

# Trading in Company Securities Policy

This policy applies to you if you are a director, employee, contractor or secondee of Mercury NZ Limited or any of its subsidiaries (“Mercury Person”).

It also applies to people acting on your direction or recommendation (including family members), in addition to companies, trusts and other entities controlled by you.

In this policy ‘trade’ includes acquiring or disposing of Mercury Securities (as defined in section 1 below) or agreeing to do so.

In addition to the fundamental rule prohibiting insider trading in Mercury Securities applicable to all Mercury Persons, further rules apply to trading in Mercury Securities by directors and certain other people (“Restricted Persons” see section 12, Additional Trading Restrictions for Restricted Persons below).

## 1 Introduction and purpose

This policy details the rules for all Mercury Persons trading in the following securities (“Mercury Securities”):

- > ordinary shares of Mercury listed on the NZX or ASX; and
- > listed debt securities issued by Mercury or a subsidiary to the public; and
- > any other securities of Mercury or its subsidiaries, and any options or derivatives (including futures contracts listed on an authorised futures exchange) created over or in respect of any securities of Mercury or its subsidiaries.

These policy requirements are separate from, and in addition to, the legal prohibitions on insider trading in New Zealand and Australia and any other country where Mercury Securities may be listed from time to time. This policy does not replace your legal obligations.

**If you do not understand any part of this policy, or how it applies to you, you should raise the matter with the Company Secretary or the General Counsel before trading in any Mercury Securities.**

## 2 Fundamental rule – do not trade, tip or disclose if you hold material information

If you possess “material information” (as defined in section 4 below) you must not:

- > trade Mercury Securities;
- > advise or encourage (tip) others to trade or hold any Mercury Securities;
- > advise or encourage a person to advise or encourage another person to trade or hold Company Securities; or
- > directly or indirectly disclose or pass on that information to anyone else - including colleagues, family or friends, as well as companies, trusts or nominees and other persons over whom you have investment control or influence - knowing (or where you ought reasonably to have known) that the other person will use that information to trade, hold, or advise or encourage someone else to trade, or hold, Mercury Securities.

These activities, called “insider conduct” are likely to be criminal offences and can have significant consequences for you and others (refer to section 10 below).

The prohibitions apply regardless of how you learn of the material information, and regardless of why you are engaging in insider conduct. Even if you leave Mercury, the prohibitions will apply to you as a matter of general law if you remain in possession of material information.

It is important to note that insider conduct laws apply not only to information concerning Mercury Securities. If you have material information in relation to securities of another issuer (including futures contracts listed on an authorised futures exchange created over or in respect of those securities) then insider conduct laws apply to you in relation to those securities.

### 3 If in doubt, do not trade

The rules contained in this policy do not replace your legal obligations. The boundary between what is (and is not) in breach of the law is not always clear. Sometimes behaviour that you consider to be ethical may be insider conduct. If in doubt, do not trade, tip or disclose.

### 4 What is “material information”?

“Material information” is information that:

- > is not generally available to the market; and
- > if it were generally available to the market, a reasonable person would expect it to have a material effect on the price of Mercury Securities.

Information is “generally available” to the market if:

- > it has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in Mercury Securities and a reasonable period for it to be disseminated among those persons has passed;
- > it has been released as an NZX or ASX announcement; or
- > the information is readily obtainable by investors who commonly invest in Mercury Securities (whether by observation, use of expertise, purchase or other means).

It does not matter how you come to know the material information (including whether you learn it in the course of carrying out your responsibilities, or otherwise).

Material information may include rumours, matters of supposition, intentions of a person (including Mercury), and information which is insufficiently definite to warrant disclosure to the public.

#### 4.1 Some examples of material information

The following list is illustrative only. Material information could include information concerning:

- > Mercury’s financial performance;
- > the introduction of an important new product or service;
- > the revaluation of Mercury’s assets;
- > a possible change in Mercury’s strategic direction;
- > a possible acquisition or sale of any assets or company by Mercury;
- > an undisclosed significant change in Mercury’s market share;
- > entry into or the likely entry into or termination or likely termination of material contracts or other business arrangements which are not publicly known;
- > changes in Mercury’s actual or anticipated financial condition or business performance;
- > a possible change in Mercury’s capital structure, including proposals to raise additional equity or borrowings;
- > a change in the historical pattern of dividends;
- > Board or senior management changes;
- > a possible change in the regulatory environment affecting Mercury;
- > a material legal claim by or against Mercury; or
- > any material unexpected liability,

which is not generally available to the market.

### 5 Confidential information

At all times you have a duty of confidentiality to Mercury. You must not reveal any confidential information concerning Mercury to a third party (unless that third party has signed a confidentiality agreement with Mercury and you have been authorised to disclose the confidential information), or use confidential information in any way which may injure or cause loss to Mercury, or use confidential information to gain an advantage for yourself. You should endeavour to ensure that external advisers keep Mercury information confidential.



