting on the Business Day before the Record Date (Ex Date).

From time to time the share price may be subject to a discount set by the Board. Any such discount will be announced when the dividend is announced.

It is also important to note that the dividend reinvestment plan may not apply to all future dividends. This will be advised by the Board when each dividend is announced.

Please read the information in the booklet carefully, and if you have any questions, please speak to your financial adviser.

Yours sincerely,



James Miller
Chair

Terms & Conditions

1. INTRODUCTION

Pursuant to the Constitution of NZX Limited (“NZX”), the board of directors (the “Board”) has approved the adoption of the NZX Dividend Reinvestment Plan (the “Plan”). Under the Plan:

- in respect of each cash dividend or distribution declared by NZX, the Board will determine whether the Plan applies to that dividend or distribution; and
- where the Board has determined that the Plan applies to a dividend or distribution, eligible holders of Shares in NZX may elect to reinvest the net proceeds of that dividend or distribution paid on all or any of their Shares in NZX by acquiring further fully paid ordinary shares in NZX instead (“Additional Shares”).

This Offer Document sets out the terms and conditions of the Plan and is issued in compliance with the exclusion for dividend reinvestment plans contained in Schedule 1 to the Financial Markets Conduct Act 2013 and Schedule 8 of the Financial Markets Conduct Regulations 2014. Accordingly, no product disclosure statement is required in respect of the Plan.

This Offer Document has been prepared as at 15 August 2018. Capitalised terms used in these terms and conditions have the meanings set out in the Glossary to this Offer Document.

2. THE OFFER

2.1 Offer to Shareholders

Subject to clauses 2.5 to 2.7, NZX offers to all Shareholders the right to elect to participate in the Plan.

2.2 Application of the Plan

The Board may, in its absolute discretion, in respect of each cash dividend or distribution, determine whether the Plan will apply to that dividend or distribution.

Where the Plan does not apply to a dividend or distribution, NZX will announce this on the NZX Main Board through the NZX market announcement platform at the same time the dividend or distribution is announced.

2.3 Available options

Shareholders may elect to participate in the Plan by exercising one of the following options:

- Full participation:** If you elect full participation, participation in the Plan will apply to all of your Shares registered in your name on the Record Date.
- Partial participation:** If you elect partial participation, only the proportion of Shares nominated by you will participate in the Plan. If the percentage of Shares nominated by you does not result in a whole number of Shares, the number of Shares will be rounded down to the nearest whole number.
- Non-Participation:** If you do not wish to participate in the Plan, you are not required to do anything. You will continue to automatically receive in cash any dividends or distributions paid on all of your Shares.

2.4 Information for Australian Shareholders

The offer of securities under the Plan does not need disclosure for the purposes of section 708 of the Corporations Act 2001 (Cth). Accordingly, this Offer Document will not be lodged with ASIC.

Australian resident Shareholders should note that NZX is not licensed to provide financial product advice in relation to the securities offered under the Plan. There is no cooling-off regime that applies in respect of your acquisition of securities offered under the Plan. This Offer Document does not take into account your personal objectives, financial situation or needs. You should consider obtaining your own financial product advice in relation to the proposed offer from an independent person who is licensed by ASIC to give such advice.

2.5 Ability to exclude overseas Shareholders from the Plan

The Board has elected not to offer participation under the Plan to Shareholders whose registered address is outside New Zealand and Australia. The Board has adopted this policy on the basis that to do so would risk breaching the laws of places outside of New Zealand and Australia and it would be unduly onerous to ensure that the laws of those place are complied with.

The Board may, in its absolute discretion, elect to amend this policy.

Representations and warranties from overseas Shareholders

Shareholders who apply to participate in the Plan who are not resident in New Zealand or Australia represent and warrant to NZX that the offer of the Plan and their participation in it would not breach any laws in their country of residence.

Any person residing outside New Zealand or Australia who holds Shares through a New Zealand or Australian resident nominee should not allow their nominee to participate in the Plan if participation in respect of their Shares would be contrary to the laws of their country of residence.

