

**NZX PARTICIPANT &
VENDOR FEE SCHEDULE**
Effective 01 July 2013



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Disclaimer:

The information contained in this Fee Schedule is a guide only. All Participants on any NZX Market must comply with the relevant Rules, and this document is not a substitute for those Rules. NZX will determine, in its sole discretion, whether any Participant or potential Participant meets the requisite criteria to participate in any NZX Market. Persons wishing either to trade in any products Quoted on an NZX Market or who wish to offer products via an NZX Market to others should consider both their legal and regulatory position, including the relevant Rules, and the risks associated with such products before doing so. No part of this publication may be redistributed or reproduced in any form or by any means or used to make any derivative work without written permission from NZX. NZX is not responsible for any errors or omissions contained in this publication. To the extent permitted by law, neither NZX, its subsidiaries, nor their respective directors, employees, officers, agents or contractors shall be liable for any direct, indirect or consequential losses, damages, costs, expenses or liabilities arising out of or in connection with this Fee Schedule. This publication is for information only and does not constitute an offer, invitation, solicitation or recommendation to engage in any transaction, or an opinion or recommendation in relation to acquiring or disposing of a financial product. All information, descriptions, examples and calculations contained in this publication are for guidance purposes only, and should not be treated as definitive.

1. INTRODUCTION

The purpose of the NZX Participant & Vendor Fee Schedule is to outline pricing and charges for NZX Market Participants, NZX Derivatives Market Participants, NZX Data Vendors and Independent Software Vendors and (“NZX Participants”).

This NZX Participant & Vendor Fee Schedule will apply from 01 July 2013 (except where otherwise stated). Any changes that occur will be notified to the market in a revised and consolidated fee schedule placed on the NZX website under

http://www.nzx.com/nzx_customers/market_participants/fees.

Indicative item codes that will appear on invoices are included in square brackets throughout this Fee Schedule, where appropriate.

All fees will be invoiced at the rates set out below, in New Zealand dollars, unless otherwise stated, and exclusive of GST. All fees are payable on the 20th day of the following month after the date of invoice and participants must pay GST on all fees. Interest may be charged on any overdue invoice at the current IRD use of money interest rate [LLF002]. A separate invoice will be provided for a Participant’s activity in Fonterra Shareholders Market (“FSM”) Listed Securities.

The applicable fees will be determined by NZX at its discretion.

2. KEY CHANGES FROM THE PREVIOUS SCHEDULE

Provided below is a list of new fees or structural changes to existing fees:

Section Number	Description of Change	Page Number
4.	Participants with existing accreditations in either the cash market or the derivatives market can obtain the equivalent membership in the other market by paying an additional marginal fee.	6-9
4.	Annual membership fees for trading & advising participants now include on-site inspection fees and compliance cost recoveries.	8
5.	The fee cap on cash market trading fees increased to \$75 per trade per side.	10
6.	Trading system connectivity fees changed to reflect the new cost base of the NASDAQ OMX X-stream Trading System.	13

All Fees are in NZD unless otherwise stated. NZX reserves the right to adjust all fees in this Schedule.

3. CONTACT DETAILS

Any queries regarding the NZX Participant & Vendor Fee Schedule should be directed to NZX as per the contact details below.

New Customer and General Enquiries

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Phone: +64 4 495 2825

Postal Address:

NZX Regulation

NZX Limited

Level 1, NZX Centre, 11 Cable Street

PO Box 2959, Wellington 6011

Billing Enquiries

Email: nzx-accounts@nzx.com

Phone: +64 4 495 5053

Postal Address:

NZX Accounts

NZX Limited

Level 1, NZX Centre, 11 Cable Street

PO Box 2959, Wellington 6011

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4. MEMBERSHIP FEES

A. Application and Accreditation Fees

Becoming an NZX Participant involves an application and accreditation process. The accreditation process is performed by NZX Regulation staff at the time of application and before approval has been granted. In addition to the application fee, NZX reserves the right to charge additional accreditation fees at a rate of \$320 per hour if it is considered that the application required a higher level of analysis than normal. Application fees are payable upon lodgment of an application with NZX, regardless of the outcome. No additional fees are payable in respect of an NZX Participant becoming an FSM Participant.