## 6 Exceptions

The trading provisions in this policy do not apply to:

- > acquisitions and disposals of Mercury Securities by gift or inheritance;
- > acquisitions of Mercury Securities through an issue of new Mercury Securities, such as an issue of new shares on the exercise of options, under a rights issue, share purchase plan or a dividend reinvestment plan;
- > acquisitions of Mercury Securities from treasury stock for the purposes of a Mercury share purchase plan; and
- > trading of Mercury Securities where the trading results in no change to the beneficial interest in the Mercury Securities.

## 7 Short term trading is discouraged

You should not engage in short-term trading (acquiring and selling Mercury Securities within a three-month period), unless there are exceptional circumstances discussed with and approved by Mercury's Company Secretary.

Short term trading can be a key indicator of insider conduct, particularly if undertaken on a regular basis or in large amounts. Therefore, to reduce the risk of an allegation of insider conduct, do not trade Mercury Securities on a short-term basis.

## 8 No short-selling

You should not short-sell any Mercury Securities.

## 9 Transactions in associated products

Where you are entitled to participate in any equity-based remuneration scheme, you may not enter into any transaction for any associated product which has the effect of limiting the economic risk of participating in any unvested entitlement you are eligible for under that remuneration scheme.

## 10 Breaches of Policy

**Potentially serious civil and criminal liability, including large fines and/or imprisonment, arises for breaches of insider trading laws. You may be sued by another person or by Mercury, for any loss suffered as a result of illegal trading. These laws also apply to individuals outside Mercury, such as your family, should they become aware of material information. Breaches of this policy are also a breach of conditions of employment and may lead to disciplinary action, including dismissal. In these circumstances you are likely to fall outside any company insurance or indemnity entitlements.**

**Any breach of this policy must be promptly reported to the Company Secretary and the Chair of the Risk Assurance and Audit Committee.**

## 11 Monitoring of trading

Mercury may monitor the trading of directors, employees, contractors or secondees as part of the administration of this policy.

## 12 Additional trading restrictions for Restricted Persons

The additional trading restrictions set out below apply to:

- > all directors;
- > all members of the Executive Management Team and their direct reports; and
- > anyone else notified by the Company Secretary from time to time (whether by name, designation, position or knowledge of particular information) and for a period determined by the Company Secretary.

Persons covered by these additional restrictions are called "Restricted Persons". Restricted Persons will be considered responsible for the actions of trusts, companies and other entities controlled by them. In this respect, "control" is not to be construed in a technical way but by looking at how decisions are made in practice. Restricted Persons will also be considered responsible for accounts where they are listed as a joint holder.

Restricted Persons will not be considered responsible for trading activities of their partners, spouses, dependent children or other dependents unless they are acting on the direction, recommendation or encouragement of the Restricted Person or are otherwise controlled by the Restricted Person.

**Restricted Persons who leave the Company will remain subject to this policy, and will be deemed to remain Restricted Persons, for a period of six months after ceasing to hold an office or employment with Mercury.**



If you are unsure whether these rules apply to you, you should contact the Company Secretary. On notification that you are a Restricted Person, you must (unless the Company Secretary confirms otherwise) promptly provide, via the Restricted Person Portal - [HERE](#)) the Company Secretary with the Common Shareholder Number/s and other personal information relating to your Mercury Securities holdings for your personal accounts, any joint accounts and any other accounts that you control. You must keep this record up to date for as long as you are a Restricted Person.

## 12.1 No trading during “Blackout” periods

Restricted Persons (or any of their controlled accounts or entities) must not trade in Mercury Securities during any of the following “blackout” periods:

- > from the close of trading on 30 June of each year until the trading day following the announcement to NZX and ASX of the full year results;
- > from the close of trading on 31 December of each year until the trading day following the announcement to NZX and ASX of the half-yearly results; and
- > any other period that the Company Secretary specifies from time to time,

unless a specific waiver is granted under section 12.2 in exceptional circumstances.

## 12.2 Exceptional circumstances

If a Restricted Person (or any of their controlled accounts or entities) needs to trade in Mercury Securities during a blackout period due to exceptional circumstances, the Restricted Person may seek a waiver from the Company Secretary as part of a request for consent in accordance with section 12.3.

An application from a Restricted Person to trade during a blackout period must set out the circumstances of the proposed trading, including an explanation as to the reason the waiver is requested.

A waiver will only be granted if the circumstances giving rise to the request are considered to be “exceptional” by the person from whom consent is required under this policy, or are considered to fall within a recognised category of exceptional circumstances (e.g. severe financial hardship where the person has a pressing financial commitment that cannot be satisfied other than by selling the Mercury Securities or compulsion by court order or court enforceable undertakings or other legal or regulatory requirements). The person from whom consent is required under this policy will determine such matters in their sole discretion.

If a waiver is granted to trade during a blackout period, the Restricted Person will be notified in writing and in each circumstance the duration of the waiver to trade in Mercury Securities will be two trading days from the date of notification. A consent is automatically deemed to be withdrawn if the person becomes aware of material information before trading.

Unless otherwise specified in the notice, any trading permitted during a blackout period must comply with the other sections of this policy (to the extent applicable).