Any person residing outside of New Zealand or Australia who participates in the Plan through a New Zealand or Australian resident nominee will be deemed to represent and warrant to NZX that they can lawfully participate in the Plan through their nominee.

NZX accepts no responsibility for determining whether a Shareholder is able to participate in the Plan under laws applicable outside of New Zealand or Australia.

2.6 Exclusion where liens or charges over Shares

Any Shares over which NZX has a lien or charge in accordance with the Constitution or other requirements of law will not be eligible to participate in the Plan.

3. METHOD OF PARTICIPATION

3.1 Participation Form

To participate in the Plan a Shareholder must make a participation election in one of the following ways:

- (a). **Online Election** – by visiting the website of the Registrar at <https://investorcentre.linkmarketservices.co.nz>. You will require your CSN/Holder Number and Authorisation Code (FIN) to complete the investor validation process.
- (b). **Participation Form** – complete the Participation Form in accordance with the instructions on that form, and return the completed Participation Form by:

Email:
operations@linkmarketservices.co.nz

Mail:
NZX Limited Registrar
C/- Link Market Services Limited
PO Box 91976
Auckland 1142

Shareholders who subsequently decide that they would like to participate in the Plan can download the Participation Form and Offer Document from the NZX website or request a Participation Form and Offer Document from the Registrar at the address set out above.

If the Participation Form does not indicate the level of participation or indicates a level of participation in excess of the number of Shares then held by that Shareholder, it will be deemed to be an application for full participation if the Participation Form is otherwise correctly completed and signed.

A Participation Form will not attach to the Shares in respect of which it has been given but will be personal to the Shareholder giving it. This means that Participating Shares will cease to participate upon transfer and a transferee of those Shares will need to make a fresh election in respect of those Shares if the transferee wishes those Shares to participate in the Plan.

3.2 Holder number and common shareholder number ("CSN")

A separate participation election must be given by a Shareholder in respect of each holding of Shares identified by a separate holder number or CSN.

3.3 When participation becomes effective

Participation will be effective as to dividends or distributions payable from the first Record Date after receipt by the Registrar of a properly completed Participation Form, unless the Board notifies Shareholders that Participation Forms will be effective if they are received by some later date.

Subject to the above, any notice received by the Registrar after 5.00pm (New Zealand time) on a Record Date for a dividend or distribution will be effective only from the next dividend to which the Plan applies.

Participation will continue for all future dividends or distributions to which the Plan applies in accordance with these terms and conditions (unless a Shareholder varies their participation in the Plan in accordance with these terms and conditions).

4. ADDITIONAL SHARE ENTITLEMENT

4.1 General

Subject to clause 6, the number of Additional Shares to be acquired by a Shareholder who has elected to participate in the Plan will be:

- (a). based on the net cash proceeds of the dividend or distribution the Shareholder would otherwise have received; and
- (b). calculated on the basis that the price of the Additional Shares will be the market price of Shares less a discount (if any),

as determined in accordance with the formula set out in clause 4.2.

4.2 Formula for calculation of Additional Shares

Subject to clause 6, the number of Additional Shares to be acquired by a Participating Shareholder will be calculated in accordance with the following formula:

$$AS = \frac{(SXD)}{\text{Price}}$$

Where:

AS is the number of Additional Shares which the Participating Shareholder will receive.

S is the number of Participating Shares.

D is the net proceeds per Share from NZX (expressed in cents and fractions of cents, including any supplementary dividends in respect of Participating Shares payable to non-resident Shareholders but excluding any imputation credits and after deduction of any resident and non-resident withholding (or other) taxes, if any) of cash dividends payable or credited on that Share which would otherwise have been payable to a Shareholder in cash if the Shareholder had not elected to participate in the Plan.

Price is the volume weighted average sale price in New Zealand dollars (expressed in cents and fractions of cents) for a Share calculated on all price setting trades of Shares which took place through the NZX Main Board over a period of five Business Days starting on the Ex Date, less a discount (if any) as determined by the Board from time to time. If no sales of Shares occur during those five Business Days, then the volume weighted average sale price will be deemed to be the sale price for a Share on the last price setting trade of Shares which took place after such Business Days as determined by NZX.

