

## Introduction and purpose

This document details the Company's Trading Policy and Guidelines covering restrictions on dealing in the Company's quoted financial products. The requirements imposed by the policy are separate from, and in addition to, the legal prohibitions in the Financial Markets Conduct Act 2013 on insider trading.

**If you do not understand any part of this policy or how it applies to you, you should raise the matter with your supervisor or NZME's General Counsel before acquiring or disposing of, or agreeing to acquire or dispose of, ("trading") any of the Company's quoted financial products.**

## Persons covered by this policy

This policy imposes trading restrictions on all employees of the Company and its related and associated companies ("NZME") with **price-sensitive information**, and imposes additional trading restrictions on:

- all Directors;
- the CEO and all his or her direct reports (and those employees directly reporting to them); and
- all participants in any NZME Employee Incentive Plan (as defined below).

## Insider trading laws

Insider trading laws cover all employees and Directors of NZME. If you have any **price-sensitive information**, it is a criminal offence for you to:

- **trade** in the Company's quoted financial products;
- advise or encourage another person to **trade** in or hold the Company's quoted financial products; or
- pass on or communicate the **price sensitive information** to anyone else – including colleagues, family or friends – knowing (or where you should have reasonably known) that the other person would or would be likely use that information to **trade** in, or advise or encourage someone else to **trade** in or hold, the Company's quoted financial products.

This offence, called "insider trading", can subject you to criminal liability including large fines and/or imprisonment, and civil liability, which may include being sued by another party or the Company, for any loss suffered as a result of insider trading.

The Financial Markets Authority actively enforces insider trading laws.

### **Confidential information**

In addition to the above, you also have a duty of confidentiality to the Company. You must not disclose any confidential information concerning the Company, use that information in any way which may injure or cause loss to the Company, or use that confidential information to gain an advantage for yourself.

### **What is “price sensitive information”?**

**Price-sensitive information** is information that:

- is not generally available;
- if it were generally available, a reasonable person would expect it to have a material effect on the price of the Company’s quoted financial products; and
- relates to particular financial products, a particular listed issuer, or particular listed issuers, rather than to financial products generally or listed issuers generally.

It does not matter how you come to know the **price-sensitive information** (including whether you learn it in the course of carrying out your responsibilities at NZME or in passing in the corridor or in a lift or at a dinner party or otherwise).

The financial impact of the information is important, but strategic and other implications can be equally important in determining whether information is **price-sensitive information**. The definition of information is broad enough to include rumours, matters of supposition, intentions of a person (including the Company) and information which is insufficiently definite to warrant disclosure to the public.

### **What are some examples of price sensitive information?**

The following list is illustrative only. **Price-sensitive information** could include:

- the financial performance of NZME against its budget;
- a possible change in the strategic direction of NZME;
- a possible acquisition or sale of any assets or company by NZME;
- a new development in one of the Company's businesses;
- a possible change in the Company’s capital structure or financing arrangements;

- a proposed dividend or share buy-back;
- senior management changes; or
- any possible claim against NZME or other unexpected liability.

### **Additional trading restrictions**

Additional restrictions on trading the Company's quoted financial products apply to the following people in NZME ("**restricted persons**"):

- all Directors;
- the CEO and all his or her direct reports (and those employees directly reporting to them);
- all participants in any NZME Employee Incentive Plan (as defined below);
- any other employees designated as restricted persons by the CEO or General Counsel.

**NZME Employee Incentive Plan** means any share, option or other securities plan established by the Company for participation by employees or directors and any long term or other incentive plan for employees or directors where participants receive performance or other rights which upon vesting entitle them to the Company's quoted financial products.

### **Reasons for the additional trading restrictions**

**Restricted persons** are in positions where it may be assumed that they have **price-sensitive information** (even if they have no actual **price-sensitive information** at the time).

This policy is designed to avoid the possibility of misconceptions or misunderstandings arising that **restricted persons** are trading while in possession of **price-sensitive information**.

## Trading by restricted persons

**Restricted persons** are generally prohibited from trading in the Company's quoted financial products or from exercising any right under an NZME Employee Incentive Plan in respect of the Company's quoted financial products during:

- 1 specific **closed periods**; and
- 2 any additional periods imposed by the Company from time to time when the Company is considering confidential matters which are not required to be disclosed to the market under NZX Listing Rule 10.1,

Together the **prohibited periods**.

The **closed periods** are:

- midnight 15 June until the trading day after the half-year results are released; and
- Midnight 15 December until the trading day after the full-year results are released.

**Restricted persons** are only permitted to **trade** the Company's quoted financial products during **prohibited periods** in exceptional circumstances in accordance with the *Prohibited periods trading requests* clearance requirements set out below.