## 12.3 Trading as a Restricted Person

Before trading in Mercury Securities at any time, Restricted Persons must, in writing:

- > notify the Company Secretary of their intention to trade Mercury Securities (whether in their own name or via a controlled account or entity), and seek consent to do so (using the Request for Consent to Trade in Listed Securities form attached or the online form found on the Restricted Person Portal - [HERE](#));
- > confirm that they do not hold material information; and
- > confirm that there is no known reason to prohibit trading in any Mercury Securities.

In the case of proposed trading by a director, the Chief Executive, the Chief Financial Officer or Company Secretary, the Request for Consent (including a request for waiver under section 12.2, if applicable) must be approved by the Disclosure Committee and signed by the Chair or, in their absence, the Chair of the Risk Assurance and Audit Committee. In the case of proposed trading by the Chair, the Request for Consent (including a request for waiver under section 12.2, if applicable) must be approved by the Disclosure Committee and signed by the Chair of the Risk Assurance and Audit Committee.

A consent is only valid for a period of 10 trading days after notification, unless the consent is granted during a blackout period pursuant to a waiver given in accordance with section 12.2, in which case the validity period will be 2 trading days. A consent is automatically deemed to be withdrawn if the person becomes aware of material information before trading.

There are no “safe” periods for trading Mercury Securities. You may never trade Mercury Securities if you have material information – even if you are not in a blackout period.



You are responsible for complying with all applicable laws and regulations when trading in Mercury Securities. A consent to trade granted under this policy does not imply Mercury's support of a decision to trade, or advice or opinion that trading in Mercury Securities by a Restricted Person will be lawful in the circumstances.

## **12.4 Additional Restrictions for Directors and Senior Managers**

From time to time, it may be desirable in the best interests of probity and good governance, for trading restrictions to be considered and from time to time imposed on one or more directors and/or senior managers with knowledge of sensitive information (for example about a potential project or transaction), where that information does not constitute material information ("sensitive information"). The Board will regularly consider whether trading restrictions should be imposed in these circumstances and when additional trading restrictions can be lifted.

The Company Secretary will notify affected persons of any additional trading restrictions imposed under this section 12.4 (including when these are lifted).

In the case of proposed trading by a director or senior manager with knowledge of sensitive information, the person from whom consent is required under this policy may, when considering whether or not to consent, take into account the applicant's knowledge of sensitive information and, at their unfettered discretion, give or withhold consent.

## **12.5 Requirements after trading**

A Restricted Person must advise the Company Secretary promptly following completion of any trade, and the Restricted Person must comply with any disclosure obligations that person has under the listing rules of any relevant stock exchange and at law, including under the Financial Markets Conduct Act 2013 ("FMCA"). The FMCA requires directors and senior managers (broadly the Chief Executive and their direct reports) to disclose all trades in Mercury Securities.

## **13 Application of Policy**

The Board of Mercury has approved this policy. The Risk Assurance and Audit Committee reviews this policy at least every two years and recommends proposed changes to the Board for approval. The Board may approve updates and amendments to, and exemptions from, this policy from time to time, which may be implemented by written notice to you and/or posting on Mercury's intranet.

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





## Request for Consent to Trade in Listed Securities

To: Company Secretary

Mercury NZ Limited ("Mercury")

In accordance with Mercury's Trading in Company Securities Policy ("Policy") and Additional Trading Restrictions for Restricted Persons set out in the Policy, I request Mercury's consent to the following proposed transaction to be undertaken either by me or a person or entity controlled by me. I acknowledge Mercury is not advising or encouraging me to trade or hold securities and does not provide any securities recommendation.

Name: \_\_\_\_\_

Name of registered holder transacting (if different): \_\_\_\_\_

Address: \_\_\_\_\_

Position: \_\_\_\_\_

Shareholder number: \_\_\_\_\_

Description and number of securities: \_\_\_\_\_

Class of securities (i.e. shares, bonds, options, derivatives, other): \_\_\_\_\_

Type of proposed transaction: Purchase / Sale / Other (specify) \_\_\_\_\_

Likely date of transaction: \_\_\_\_\_

To be transacted on: On NZX / On ASX / Off market trade / Other (specify) \_\_\_\_\_

Reason for proposed transaction (if transaction is to occur during a 'blackout period'): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

I declare that I do not hold information which:

- > is not generally available to the market;
- > a reasonable person would expect would have a material effect on the price of Company Securities if it were generally available to the market.

I know of no reason to prohibit me from trading in Company Securities and certify that the details given above are complete, true and correct.

\_\_\_\_\_

Signature

\_\_\_\_\_

Date

Mercury hereby consents / does not consent to the proposed transaction described above. Any consent is conditional on the proposed transaction being completed within 10 trading days (as applicable) of the date of notification of this consent, and in compliance with Mercury's Trading in Company Securities Policy and Additional Trading Restrictions for Restricted Persons set out in the Policy. Such consent is deemed to be immediately revoked if any of the confirmations you have provided above ceases to be true.

\_\_\_\_\_

Name:

\_\_\_\_\_

Date

Title:

on behalf of Mercury NZ Limited

