

**NZX PARTICIPANT &
VENDOR FEE SCHEDULE**
Effective 1 July 2011



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LIST OF CURRENT PRICES AND FEES

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 Futures and Options Participants (“NZX Participants”).

This NZX Participant & Vendor Fee Schedule will apply from 1 July 2011 (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.

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 within 14 days of being invoiced and participants must pay GST on all fees. Interest will be charged on any invoice more than 20 days overdue at the current IRD use of money interest rate.

2. 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 A	Added Advising Firm - Derivatives Market, Advising Firm - Introducing Broker and Technology Connecting Facility	6
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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

Email: markets@nzx.com

Phone: +64 4 495 2825.

Postal Address:

NZX Market Supervision
NZX Limited
Level 2, 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 2, NZX Centre, 11 Cable Street
PO Box 2959, Wellington 6011

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

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 Market Supervision 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 \$259 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.¹

Participants	Onshore Participant (NZD)	Offshore Participant (USD)
Advising Participant		
Advisor (including Associate Advisors, F&O Advisors) (COM027)	\$362	\$362
Advising Firm - Cash Market	\$7,245	\$5,434
Advising Firm - Derivatives Market	\$7,420	\$5,565
Advising Firm - Introducing Broker	\$7,245	\$5,434
Sponsors - Distributing and Underwriting, NZAX, NZDX and NZSX	\$7,245	\$5,434
Trading Participant		
Cash Market - Bank Only, Principal Book Only, Trading and Advising	\$7,245	\$5,434
Derivatives Market - Bank Only, Principal Book Only, Trading and Advising	\$7,420	\$5,565
Futures and Options - Firms and Introductory Brokers (CFX105)	\$7,245	\$5,434
NZX Trainer	\$1,035	\$1,294
NZX Dealer (COM028)	\$1,035	\$1,294
Technology Connecting Facility	\$7,245	\$5,434
Direct Market Access (per offering firm) ¹	\$7,245	\$5,434

¹ 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.

Participants	Onshore Participant (NZD)	Offshore Participant (USD)
Advising Participant		
Advisor (including Associate Advisors, Futures & Options Advisors)	\$362	\$362
Advising Firm - Cash Market (PLF230)	\$10,350	\$7,245
Advising Firm - Derivatives Market	\$10,600	\$7,420
Advising Firm - Introducing Broker	\$10,350	\$7,245
Distributing and Underwriting Sponsor	\$10,350	\$7,245
Sponsors - NZAX ¹	\$2,070	\$2,588
Sponsors - NZDX and NZSX ¹	\$12,938	\$9,056
Trading Participant		
Cash Market - Bank Only	\$31,050	\$21,735
Cash Market - Principal Book Only	\$31,050	\$21,735
Cash Market - Trading and Advising	\$41,400	\$28,980
Derivatives Market - Bank Only	\$47,700	\$35,775
Derivatives Market - Principal Book Only	\$47,700	\$35,775
Derivatives Market - Trading and Advising	\$58,300	\$43,725
Futures and Options Firm	\$10,350	\$7,245
Futures and Options Introductory Broker (CFX005)	\$5,175	\$3,623
NZX Trainer	\$1,035	\$725
NZX Dealer	\$1,035	\$725
Technology Connecting Facility	\$31,050	\$21,735

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.

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 due on 1 July for the following 12 months 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.

Participants	Onshore Participant (NZD)	Offshore Participant (USD)
Advising Participant		
Advisor (including Associate Advisors, F&O Advisors) (LEV005)	\$350	\$350
Advising Firm - Cash Market (PFL003)	\$7,764	\$10,350
Advising Firm - Derivatives Market	\$10,600	\$10,600
Advising Firm - Introducing Broker	\$10,350	\$10,350
Distributing and Underwriting Sponsor (PFL425)	\$12,938	\$7,245
Sponsors - NZAX (PFL402) (rebated if sponsor brings a company to market during the year)	\$2,588	N/A
Sponsors - NZDX and NZSX (PFL400, PFL401)	\$12,938	N/A
Trading Participant		
Cash Market - Bank Only	\$31,050	\$21,735
Cash Market - Principal Book Only	\$31,050	\$21,735
Cash Market - Trading and Advising	\$41,400	\$28,980
Derivatives Market - Bank Only	\$47,700	\$35,775
Derivatives Market - Principal Book Only	\$47,700	\$35,775
Derivatives Market - Trading and Advising	\$58,300	\$43,725
Futures and Options Firm (CFX200)	\$25,875	N/A
Futures and Options Introductory Broker (CFX210)	\$25,875	N/A
Technology Connecting Facility	\$47,700	\$35,775

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

5. TRANSACTION FEES

NZX offers an Aggregate Trading Fee Cap Program for Trading Participants in the cash equity market (details on the NZX website under http://www.nzx.com/nzx_customers/market_participants/fees).

This program only applies to the cash equity market and does not include additional crossing fees or small marriage fees.