Participants	Onshore Participant (NZD)	Offshore Participant (USD)
Advising Participant		
Advisor (including Associate Advisors & Derivatives Advisors) [COM027]	\$600	\$480
Advising Firm - Cash Market ¹	\$7,700	\$6,200
Advising Firm - Derivatives Market ¹	\$7,700	\$6,200
Advising Firm - Introducing Broker	\$7,700	\$6,200
Sponsors - Distributing and Underwriting, NZX Main Board, NZDX and NZAX	\$7,700	\$6,200
Trading Participant		
Cash Market - Bank Only, Principal Book Only, Trading and Advising ²	\$7,700	\$6,200
Derivatives Market - Bank Only, Principal Book Only, Trading and Advising ²	\$7,700	\$6,200
NZX Trainer	\$2,000	\$1,600
NZX Dealer [COM028]	\$2,000	\$1,600
Technology Connecting Facility	\$7,400	\$6,000
Direct Market Access (<i>per offering firm</i>) ³	\$7,400	\$6,000

¹ NZX Advising Participants with an existing accreditation in either the cash market or the derivatives market may pay an application and accreditation fee of \$4,000 to be accredited in the alternate market.

² NZX Bank Only, Principal Book Only and Trading & Advising Participants with an existing accreditation in either the cash market or the derivatives market may pay an application and accreditation fee of \$4,000 to be accredited in the alternate market.

³ To offer Direct Market Access or DMA, firms must be accredited Trading & Advising Participants for the relevant market for which they will provide DMA services. There is an application fee associated with becoming a DMA provider given requirements to review systems and processes associated with providing DMA.

All Fees are in NZD unless otherwise stated. NZX reserves the right to adjust all fees in this Schedule.

B. Initial Admission Fees

Initial Admission Fees are charged by NZX on the successful accreditation of an NZX Participant in each of the categories detailed below. No additional fees are payable in respect of an NZX Participant becoming an FSM Participant.

Participants	Onshore Participant (NZD)	Offshore Participant (USD)
Advising Participant		
Advising Firm - Cash Market [PLF230] ²	\$11,000	\$8,800
Advising Firm - Derivatives Market ²	\$11,000	\$8,800
Advising Firm - Introducing Broker	\$11,000	\$8,800
Sponsors - Distributing and Underwriting ¹	\$11,000	\$8,800
Sponsors - NZAX ¹	\$2,150	\$1,800
Sponsors – NZX Main Board and NZDX ¹	\$13,500	\$10,800
Trading Participant		
Cash Market - Bank Only ³	\$32,900	\$26,400
Cash Market - Principal Book Only ³	\$32,900	\$26,400
Cash Market - Trading and Advising ⁴	\$45,000	\$36,000
Derivatives Market - Bank Only ³	\$32,900	\$26,400
Derivatives Market - Principal Book Only ³	\$32,900	\$26,400
Derivatives Market - Trading and Advising ⁴	\$45,000	\$36,000
Technology Connecting Facility	\$32,900	\$26,400

¹ NZX Advising Firms and NZX Cash Trading Firms that choose to also be NZX Sponsors or NZX Distribution and Underwriting Sponsors are exempt from the separate NZX Sponsor or NZX Distribution and Underwriting Sponsor fees.

² NZX Advising Participants with an existing accreditation in either the cash market or the derivatives market may pay an initial admission fee of \$5,000 to be accredited in the alternate market.

³ NZX Bank Only and Book Only Participants with an existing accreditation in either the cash market or the derivatives market may pay an initial admission fee of \$15,000 to be accredited in the alternate market.

⁴ NZX Trading & Advising Participants with an existing accreditation in either the cash market or the derivatives market may pay an initial admission fee of \$20,000 to be accredited in the alternate market.

All Fees are in NZD unless otherwise stated. NZX reserves the right to adjust all fees in this Schedule.

C. Annual Membership Fees

Annual Membership Fees are invoiced on 01 July for the following 12 months to 30 June and are non-refundable either in whole or in part if the Participant ceases to be an NZX Participant during that period. For newly accredited NZX Participants, the annual fee is billed on a pro-rata basis upon accreditation. Any part month is counted as a full month. No additional annual fees are payable in respect of an NZX Participant having Fonterra Shareholders Market Participant status.

Annual fees for “Trading & Advising” participant firms accredited in either the cash market or derivatives market include one on-site inspection per year and annual compliance cost recoveries. Any international travel expenses associated with onsite inspections is not included and will be billed separately, on a cost recovery basis.