**Restricted persons** are only permitted to **trade** the Company's quoted financial products outside a **prohibited period** if they have complied with the *Requirements before trading* notification requirements set out below.

## Requirements before trading

Before trading in the Company's quoted financial products **restricted persons** must, in writing or by email:

- notify NZME's General Counsel of their intention to **trade** in the Company's quoted financial products;
- confirm that they are not aware of any **price-sensitive information**; and
- Confirm they are not aware of any other reason to preclude them from trading in the Company's quoted financial products.

The notification requirement is only valid for the period of its operation, being the date of notification until the earlier of 10 trading days after notification, the start of a **closed period**, or the date the person becomes aware of **price-sensitive information**.

**Requirements after trading** Once a **restricted person** has completed a **trade** in the Company's quoted financial products, the **restricted person** must:

- notify, in writing or by email, NZME's General Counsel that the **trade** has been completed and the details of the **trade**; and
- Comply with any disclosure obligations he or she has under the Financial Markets Conduct Act 2013 and Financial Markets Conduct Regulations 2014 or any replacement legislation/regulation.

**Prohibited periods trading requests** **Restricted persons** are prohibited from trading in the Company's quoted financial products during the **prohibited periods**, however if exceptional circumstances arise then approval to **trade** may be given at the discretion of the Chairperson.

Any request for approval to **trade** must include a confirmation by the **restricted person** in writing or by email:

- that he or she is not aware of any **price-sensitive information**;
- the exceptional circumstances leading to the request for approval to **trade** under this policy; and
- that he or she is not aware of any other reason to preclude them from trading in the Company's quoted financial products.

A **restricted person**, who makes such a request and provides those confirmations may be given prior written approval to **trade** or otherwise acquire or dispose of quoted financial products in the Company during a **prohibited period** in the following exceptional circumstances:

- severe financial hardship or a pressing financial commitment that cannot be satisfied otherwise than by selling the quoted financial products in the Company;
- a court order, court enforceable undertaking or other legal requirement requires the trade to be made; or
- any other circumstance considered by the Chairperson (or the Board where the Chairperson is seeking clearance) in his or her discretion to be exceptional circumstances under this policy.

A tax liability of a **restricted person** would not normally constitute severe financial hardship unless there was no other means of satisfying the liability. A tax liability relating to quoted financial products received under an employee incentive scheme would also

not normally constitute severe financial hardship or otherwise be considered an exceptional circumstance.

A **restricted person** must not **trade** in the Company's quoted financial products or exercise any right under an NZME Employee Incentive Plan in respect of the Company's quoted financial products during a **prohibited period** unless he or she has notified their request for approval to **trade** to the Chairperson in writing or by email not less than 48 hours before the proposed trade is to be made and has received written approval from the Chairperson to do so. The approval is only valid for the period of its operation, being the date the clearance is given until the earlier of 10 trading days after that date (or the date the person becomes aware of **price-sensitive information** or the exceptional circumstances cease to exist).

In the case of the Chairperson, any approval required by this policy must be made by the Board through NZME's General Counsel.

**Restrictions extend to other securities in addition to quoted financial products and apply to hedging**

The restrictions on trading in quoted financial products in this policy cover trading in the Company's quoted financial products and extend to:

- exercising any right under an NZME Employee Incentive Plan to acquire any of the Company's quoted financial products or to take up any securities, options, rights or similar instruments;
- trading in other securities of the Company including any options, convertible notes, debentures or notes issued by the Company; and
- trading in derivatives, options or other contracts in relation to the Company's quoted financial products including the entering into of any **hedge** or other arrangement by which the economic risk associated with any options, rights or similar instruments under an NZME Employee Incentive Plan are limited.

In addition to the other restrictions in this policy, **restricted persons** are not permitted to **hedge** any options, rights or similar instruments held pursuant to any NZME Employee Incentive Plan prior to such options, rights or similar instruments becoming **vested** or otherwise tradeable in accordance with the applicable Plan. Options, rights or similar instruments are **vested** where any performance hurdle attributable to the options, rights or similar instruments are satisfied or they otherwise become tradeable in accordance with the applicable Plan.



**Excluded Trading not covered by this policy**

This Policy does not apply to:

- acquisitions through an issue of new quoted financial products, such as an issue of new shares on the exercise of options, under a rights issue, a dividend reinvestment plan, or a share purchase plan;
- acquisitions or disposals by inheritance or gift; and
- trading of quoted financial products where the trading results in no change to the beneficial interest in those quoted financial products.

**Breaches of policy**

Strict compliance with this policy is a condition of employment. Breaches of this policy will be subject to disciplinary action, which may include termination of employment.

**Application of policy**

To the extent of any inconsistency with any previous policy or rules relating to this subject matter, this policy prevails over them.

**Adopted 27 June 2016**