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## NZX Ralec judgment – a “nil-all draw”

NZX welcomes the judgment released today by the High Court of Wellington in respect of the long-running NZX Ralec litigation. The litigation related to the acquisition of the Clear Grain Exchange (Clear) from Ralec Commodities Pty Ltd (Ralec) made by the previous management of NZX in 2009.

No damages or compensation were awarded to either party. It is clear from the judgment that NZX should not expect costs to be awarded against it. However, it does leave open the potential for NZX to seek costs from the Ralec parties.

In summary, the High Court found in relation to NZX’s claims against Ralec that although four of the five claims of misrepresentations made against the Ralec parties were upheld, there was no recoverable loss to NZX and therefore no compensation was awarded to NZX. NZX’s claims were in relation misrepresentations and breach of warranty and associated claims under the Sale and Purchase Agreement (SPA) for Clear.

Conversely, only one element of Ralec’s claims succeeded. While the High Court found that NZX did not consider the resource required to meet the earn-out targets, which was required by the SPA, no damages were awarded because Ralec had been unable to demonstrate that better resourcing of the business would have enabled it to meet the earn out targets. Therefore NZX was not liable to pay the earn out amounts or any other damages claimed by Ralec.

NZX CEO Tim Bennett commented: “The judgment was the outcome of a lengthy 11 week trial that considered all facts and arguments in the utmost detail.”

“It is a very comprehensive judgment in which the Judge described it as ‘a nil all draw’. He concluded ‘neither side should receive an award of damages’.”

“NZX had hoped that a settlement before the trial would be possible, which would have saved all parties considerable resources, including the court.”

“Nevertheless, today’s judgment combined with our recent divestment of the Clear business allows us to put this matter behind us and direct our resources to growing our business.”

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NZX builds and operates capital, risk and commodity markets and the infrastructure required to support them. We provide high quality information, data and tools to support business decision



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