

8 October 2018

NZX board rejects Elevation Capital demands

The NZX board has today rejected six unreasonable demands Elevation Capital placed on the company. The demands are attached, however to summarise the key demands and NZX's response:

1. **Demand from Elevation Capital:** that Elevation is immediately granted three directors (Craig Stobo, Christopher Swasbrook and Michael Daniels) on the NZX board. In addition, NZX will deliver the written resignations of three current directors.

Response from NZX: this is an outlandish position for a shareholder with approximately 2.3% of the company, and would ride roughshod over the interests of other shareholders. Like all shareholders, Elevation Capital may nominate directors for election at NZX's annual meeting.

2. **Demand from Elevation Capital:** that NZX adopt Elevation Capital's strategy, and appoint a former NZX staff member to work on implementation.

Response from NZX: Elevation Capital's proposed strategy largely borrows from NZX's already-published strategy. NZX does not believe the areas of difference would create additional value for shareholders. NZX also does not believe the individual named would add value.

3. **Demand from Elevation Capital:** that NZX directors refund the costs of a recent overseas trip.

Response from NZX: the trip concerned was high value for NZX, given the multi-faceted partnership with Nasdaq, and the need for NZX to be well positioned for technology and structural change in global capital markets.

The board will always engage with shareholders on reasonable concerns, and have sought to do so in this case. However, after carefully considering these demands from a shareholder with approximately 2.3% of company shares, the board deemed them unreasonable.

If Elevation Capital has support to call a special meeting of shareholders (noting there is a 5% threshold), NZX will use it as an opportunity to further explain the strategy laid out in November 2017 and the good progress made to date. However, NZX would prefer to focus on working for our customers and shareholders to build a stronger capital market for New Zealand.

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