



**PGG Wrightson Limited
Securities Trading Policy and Guidelines**

1 Introduction

- 1.1 This policy applies to all Directors, officers and employees of PGG Wrightson Limited (**PGW**) and its subsidiaries and who intend to trade in PGW's listed securities. In this policy 'trade' includes buying or selling listed securities, or agreeing to do so, whether as principal or agent, but it does not include subscription for, or the issue of, new securities.
- 1.2 This Policy and Guidelines applies to any trading in which you are involved or instrumental, whether or not the securities are held or received in your own name or that of your spouse, children, other relatives, associates, trusts of which you are a trustee or companies which you control. You cannot avoid the legal prohibitions on insider trading by trading in PGW's listed securities through trusts or companies you control while you have material information.
- 1.3 In addition to this Policy and Guidelines, further more specific and stringent rules also apply to trading in PGW's securities, by Directors and certain employees (see [Additional Trading Restrictions for Restricted Persons](#)).

2 Purpose

- 2.1 This document details PGW's policy on, and rules for dealing in the following securities (**Restricted Securities**):
- Ordinary shares of PGW; and
 - any other listed securities of PGW or its subsidiaries, and any listed derivatives (including futures contracts listed on an authorised futures exchange) in respect of listed securities, from time to time.

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 before dealing with any securities covered by this policy.

Fundamental Rule – Insider trading is prohibited at all times

- If you possess "material information" (refer to definition below), then **whether or not** you are a Restricted Person (refer to definition under 'Additional Trading Restrictions for Restricted Persons' below), you must not:
 - trade Restricted Securities;
 - advise or encourage others to trade, or hold any Restricted Securities; or
 - pass on the material information to others.
- 2.2 The prohibitions apply regardless of how you learn of the information, and regardless of why you are trading.
- 2.3 The prohibition on insider trading applies not only to information concerning PGW's securities. If a person has material information in relation to listed securities of another issuer (including futures contracts

listed on an authorised futures exchange) over listed securities, that person must not breach the Fundamental Rule outlined above.

3 Insider trading laws

3.1 If you have any **material information**, it is illegal for you to:

- trade Restricted Securities;
- advise or encourage another person to trade or hold Restricted Securities;
- advise or encourage a person to advise or encourage another person to trade or hold Restricted Securities; or
- pass on the **material information** to anyone else – including colleagues, family or friends – knowing (or where you ought reasonably to have known) that the other person will or is likely to use that information to trade, continue to hold, or advise or encourage someone else to trade, or hold, Restricted Securities.

3.2 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 PGW, for any loss suffered as a result of illegal trading.

4 Confidential information

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

5 What is “material information”?

5.1 “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 to have a material effect on the price of Restricted Securities.

5.2 Information is generally available to the market if it has been released as an NZX announcement, or investors that commonly invest in PGW’s listed securities can readily obtain the information (whether by observation, use of expertise, purchase or other means).

5.3 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 in passing in the corridor, or in a lift, or at a social function).

5.4 Information includes rumours, matters of supposition, intentions of a person (including PGW), and information, which is insufficiently definite to warrant disclosure to the public.

6 What are some examples of material information ?

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

- the financial performance of PGW;
- a possible change in the strategic direction of PGW;
- the introduction of an important new product or service;
- a possible acquisition or sale of any assets or company by PGW;
- entry into or the likely entry into or termination or likely termination of material contracts or other business arrangements which are not publicly known;
- a possible change in PGW's capital structure;
- a change in the historical pattern of dividends;
- senior management changes;
- a material legal claim by or against PGW; or
- any other unexpected liability,

which has not been released to the market.

7 Exceptions

7.1 This policy does not apply to:

- acquisitions and disposals by gift or inheritance;
- acquisitions through an issue of new listed securities, such as an issue of new shares on the exercise of options, under a rights issue, or a dividend reinvestment plan.

8 Defences to trading

8.1 There are a number of defined situations which provide a defence and encourage legitimate trading. i.e. where you can establish and prove one of the following existed and was the reason for your trading activity when you held material information:

- Independent research or analysis;
- Where both parties to a transaction have equal information;
- Trading in accordance with a fixed trading plan;
- Where trading or disclosure is required by law;
- Underwriting agreements;
- Knowledge of a persons own intentions or activities;
- Advisers and agents acting on instructions;
- Certain takeover related activities;
- Trading where the information is protected by Chinese Walls.