Any volume weighted average sale price so determined may be reasonably adjusted by NZX to allow for any bonus issue or dividend or other distribution expectation. If, in the opinion of the Board in its sole discretion, any exceptional or unusual circumstances have artificially affected the volume weighted average sale price so determined, NZX may make such adjustment to that sale price as it considers reasonable.

The determination of the price of the Additional Shares by the Board, or by some other person nominated by the Board, will be binding on all Shareholders with Participating Shares.

The discount, if any, determined by the Board will be announced by NZX on the NZX Main Board at the same time the dividend or distribution is announced for the relevant period.

4.3 Fractional Shares

Where the number of Additional Shares to be acquired by a Participating Shareholder calculated in accordance with clause 4.2 includes a fraction, the number of Additional Shares to be issued or transferred will be rounded down to the nearest whole number.

Any net proceeds per Share (as described as D in clause 4.2 above) which are not applied to acquire an Additional Share because of this clause 4.3 will be retained by NZX for its sole benefit and will not be refunded or paid to a Participating Shareholder nor held by NZX or the Registrar on behalf of a Participating Shareholder.

4.4 Share price information publicly available

NZX will ensure that, at the time the price for the Additional Shares is set under clause 4.2, it will have no information that is not publicly available that would, or would be likely to, have a material adverse effect on the realisable price of the Shares if the information was publicly available.

4.5 Compliance with laws, NZX Listing Rules and Constitution

The Plan will not operate in relation to a dividend or distribution to the extent that the allotment, issue or transfer of Additional Shares under the Plan would breach any applicable law, the NZX Listing Rules, or any provision of the Constitution.

If and to the extent that the Plan does not operate for such reason in respect of a Participating Shareholder's Participating Shares, the relevant dividend or distribution on Participating Shares will, until such time as the issue is resolved, be paid or distributed in the same manner as to Shareholders not participating in the Plan.

5. OPERATION OF THE PLAN

5.1 Additional Shares

Where the Board has determined that the Plan applies in respect of a dividend or distribution, NZX will, on the Dividend Payment Date, either issue or arrange the transfer of the Additional Shares to that Participating Shareholder in accordance with clause 4.

5.2 Terms of issue and ranking of Additional Shares

Additional Shares acquired by Participating Shareholders under the Plan will be issued or transferred on the terms set out in this Plan, subject to the rights of termination, suspension and modification set out in clause 8. The Additional Shares acquired by Participating Shareholders under the Plan will, from the date of issue or transfer, be subject to the same rights and rank equally in all respects with each other and with all other Shares on issue as at that date.

6. SOURCE OF ADDITIONAL SHARES

Additional Shares to be acquired by Participating Shareholders under the Plan may, at the Board's discretion, be:

- (a) new Shares issued by NZX;
- (b) existing Shares acquired by NZX or a nominee or agent of NZX; or
- (c) any combination of new Shares and existing Shares.

7. STATEMENT TO PARTICIPATING SHAREHOLDERS

Subject to clause 2, and where the Board determines the Plan applies to a dividend or distribution, NZX or its Registrar will send to each Participating Shareholder on the Dividend Payment Date, a statement detailing in respect of that Participating Shareholder:

- (a). the number of Shares of the Participating Shareholder as at 5.00pm (NZ time) on the relevant Record Date;
- (b). the number of Participating Shares of the Participating Shareholder as at 5.00pm (NZ time) on the relevant Record Date;
- (c). the amount of:
 - (i). cash dividend or distribution reinvested in respect of Shares nominated by the Participating Shareholder for participation in the Plan; and
 - (ii). dividend or distribution paid in cash on the Shares not nominated for participation in the Plan (if applicable);
- (d). the amount of any tax deduction or withholding made;
- (e). the number of Additional Shares acquired by the Participating Shareholder under the Plan on the relevant Dividend Payment Date and the price of those Additional Shares, including any discount (if any), determined by the Board under clause 4.2;
- (f). advice as to the amount of any imputation or other taxation credits; and
- (g). such other matters as are required by law with respect to dividends or distributions and/or their reinvestment.

