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NZX CEO to step down at the end of the year

NZX today announced that CEO Tim Bennett has provided notice to the NZX Board of his decision to step down at the end of the year, with the Board now undertaking a formal search for a new CEO.

Mr James Miller, NZX Board Chair noted: "Tim has been a transformational leader of NZX in what has been a positive era for NZX and New Zealand's capital markets. Since Tim took the helm in 2012, he has successfully repositioned NZX's strategic direction, ensuring NZX can take advantage of future growth opportunities in the markets. On behalf of NZX stakeholders and staff, the Board sincerely appreciates Tim's hard work, dedication and intellectual rigor."

"Tim has created a platform to deliver operating leverage for the business and to drive earnings momentum into the future. The Board is committed to the direction of the business that has been put in place over the past few years."

"Tim's original employment agreements envisaged a five year commitment to NZX. With Tim indicating a desire to step down and in order to ensure an orderly succession, the Board started a conversation with Tim on how to best manage that transition, and today's announcement clears the way for the Board to search for a new CEO." The Board's preference was that the CEO's transition occurred on 31 December to ensure the new CEO started at the beginning of the financial year.

"Tim has built a strong senior leadership and broader team during his time at NZX and we have every confidence that it will be business as usual until a new CEO is appointed."

Tim Bennett commented: "It has been an intensive four years of change that I have led NZX through and with that process largely complete, I've decided that the end of the year is the right time for someone else to drive the next phase of growth."

"I am extremely proud of the fact that over the years I've been at NZX we have built a terrific team to take the business forward. Our markets business has been rebuilt and now provides a strong platform for growth from a stable cost base, for the benefit of our shareholders and the broader market, with businesses now seeing NZX as an attractive means to access capital."

"Through the funds services strategy that we have embarked on, NZX now has exposure to New Zealand's rapidly growing funds management sector. And with a number of key milestones achieved this year, including the successful integration of SuperLife and strong performance of that business, two major client wins for NZX Wealth Technologies, and the restructuring of our agri businesses almost complete, I'm confident that now is the right time for the next leader to take over."

Mr James Miller commented: "NZX will commence a worldwide search for a new CEO. The successful applicant will make it their strong priority to create shareholder value and develop and continue to grow the New Zealand capital markets, while completing the simplification of the complexities that exist in the operation today."



“Until 31 December 2016, Tim will remain in the role and continue to drive the business forward, keeping up the good momentum he has built.”

As set out in NZX's annual financial statements, Mr Bennett has a CEO share scheme in place that runs for a five year period until August 2017. NZX confirms that this scheme will remain in place for its scheduled duration.

As previously outlined in the annual report, if over the period of the scheme, NZX's total shareholder return (TSR) exceeds a margin of 1% over NZX's weighted average cost of capital (to be determined annually by the Board), he will receive a taxable bonus equivalent to the amount of the loan and will receive a transfer of the shares on full repayment of the loan and any accrued interest. If the hurdle rate is not met, then on expiry of the scheme Mr Bennett will not receive the bonus and will be required to repay the loan from his own resources and will receive a transfer of shares. The terms of the scheme remain the same except for the purposes of determining the hurdle rate, the initial 2012 issue price will be set at \$1.10 which was the price on the day of the release of the 1H results (20/8/2012) under the previous CEO. NZX had previously indicated the issue price was \$1.19.

NZX has previously communicated that, subject to market outcomes, it expects FY2016 Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) to be in the range of \$22.5 million to \$26.5 million. Analyst consensus is currently \$24.8 million. Taking into account the expected costs associated with the restructuring of NZX's agri businesses and the CEO transition, NZX now expects that FY2016 EBITDA will be towards the lower end of the previously disclosed range of \$22.5 million to \$26.5 million.

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About NZX Limited

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 making. We aim to make a meaningful difference to wealth creation for our shareholders and the individuals, businesses and economies in the countries in which we operate. To learn more about NZX please visit: www.nzxgroup.com