A. Trading

	Fees
Cash	
Equity and Debt Trade (TRD001, TRD401, TRD011)	\$1.00 per side per trade plus 0.20 bps of the total trade value, capped at \$20
Additional crossings fee for Equity and Debt trades - less than \$50K (TRD013, TRD022, TRD409) - greater than \$50k and less than \$100k (TRD014, TRD023, TRD410)	\$8.00 \$4.50
Derivatives (all fees per lot per side)	
<i>Agricultural Derivatives</i>	
Dairy Futures	
Trade Fee (WMP001)	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	
Cancellation of on-market trade (CLR010)	\$21 per side
Cancellation of crossings (CLR011)	\$26 per side
Crossing outside the current quotes (CCT100)	\$518 per side
Negotiated Deal Cancellation (CLR012)	\$26 per trade
Late Reporting	\$518 per trade
Derivatives	
Cancellation of trade (CLR050)	US\$518 per trade
Position limit breach (further penalties may also be imposed)	US\$1,553 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	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)
Metro Circuits (Wellington and Auckland)	\$1,763-\$2,118
Other National Circuits	\$2,091-\$2,628
Direct Connection from overseas :	
- 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 Trayport Front End

	Fees
Live Trayport User - Full Access (SBT450)	\$349 per user
Live Trayport User - Read Only (SBT451)	\$249 per user
FIX Connectivity (DMA000)	\$2,675 per connection or logon

C. Virtual Private Network (VPN)

Service	Amount	Description
Base Connection sign-on	\$1,035	
VPN Monthly Fee	\$446.25	Fee for VPN connection, includes share of core network usage and transmission.

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 Market Supervision. The fees below apply to training on NZX Systems.

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

1. 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
2. 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	\$1,739	Training for a whole day
Half Day	\$869	Training for half a day
Per hour (one hour minimum)	\$259	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	\$259 per hour (one hour minimum)
After Hours ¹	\$311 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	\$2,070 per day
DMA Testing	\$2,070 per day

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

Clone Systems Conformance Environment

NZX will create and maintain a cloned NZX Systems conformance environment for the duration of certain projects only. NZX expects the daily maintenance and support to take a minimum of an hour per day.

Service	Amount	Details
Clone Conformance Environment	\$6,210	One-off set up charge for the duration of the project only
Maintenance and Support	\$259 per hour	Charge for daily maintenance and support of the NZX cloned conformance environment

Back Office System (BOS) Changeovers

Participants & Vendors will be charged a one-off \$5,175 administration charge if they wish to change their Back Office System (BOS) plus \$259 per hour for work completed by NZX during normal business hours. Any work completed by NZX outside of normal working hours will be separately charged at \$311 per hour, after hours including Monday to Friday 1730 - 0800, weekends and New Zealand public holidays.

Other Adhoc Requests

Rate	Amount
Standard Rate	\$259 per hour (one hour minimum)
After Hours ¹	\$311 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.

7. 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.

A. Annual Compliance

Participants	Recoveries
Advising Participant	
Advising Firm - not holding client funds	\$1,863
Advising Firm - holding client funds	\$1,863
Distributing and Underwriting Sponsor	\$1,863
Trading Participant	
Cash Market - Bank Only	\$1,863
Cash Market - Principal Book Only	\$1,863
Cash Market - Trading & Advising	\$1,863

B. Desk Based Capital and Prudential Inspections

Participants	Recoveries
Advising Participant	
Advising Firm - not holding client funds	\$776
Advising Firm - holding client funds	\$1,553
Trading Participant	
Cash Market - Principal Book Only	\$776
Cash Market - Trading & Advising	\$4,658
NZX Futures & Options Firm	\$4,658
Futures & Options Introductory Broker	\$776

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

C. On Site Inspections

NZX Market Supervision conducts onsite supervisory inspections of the business conduct, practices and systems of NZX Participants. Inspections are conducted by NZX Market Supervision staff and will be completed annually or at other intervals as determined by NZX Market Supervision. 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.

	Recoveries
Hourly labour charge	\$307.90 per hour
Travel and Expense	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 endeavours 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	Total Hourly Charge
Decisions required in under 2 business days	\$879.00
Decisions required in between 3 - 5 business days	\$649.00
Decisions required in between 6 - 10 business days	\$497.00
Decisions required in 10 plus business days	\$307.90

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 are detailed below and are invoiced quarterly three months in arrears on 1 January, 1 April, 1 July and 1 October 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	Recoveries
Maximum recovery	\$65,000
Value of cash market trades each calendar year:	
• Greater than or equal to \$20 billion	\$42,000
• Greater than or equal to \$10 billion and less than \$20 billion	\$31,000
• Greater than or equal to \$5 billion and less than \$10 billion	\$21,500
• Less than \$5 billion	\$13,987
Number of trades each calendar year:	
• Greater than or equal to 300,000 trades	\$42,000
• Greater than or equal to 150,000 and less than 300,000 trades	\$31,000
• Greater than or equal to 50,000 trades and less than 150,000	\$21,500
• Less than 50,000 trades	\$13,987
Minimum Recovery	\$13,987

For example, an NZX Participant that traded cash securities with a value of \$9 billion and executed 120,000 trades across all markets during the calendar year will pay \$43,000 (\$21,500 based on the value of cash market traded and \$21,500 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 \$7,763. This covers the use of NZX Technology resources, NZX Client & Market Services and NZX Market Supervision.

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