8. TERMINATION, SUSPENSION AND MODIFICATION

8.1 Board's discretion

The NZX Board may at any time in its sole discretion:

- (a). terminate the Plan; or
- (b). suspend the operation of the Plan for a temporary period so that it will not apply in whole or part to any dividends or distributions; or
- (c). modify the Plan; or
- (d). resolve that participation will not apply in whole or part to any dividend or distribution and that the balance of the dividend or distribution (as the case may be) will be paid in cash; or
- (e). resolve, in the event of the subdivision, consolidation or reclassification of the Shares into one or more new classes of Shares, that a Participation Form will be deemed to be a Participation Form in respect of the Shares as subdivided, consolidated or reclassified unless such Participation Form is subsequently varied or withdrawn by the Participating Shareholder in accordance with clause 8.5; or
- (f). resolve that a Participation Form will cease to be of any effect; or
- (g). resolve that Additional Shares may be acquired at a discount to the market price of Shares in accordance with clause 4.2, that the level of any discount will be adjusted, or that no such discount will apply; or
- (h). determine that the Plan may be underwritten on such terms as agreed between NZX and an underwriter.

8.2 Prior notice

Notice of any termination, suspension or modification of the Plan by NZX under clause 8.1 will be given to all Participating Shareholders by providing notification to Shareholders by way of announcement to the NZX Main Board through the NZX market announcement platform, except for notice of any determination under clause 8.1(f) which shall be given to the Shareholder who gave the Participation Form in question.

8.3 Termination, suspension or modification by NZX

If the Plan is modified, then a Participation Form shall be deemed to be a Participation Form under the Plan as modified unless such Participation Form is subsequently changed or withdrawn by the Shareholder.

If the Plan is suspended then elections under the Plan will cease to have effect and the Shares will revert to their previous character in relation to any dividends or distributions until the Board lifts the suspension, at which time a Participation Form will have effect from the next Record Date following the suspension of the Plan being lifted, unless the Board resolves otherwise and gives notice of such resolution at the time of the suspension being lifted by way of an announcement to the NZX Main Board.

If the Plan is terminated then elections under the Plan will cease to have effect and the Shares will revert to their previous character in relation to any dividends or distributions.

8.4 When no notice required

Notwithstanding clauses 8.1, 8.2 and 8.3, NZX may at any time, without the need of any notice:

- (a). modify the Plan to comply with the Constitution, the NZX Listing Rules or any law; and
- (b). make minor amendments to the Plan where such amendments are of an administrative or procedural nature.

8.5 Variation or termination by a Participating Shareholder

A Shareholder may, at any time:

- (c). increase or decrease the proportion of Participating Shares, by amending their participation election online at <https://investorcentre.linkmarketservices.co.nz> or by completing and sending a Participation Form to the Registrar; or
- (d). terminate their participation in the Plan by written notice to that effect to the Registrar online at <https://investorcentre.linkmarketservices.co.nz> or by completing a Cancellation Form (available from the Registrar upon request).

Such variation or termination will take effect from the first Record Date after the Participation Form or Cancellation Form is received by the Registrar or the Participation Form or Cancellation Form has been completed online. A properly completed Participation Form or Cancellation Form will need to be received by the Registrar prior to 5.00pm (NZ time) on the Record Date in order for that variation or termination to be effective in respect of dividends or distributions payable in relation to that Record Date.

8.6 Death of Participating Shareholder

If a Participating Shareholder is an individual and that Shareholder dies, participation by that Shareholder will cease upon receipt by NZX of a notice of death in a form acceptable to NZX. Death of one of two or more joint Participating Shareholders will not automatically terminate participation.