9 The Chinese wall exceptions

9.1 Each of the 4 prohibitions outlined under the heading 'Insider trading laws' on page 2 of this policy has a Chinese wall exception.

9.2 The insider will not be liable if he or she can prove that:

- arrangements existed that could reasonably be expected to ensure that no one who took part in the decision to trade, disclose material information or advise or encourage others to trade (**Active Decision**) had access to the relevant material information or was influenced by an individual who had that information; and

- no one who took part in the Active Decision had access to the relevant material information or was influenced by an individual who had that information; and
- everyone who had material information or who took part in the Active Decision acted in accordance with the arrangements above.

10 Short term trading discouraged

- 10.1 You should not engage in short term trading (the buying and selling of Restricted Securities within a 6 month period), unless there are exceptional circumstances discussed with and approved by the Company Secretary.
- 10.2 Short term trading can be a key indicator of insider trading, particularly if undertaken on a regular basis or in large amounts. Therefore, to reduce the risk of an allegation of insider trading, do not trade Restricted Securities on a short-term basis.

11 If in doubt, don't

- 11.1 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 actually may be insider trading. If in doubt, don't!

12 Breaches of policy

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

13 Monitoring of trading

- 13.1 PGW may monitor the trading of directors and employees as part of the administration of this policy.

14 Application of policy

- 14.1 The Board of PGW has approved this policy. The Board may approve updates, amendments to and exemptions to this policy from time to time, which may be implemented by written notice to you.
- 14.2 To the extent of any inconsistency with any previous policy or rules relating to this subject matter, this policy prevails over them.
- 14.3 This policy should be read in conjunction with the Continuous Disclosure Policy.

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ADDITIONAL TRADING RESTRICTIONS FOR RESTRICTED PERSONS Persons covered by Restricted Securities Trading Restrictions

The additional trading restrictions set out below apply to:

- 1 all Directors of PGW Limited and its subsidiaries;
- 2 the Chief Executive and all senior officers of PGW Limited and its subsidiaries (all Chief Executive direct reports and those directly reporting to them);
- 3 to the extent not included above, all persons who manage a principal business unit, division or function of PGW.
- 4 trusts and companies controlled by such persons;
- 5 any employees involved in legal, finance or communications in respect of PGW; and
- 6 anyone else notified by the Company Secretary from time to time.

Persons covered by these additional restrictions are called “**Restricted Persons**”. Employees and Directors will be considered responsible for the actions of trusts and companies 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.

Additional trading restrictions for Restricted Persons (trading window)

Restricted Persons are prohibited from trading in any Restricted Securities except in the 60 days commencing on the first trading day after:

- release of PGW’s half-year results to NZX;
- release of PGW’s full-year results to NZX; and
- release of a prospectus for a general public offer of securities issued by PGW of the same class of Restricted Securities.

Restricted Persons are not permitted to trade any Restricted Securities during any other period unless PGW’s Board provides a specific exemption.

Please note that if you hold material information you must not trade Restricted Securities at any time – regardless of these periods.

Requirements before trading

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

- notify PGW’s Company Secretary of their intention to trade in Restricted Securities, and seek consent to do so (using the [Request for Consent to Trade in Listed Securities](#) form attached);
- confirm that they do not hold material information; and
- confirm that there is no known reason to prohibit trading in any Restricted Securities.

A consent is only valid for a period of 10 trading days after notification. A consent is automatically deemed to be withdrawn if the person becomes aware of material information prior to trading.

Application for consent to buy and sell securities

When a Restricted Person wishes to buy or sell shares in PGW they must:

- Complete the application form and deliver it to the Company Secretary. All applications must be approved by the Chairman of PGW's Board if they involve either:
- Directors; or
- In respect of any other Restricted Person, where greater than 10,000 securities are involved.

Any trading by the Chairman must be approved by any other PGW director.

All other applications will be referred to the Company Secretary to consider. The applicant will be told whether permission is given within 5 days of the date they deliver their application.

When permission will be given

Permission will only be given if the Chairman, Board director or the Company Secretary is satisfied as to all the following:

- The decision to buy or sell the securities has not been made on the basis of inside information;
- The applicant does not intend to sell the securities within 6 months of when they are purchased;
- The applicant believes that the sale or purchase of the securities will be at the fair value of the securities;
- the information provided in the [Request for Consent to Trade in Listed Securities](#) form is true.