Participants	Onshore Participant (NZD)	Offshore Participant (USD)
Advising Participant		
Advisor (<i>including Associate Advisors & Derivatives Advisors</i>) [LEV005]	\$365	\$295
Advising Firm - Cash Market [PFL003] ¹	\$8,200	\$6,700
Advising Firm - Derivatives Market [PFL004] ¹	\$8,200	\$6,700
Advising Firm - Introducing Broker	\$10,700	\$8,600
Distributing and Underwriting Sponsor [PFL425]	\$13,700	\$10,900
Sponsors - NZAX [PFL402] <i>(rebated if sponsor brings a company to market during the year)</i>	\$2,800	N/A
Sponsors - NZDX and NZX Main Board [PFL400, PFL401]	\$13,700	N/A
Trading Participant		
Cash Market - Bank Only ²	\$32,900	\$26,400
Cash Market - Principal Book Only ²	\$32,900	\$26,400
Cash Market - Trading and Advising [PFL005] ³	\$65,000	\$52,000
Derivatives Market - Bank Only ²	\$32,900	\$26,400
Derivatives Market - Principal Book Only ²	\$32,900	\$26,400
Derivatives Market - Trading and Advising [PFL006] ³	\$65,000	\$52,000
Technology Connecting Facility	\$50,000	\$40,000

All Fees are in NZD unless otherwise stated. NZX reserves the right to adjust all fees in this Schedule.

¹ NZX Advising Participants with an existing accreditation in either the cash market or the derivatives market only pay an annual fee of \$4,000 for accreditation in the alternate market.

² NZX Bank Only and NZX Book Only Participants with an existing accreditation in either the cash market or the derivatives market only pay an annual fee of \$15,000 for accreditation in the alternate market.

³ NZX Trading & Advising Participants with an existing accreditation in either the cash market or the derivatives market only pay an annual fee of \$20,000 for accreditation in the alternate market.

All Fees are in NZD unless otherwise stated. NZX reserves the right to adjust all fees in this Schedule.

5. TRANSACTION FEES

A. Trading

	Fees
Cash Market (NZX Main Board, NZDX, NZAX and FSM)	
Equity and Debt Trade [TRD001, TRD401, TRD011, TFT001, TFT020, TFT002]	\$1.00 per side per trade plus 0.20 bps of the total trade value, capped at \$75
Additional crossings fee for Equity and Debt trades - less than \$50K [TRD013, TRD022, TRD409, TFT022] - greater than \$50k and less than \$100k [TRD014, TRD023, TRD410, TFT023]	\$8.00 \$4.50
Derivatives (all fees per lot per side)	
Dairy Futures	
Trade Fee [WMP001, SMP001, AMF001]	US\$0.28
Block Trade Surcharge [WMP002]	US\$1.50
EFP (Exchange for Physical) / EFS (Exchange for Swap) surcharge [WMP003, WMP004]	US\$1.50
Options on Dairy Futures	
Trade Fee	US\$0.28

All Fees are in NZD unless otherwise stated. NZX reserves the right to adjust all fees in this Schedule.

B. Trade Penalties

Penalty charges apply to all NZX Participants for certain breaches of reporting and trade completion obligations. If any trade (including Crossings and Negotiated Deals) is cancelled, the Trading Participant (not the Clearing Participant) is liable for paying the cancellation fees.

	Fees
Cash Market (NZX Main Board, NZDX, NZAX and FSM)	
Cancellation of on-market trade [CLR010, TFP010]	\$25 per side
Cancellation of crossings [CLR011, TFP011]	\$30 per side
Negotiated Deal Cancellation [CLR012, TFP012]	\$30 per trade
Crossing outside the current quotes [CCT100, TFP100]	\$550 per side
Late Reporting	\$550 per trade
Derivatives	
Cancellation of trade [CLR050]	US\$550 per trade
Position limit breach (<i>further penalties may also be imposed</i>)	US\$1,600 per trade

All Fees are in NZD unless otherwise stated. NZX reserves the right to adjust all fees in this Schedule.

6. PARTICIPANT & VENDOR TECHNOLOGY FEES

A. Connectivity

The figures below show indicative network installation and connectivity pricing. Final pricing is dependent on actual site locations, existing equipment, time and materials, fees from service providers and timing requirements. NZX Participants & Vendors will be charged separately for access to and use of the testing environment, testing and training services, and additional custom development dependent on the level of use and work required.