9. REDUCTION OR TERMINATION OF PARTICIPATION WHERE NO NOTICE GIVEN

9.1 Dispositions where partial participation

Where a Shareholder participating in the Plan in respect of some but not all its Shares disposes of some of its Shares then, unless the Participating Shareholder notifies the Registrar otherwise in writing, the number of Participating Shares held by that Participant will be reduced proportionately.

9.2 Partial dispositions where full participation

If a Shareholder with full participation disposes of part of its holding of Shares without giving the Registrar written notice terminating the Participating Shareholder's participation in the Plan in accordance with clause 8.5(b), the Participating Shareholder will be deemed to have terminated its participation in the Plan with respect to the Shares disposed of by it from the date NZX registers a transfer of those Shares.

9.3 Dispositions of all Shares

If a Participating Shareholder disposes of all of its holding of Shares without giving the Registrar written notice terminating the Participating Shareholder's participation in the Plan in accordance with clause 8.5(b), the Participating Shareholder will be deemed to have terminated participation in the Plan from the date NZX registers a transfer of those Shares.

10. TAXATION

The statements below in relation to taxation reflect the relevant New Zealand and Australian tax law as at the date this Offer Document was prepared, and, as such, are subject to any change in New Zealand or Australian taxation laws. It is intended as a general guide only and is not an authoritative or complete statement of all potential tax implications for each Shareholder. Taxation is a complex area of law and the taxation consequences for each Shareholder may differ depending upon their particular circumstances. Accordingly, each Shareholder should consult their own tax adviser as to the taxation implications of the Plan. NZX does not accept any responsibility for the financial or taxation effects of a Shareholder's participation or non-participation in the Plan.

10.4 New Zealand Shareholders

For New Zealand tax purposes, a Participating Shareholder should be treated in the same way as if they had not participated. This means that the Shareholder will derive a dividend of the same amount that they would have derived if they had not participated (ie, they will be treated as receiving a dividend from NZX which is then applied to purchase or subscribe for Additional Shares).

Accordingly, where the dividend (including any attached imputation credits) is paid to a New Zealand Shareholder, it will generally be subject to resident withholding tax ("RWT") which is deducted at source by NZX (and therefore reduces the amount applied to purchase or subscribe for Additional Shares). RWT will be deducted at the rate of 33% with an allowance for any attached imputation credits. For example, RWT will be deducted at the rate of 5% where a dividend is fully imputed (reflecting company tax paid at the 28% rate). RWT will not need to be deducted

where the New Zealand Shareholder notifies NZX that they hold a RWT exemption certificate or, if NZX chooses to not apply RWT in such circumstances, where the New Zealand Shareholder is a company and the dividend is fully imputed.

The New Zealand Shareholder will need to return the dividend (including any attached imputation credits) as assessable income, which will be taxable to the New Zealand Shareholder at their personal marginal tax rate. Any attached imputation credits or RWT deducted will be creditable against New Zealand taxes payable.

10.5 Australian Shareholders

For Australian tax purposes, an Australian resident Participating Shareholder should be treated as having received the dividend which has been applied to purchase or subscribe for Additional Shares. The gross dividend (including any withholding tax deducted in New Zealand) should be assessable to the Australian resident Participating Shareholder at its respective marginal tax rate. The Australian resident Participating Shareholder may be entitled to a foreign income tax offset for any withholding tax deducted in New Zealand.

The Australian tax implications of the future sale of Additional Shares acquired by an Australian resident Participating Shareholder will depend on the particular circumstances of that Shareholder. For capital gains tax purposes:

- (a) the cost base of the Additional Shares includes the amount of the dividend applied to acquire the Additional Shares; and
- (b) the Additional Shares should be treated as being acquired by the Australian resident Participating Shareholder on the date that they are issued or otherwise transferred to that Shareholder by NZX.

For New Zealand tax purposes, an Australian resident Participating Shareholder should be treated in the same way as if they had not participated. This means that the Australian resident Participating Shareholder will derive a dividend of the same amount that they would have derived if they had not participated (ie, the Australian resident Participating Shareholder will be treated as receiving a dividend from NZX which is then applied to purchase or subscribe for Additional Shares).