If permission is given, a copy of the permission will be distributed to PGW's Board before the next Board meeting.

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 he or she has under the Securities Markets (Disclosure of Relevant Interests by Directors and Officers) Regulations (as outlined in this Policy and Guidelines).

Remember - if you are ever in any doubt about how these Rules apply to you, you should consult the Company Secretary. You may also consult your own legal adviser.

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DISCLOSURE UNDER THE SECURITIES MARKETS (DISCLOSURE OF RELEVANT INTERESTS BY DIRECTORS AND OFFICERS) REGULATIONS ADDITIONAL DISCLOSURE OBLIGATIONS FOR DIRECTORS AND OFFICERS

In addition to complying with the other obligations conferred upon you under this Policy, if you are a director or "officer" of PGW, it is also a legislative requirement that you comply with the disclosure obligations set out in this section of the Policy.

An "officer" is defined in the Securities Markets Act 1988 as a person, however, designated, who is concerned or takes part in the management of PGW's business. A Guidance Note released by the Securities Commission in 2004 provides further guidance as to the persons likely to be considered an "officer". A copy of this Guidance Note can be obtained from the Company Secretary. If you are unsure whether or not you are an "officer" you should obtain independent legal advice.

If you are a person listed in categories 1 - 3 under the heading 'Persons covered by Restricted Securities Trading Restrictions' under 'Additional Trading Restrictions for Restricted Persons' below, it is PGW's policy that you must comply with the disclosure requirements set out in this section of the Policy.

If you are an officer or director it is very important that you comply with the disclosure requirements contained in these rules, as failure to do so could cause you to be subject to a fine of up to \$30,000 under New Zealand legislation.

Initial Disclosure

On the date you are appointed, each director and officer **who holds a relevant interest in PGW's securities** is under a legislative requirement to complete a Disclosure Notice in the prescribed form within 5 trading days of the listing date or the date of your appointment (as appropriate). You can obtain a copy of this form from the Company Secretary.

A "relevant interest" in PGW securities includes where:

- you have beneficial ownership of PGW securities whether directly or indirectly including via a trust (PGW's policy is to include discretionary beneficiaries in this category); or
- you are able to control by yourself or jointly with others the acquisition or disposition of PGW securities by another person; or
- you have the power to control by yourself or jointly with others the exercise any right to vote attached to a PGW security; or
- you are able to influence a person or the board of a company which controls votes or the acquisition or disposition of PGW securities, or
- you have or control a shareholding of 20% or more in a company that holds PGW securities, or
- you may have any such rights in the future by virtue of any arrangement.

Shares held by immediate family members should be considered under the above criteria. If you are unsure as to whether you hold a relevant interest in PGW securities please contact the Company Secretary.

If you are a director or “officer” you must complete a Disclosure Notice and return it to the Company Secretary to enable the Company Secretary to file that Notice with NZX within 5 trading days of the date you became subject to these disclosure guidelines. In the case of employees appointed as a director or an “officer” for the first time, you must complete these obligations within 5 days of commencing that position with PGW.

Ongoing Disclosure

If you are an “officer” or director in PGW and you acquire or dispose of a relevant interest in PGW securities, you must complete a Disclosure Notice and return it to the Company Secretary within 5 trading days of you acquiring or disposing of the relevant interest, to enable the Company Secretary to file that Notice with NZX.

Disclosure Notices to be returned to the Company Secretary

If you are a director or “officer” it is your obligation to ensure that your completed Disclosure Notice is sent to the Company Secretary. The Company Secretary will forward the notice to NZX on your behalf and notify you it has been sent. It is your responsibility to ensure the Disclosure Notice is filed with the NZX on time, and accordingly to ensure the Company Secretary has confirmed to you before the requisite date for filing that the Disclosure Notice has been filed on your behalf. The Company Secretary is not responsible for any charge or fine you incur under law if your notice is not filed on time.

There is a legislative requirement that the Disclosure Notice be signed. Preferably, if you have an electronic signature, please complete the form and insert your electronic signature and email the form to the Company Secretary. Alternatively, if you do not have an electronic signature you should complete a hard copy of the form, sign it and send it by fax to the Company Secretary.

Period for which disclosure rules operate

The legislative disclosure rule requirements operate from the time you become an “officer” or director, as discussed above and **continue to operate until 6 months after you cease to be an “officer”** (for example, because you have resigned or changed role). You must therefore continue to file Disclosure Notices during that period.