Installation Fees (One-off)

Direct and Gateway Connection (NET010)	Fees (Indicative Only)
New Zealand	\$1,000
Australia	\$1,300
Asia	\$3,300 - \$5,000
UK	\$4,300
US	\$3,700

Monthly Connectivity Network Infrastructure Fee

NZX reserves the right to amend these fees annually based on Participant & Vendor and infrastructure capacity and usage requirements. Monthly connectivity fee include the Participant's share of core network usage, transmission and managed service and infrastructure costs.

Direct and Gateway Connections	Fees (Indicative Only)
Direct Connection within New Zealand:	
- Metro Circuits (Wellington and Auckland) 2MB [NET105]	\$1,763 - \$2,118
- Metro Circuits (Wellington and Auckland) 256k [NET150]	\$1,763 - \$2,118
- Other National Circuits [NET100]	\$2,091 - \$2,628
Direct Connection from overseas [NET202]:	
- Australia	\$3,017 - \$4,429
- Asia	\$3,961 - \$4,429
- UK	\$4,182 - \$4,661
- US	\$4,182 - \$4,661

All Fees are in NZD unless otherwise stated. NZX reserves the right to adjust all fees in this Schedule.

B. Monthly NASDAQ OMX X-stream Connectivity

Type of Connection	Fees
Live X-stream User - Full Access [SBT450]	\$450 per user
Live X-stream User - Read Only [SBT451]	\$300 per user
FIX Connectivity [DMA000]	\$2,950 per connection or logon

C. Virtual Private Network (VPN)

Service	Amount	Description
Installation Fee One-off [NET020]	\$1,035	
VPN - Site to Site Monthly Fee [NET120]	\$450	Fee for VPN connection, includes share of core network usage and transmission.
VPN - Remote Office Monthly Fee [NET055]	\$35	Preferable usage for testing or disaster recovery.

NZX reserves the right to amend these fees annually based on Participant & Vendor and infrastructure capacity and usage requirements.

D. Web Data

Subscribers to Web Data will be invoiced annually. Refer to the NZX Data price list for further information.

E. IT Testing and Training Services

IT Training for NZX Systems

Training to use NZX Systems may be required in order for users to be accredited by NZX Regulation. The fees below apply to training on NZX Systems.

In relation to the training required, NZX Participants & Vendors may:

Appoint one individual to undergo training on NZX Systems. That individual will then be responsible for training all other employees of that NZX Participant; or request that NZX provides all of its training for NZX Systems.

All Fees are in NZD unless otherwise stated. NZX reserves the right to adjust all fees in this Schedule.

Duration	Amount	Details
Full Day	\$1,800	Training for a whole day
Half Day	\$900	Training for half a day
Per hour (one hour minimum)	\$280	Training for any length less than half a day

Support Services

Use of NZX staff for assistance in ISV system development network changes, data development requirements and testing (outside the normal course of business) will be charged at the following rates:

Rate	Amount
Standard Rate [NET078]	\$280 per hour (one hour minimum)
After Hours ¹ [NET079]	\$320 per hour (one hour minimum)

¹ After hours includes Monday to Friday 1730 – 0800, weekends and New Zealand public holidays.

Technical Testing and Conformance Services

NZX testing services are available for all NZX Participants, back office vendors, data distributors and ISV's. Additionally, actual costs incurred for travel and other expenses will be on charged to the NZX Participant or Vendor. NZX has sole discretion for the purpose of calculating any charge for conformance and testing services provided. Charges will be agreed and signed off before any work commences.

Testing Type	Amount
Conformance Testing	\$2,100 per day
DMA Testing	\$2,100 per day

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Back Office System (BOS) Changeovers

Participants & Vendors will be charged a one-off administration fee if they wish to change their Back Office System (BOS) plus an hourly fee work completed by NZX.

Rate	Amount
Admin Fee One-off [NET010]	\$5,200
Standard Rate [NET078]	\$280 per hour (one hour minimum)
After Hours ¹ [NET079]	\$320 per hour (one hour minimum)

¹ After hours includes Monday to Friday 1730 – 0800, weekends and New Zealand public holidays.

Other Adhoc Requests

Rate	Amount
Standard Rate [NET078]	\$280 per hour (one hour minimum)
After Hours ¹ [NET079]	\$320 per hour (one hour minimum)

¹ After hours includes Monday to Friday 1730 – 0800, weekends and New Zealand public holidays.