Accordingly, the dividend declared in favour of Australian resident Participating Shareholders will be subject to New Zealand non-resident withholding tax ("NRWT") which is deducted at source by NZX (and therefore reduces the amount applied to purchase or subscribe for Additional Shares). NRWT will generally be deducted at the rate of 15%. However, where the dividend is fully imputed, the impact of NRWT may effectively be negated by NZX paying the Australian Shareholder a supplementary dividend in addition to the dividend paid to all Shareholders

10.6 Other non-resident Shareholders

Where the dividend is paid to non-New Zealand resident shareholders, it will be subject to NRWT which is deducted at source by NZX (and therefore reduces the amount applied to purchase or subscribe for Additional Shares).

The rate at which NRWT is imposed will depend on the extent to which imputation credits are attached to a dividend and whether the Shareholder is tax resident in a country which has entered into a tax treaty with New Zealand. Generally, NRWT is deducted at the rate of:

- (a). 15%, or 0% if the tax rate applicable after applying any relevant tax treaty would be less than 15%, to the extent that a dividend is fully imputed; or
- (b). 30%, or the tax rate applicable after applying any relevant tax treaty, to the extent that a dividend is not fully imputed.

Depending on the extent to which a dividend is imputed, the impact of NRWT may effectively be mitigated by NZX paying a supplementary dividend in addition to the dividend paid to all shareholders.

11. COSTS

There are no charges for participation or withdrawal from the Plan or changing the proportion of Shares nominated by you which will participate in the Plan. No brokerage or commission costs will be incurred in respect of the acquisition of Additional Shares.

12. STOCK EXCHANGE QUOTATION

It is expected that Additional Shares will be quoted on the NZX Main Board on the completion of allotment procedures and will rank equally with all existing Shares.

13. NZMDT Special Division

This Offer Document has been approved by the NZMDT Special Division but the NZMDT Special Division does not accept any responsibility for any statement in this Offer Document.

14. GOVERNING LAW

This Offer Document, the Plan, and its operation, will be governed by the laws of New Zealand.

15. ANNUAL REPORT AND FINANCIAL STATEMENTS

You may obtain free of charge NZX's most recent annual report and financial statements (including an independent auditor's report) complying with the Companies Act 1993 and Financial Reporting Act 2013 by contacting NZX at the address set out in the directory to this Offer Document, or you may download these reports from NZX's website <https://www.nzx.com/about-nzx/investor-centre/reports-and-disclosure>.

Q&A

1. What is the NZX Dividend Reinvestment Plan?

The Plan enables you to reinvest all or part of a dividend or distribution paid on your Shares in additional NZX Shares instead of receiving that dividend or distribution in cash, where the Board has determined that the Plan applies to that dividend or distribution. NZX will announce through the NZX market announcement platform whether the Plan applies to a dividend or distribution at the same time the dividend or distribution is announced.

2. Am I eligible to participate?

As at the date of this Offer Document, the Plan is only available to holders of Shares who have a New Zealand or Australian address on the NZX share registry. NZX has elected not to offer participation under the Plan to Shareholders who are resident outside of New Zealand or Australia. This is to avoid the risk of breaking overseas laws and because it would be unduly onerous to ensure compliance with those laws. However, the Board may amend this policy at any time, in its sole discretion.

3. Is there a minimum number of Shares that I need to own before I can participate?

No.

4. How do I participate in the Plan?

It is recommended that you read this Offer Document carefully before deciding whether to participate.

You can elect to participate at any time by making an election online at <https://investorcentre.linkmarketservices.co.nz>. You will require your CSN/Holder Number and Authorisation Code (FIN) to complete the investor validation process.

Alternatively, you can elect to participate at any time by returning a Participation Form to the Registrar.

5. What options do I have regarding participating in the Plan?

Participation in the Plan is optional. If you wish to participate in the Plan, you may elect:

- (a). **Full participation:** Where all of your Shares (including all Shares held both now and any Shares acquired in the future, including where issued or transferred to you under the Plan) will be treated as participating in the Plan for all future dividends or distributions to which the Plan applies (unless you vary your participation in the Plan in accordance with the terms and conditions of the Plan); or
- (b). **Partial participation:** Where only the proportion of Shares nominated by you (and the dividends or distributions paid on them) will participate in the Plan for all future dividends or distributions to which the Plan applies (unless you vary your participation in the Plan in accordance with the terms and conditions of the Plan).

You will continue to receive cash dividends or distributions on any of your Shares which do not participate in the Plan.

If you do not wish to participate in the Plan, you are not required to do anything. You will continue to receive cash dividends or distributions paid on all of your Shares.

6. What if I change my mind?

You can join the Plan or vary your participation in the Plan at any time by amending your participation election online or by forwarding a completed Participation Form to the Registrar. Participation Forms are available online or from the Registrar upon request.

If you choose to participate in the Plan and then change your mind, you can opt out online or by completing a Cancellation Form (available from the Registrar upon request).

Such variation, withdrawal or cancellation will be effective from the first Record Date after the properly completed Participation Form or Cancellation Form is received by the Registrar or the online process has been completed.

7. How much does it cost?

Participation in the Plan is free and provides NZX Shareholders with the ability to acquire Additional Shares in NZX free of any brokerage, commission or other transaction costs.

8. What price will Shareholders pay?

The price of Shares is based upon the volume weighted average sale price of NZX Shares sold on the NZX Main Board over a period of five Business Days starting on the "Ex Date" (which is one Business Day before the Record Date). The share price may be subject to a discount set by the Board from time to time. The discount, if any, will be announced by NZX through the NZX market announcement platform at the same time the dividend is announced for the relevant period.

9. Can the Plan be changed in the future?

Yes. The NZX Board may change, suspend or cancel the Plan at its sole discretion. If that occurs, notice will be given through the NZX market announcement platform.

10. How do the Shares rank and can I sell them?

Shares acquired under the Plan will rank equally in all respects with existing Shares and can be sold at any time.

11. Are there any tax implications?

For New Zealand and Australian income tax purposes, dividends reinvested in Shares under a dividend reinvestment plan are generally treated in the same manner as a cash dividend. NZX will provide details of the amount of the dividend, taxes withheld and credits available so Shareholders can complete their tax returns. It is recommended that each Shareholder contact their professional tax adviser for more information about their specific circumstances. Refer to clause 10 of the Terms and Conditions.

12. Where can I find information on the NZX dividend policy?

The Board announced that there will be a new dividend policy which will come into effect for the 2018 financial year onward. You can see an explanation of this policy on page 5 in NZX's 2017 Annual Report available at <https://www.nzx.com/about-nzx/investor-centre/reports-and-disclosure>.

13. How do I find out how many shares I have received?

On the Dividend Payment Date participants will be sent a dividend remittance advice, and following this a separate security transaction statement.

Glossary

Additional Shares means the additional Shares to be issued or transferred to Participating Shareholders pursuant to the Plan.

Board means the board of directors of NZX.

Business Days means a time between 8.30am and 5.30pm on a day on which the NZX Main Board is open for trading.

Cancellation Form means the cancellation form available from the Registrar which notifies NZX that a Participating Shareholder wishes to terminate their participation in the Plan.

Constitution means the constitution of NZX.

Dividend Payment Date means the date on which NZX pays a dividend in respect of its Shares.

Ex Date means the first Business Day before the Record Date.

NZX means NZX Limited.

NZX Listing Rules means the NZX Main Board listing rules.

NZX Main Board means the main board equity security market operated by NZX.

NZMDT Special Division means the Special Division of the NZ Markets Disciplinary Tribunal which exercises the functions of NZX Regulation as they apply to NZX.

Offer Document means this booklet which sets out the terms and conditions of the Plan.

Participating Shareholder means a Shareholder who has validly elected to participate in the Plan.

Participating Shares means the Shares in respect of which an election to participate in the Plan has been validly made (subject to any validly made variation or termination) by a Participating Shareholder on the Record Date.