All Fees are in NZD unless otherwise stated. NZX reserves the right to adjust all fees in this Schedule.

E. MARKET OVERSIGHT RECOVERIES

NZX requires that all NZX Participants provide details of their compliance with the applicable rule sets and their financial position on a monthly basis.

If an NZX Participant has more than one category of participation, the highest applicable amount is paid, rather than the aggregate amount. NZX Participants who are also NZCC Clearing Participants will only be charged the Market Oversight Recoveries included in the NZCC pricing schedule.

Annual recoveries are invoiced quarterly three months in arrears on 1 January, 1 April, 1 July and 1 October of each year.

E. Annual Compliance

Participants [COM035]	Recoveries
Advising Participant	
Advising Firm – not holding client funds	\$2,000
Advising Firm – holding client funds	\$2,000
Distributing and Underwriting Sponsor	\$2,000
Trading Participant	
Cash Market – Bank Only	\$2,000
Cash Market – Principal Book Only	\$2,000

B. Desk Based Capital and Prudential Inspections

Participants [COM006]	Recoveries
Advising Participant	
Advising Firm – not holding client funds	\$800
Advising Firm – holding client funds	\$1,600
Trading Participant	
Cash Market – Principal Book Only	\$800

All Fees are in NZD unless otherwise stated. NZX reserves the right to adjust all fees in this Schedule.

C. On Site Inspections

NZX Regulation conducts onsite supervisory inspections of the business conduct, practices and systems of NZX Participants. Inspections are conducted by NZX Regulation staff and will be completed annually or at other intervals as determined by NZX Regulation. The hourly NZX charge includes NZX staff time spent in preparation for Participant visit times on site and subsequent reporting writing and follow-up activity. One annual onsite inspection for “Trading & Advising” participant firms is included in their annual membership fee.

	Recoveries
Hourly labour charge [COM001, COM005, COM010, COM015]	\$320 per hour
Travel and Expense [COM003]	Actual costs incurred

D. Applications for Waivers & Exemptions from NZX Rules

Applications are billed at an hourly rate, for actual time spent on any request regardless of the outcome. The rates applied are based on the urgency of the decision as indicated by the NZX Participant at the time of the application. NZX endeavors to respond to all applications within the timeframe specified by the NZX Participant. However, accepting an application on urgency is not a guarantee that NZX will be able to accommodate the NZX Participant’s requested time frame.

Time Frame [COM025, COM026]	Total Hourly Charge
Decisions required in under 2 business days	\$900
Decisions required in between 3 – 5 business days	\$670
Decisions required in between 6 – 9 business days	\$510
Decisions required in 10 or more business days	\$320

All Fees are in NZD unless otherwise stated. NZX reserves the right to adjust all fees in this Schedule.

E. Market Surveillance – Cash Market

All NZX Trading Participants in the cash market (equity and debt) are subject to recoveries for general market surveillance and enforcement of the NZX Participant rules. The annual fees period runs from 1 July to 31 June. Annual fees are detailed below and are invoiced quarterly three months in arrears on 1 July, 1 October, 1 January and 1 April of each year. The value and activity components are added together to calculate the total amount payable within the prescribed minimum and maximum recoveries set out below.

Cash Market Surveillance Recoveries [COM100]	Recoveries
Maximum recovery	\$67,500
Value of cash market trades each calendar year:	
Greater than or equal to \$20 billion	\$43,650
Greater than or equal to \$10 billion and less than \$20 billion	\$32,200
Greater than or equal to \$5 billion and less than \$10 billion	\$22,350
Less than \$5 billion	\$14,550
Number of trades each calendar year:	
Greater than or equal to 300,000 trades	\$43,650
Greater than or equal to 150,000 and less than 300,000 trades	\$32,200
Greater than or equal to 50,000 trades and less than 150,000	\$22,350
Less than 50,000 trades	\$14,550
Minimum Recovery	\$14,550

For example, an NZX Participant that traded cash securities with a value of \$9 billion and executed 120,000 trades across all markets between 1 July to 31 June will pay \$44,700 (\$22,350 based on the value of cash market traded and \$22,350 based on trade volumes).

F. Stands in Market

The Trading Participant responsible for making the bid for a stand in the market is required to pay a fixed amount of \$7,800 [PMS001]. This covers the use of NZX Technology resources, NZX Client & Market Services and NZX Regulation.

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