Participation Form means the participation form accompanying this Offer Document or available from the Registrar.

Plan means NZX's Dividend Reinvestment Plan established by the Board on the terms and conditions set out in this Offer Document, as amended from time to time.

Record Date means, in relation to a dividend or distribution, the date on which NZX's register of Shareholders is closed in order to determine entitlement to the relevant dividend or distribution.

Registrar means Link Market Services Limited.

Shareholder means a holder of Shares from time to time.

Shares means fully paid ordinary shares in NZX.

Directory

NZX

NZX Limited
Level 1 / NZX Centre
11 Cable Street
PO Box 2959
WELLINGTON

Tel: +64 4 472 7599

info@nzx.com
www.nzx.com

Registrar

Link Market Services Limited
PO Box 91976
Auckland 1142

Investor enquiries: +64 9 375 5998

enquiries@linkmarketservices.co.nz
www.linkmarketservices.co.nz

Solicitors for NZX

Russell McVeagh
Vero Centre
48 Shortland Street
PO Box 8
Auckland
New Zealand

Auditors

KPMG
10 Customhouse Quay
WELLINGTON
Tel: +64 4 816 4500



NZX Limited Dividend Reinvestment Plan Participation Form

Do not complete this Participation Form if you wish to continue to receive in cash any dividends declared in respect of all of your shares in NZX Limited ("NZX").

A Dividend Reinvestment Plan ("Plan") has been introduced in relation to your shares in NZX. Full details of the Plan are set out in the Offer Document dated 15 August 2018 accompanying this Participation Form. If you wish to reinvest all or part of your NZX dividends, complete and return this form in the enclosed reply paid envelope or email the completed form to enquiries@linkmarketservices.com. Alternatively, you may make your participation election, or vary an existing participation election online by visiting <https://investorcentre.linkmarketservices.co.nz>.

Capitalised terms not defined in this Participation Form have the meaning given to those terms in the glossary of the Offer Document.

Name(s): _____
Address: _____
Address: _____
Address: _____
CSN/Holder number: _____ Daytime phone: () _____

In terms of the Plan, I/we wish to participate in the Plan and request: (Choose one option only)

a) Full participation in the Plan for all the Shares I/we may hold from time to time.

OR

b) Partial participation in the Plan, for the percentage of Shares stated. Please specify percentage of Shares: _____

Joint holders must each sign. Companies must execute by an authorised officer or attorney. If signed by an attorney, a non-revocation declaration must accompany this form, and the relevant authority must either have been exhibited previously to the Registrar or accompany this form.

I/We acknowledge that I/we have received and read a copy of the Offer Document. I/We agree to be bound by the terms and conditions of the Plan set out in the Offer Document dated 15 August 2018 and this Participation Form. I/We hereby direct that the net proceeds of all cash dividends I am/we are entitled to be paid or credited in respect of my/our Participating Shares be applied towards the purchase of Additional Shares in accordance with the Plan.

Signature of Shareholder(s):

Date: / /

Date: / /

Date: / /

Participation will commence on the first Record Date after receipt by the Registrar of this Participation Form, correctly completed. Participation will continue to apply until varied online at <https://investorcentre.linkmarketservices.co.nz> or submitting another Participation Form or terminated by submitting a Cancellation Form (available from the Registrar upon request), in accordance with the terms and conditions of the Plan or until the Plan is terminated or suspended by NZX.

This Participation Form may be returned at any time to the Registrar by one of the methods below:



By post (New Zealand):

NZX Limited Registrar
C/- Link Market Services Limited
PO Box 91976
Auckland 1142

Level 11, Deloitte Centre
80 Queen Street
Auckland 1010
New Zealand



Scan and email:

enquiries@linkmarketservices.com

(Please put NZX DRP in the subject line for easy identification)



NEW ZEALAND'S EXCHANGE

NZX Limited
Level 1 / NZX Centre
11 Cable Street
PO Box 2959
WELLINGTON
Tel: +64 4 472 7599

info@nzx.com

www.nzx.com