

Securities Trading Policy

Status:	Final
Policy Owner:	General Manager – Strategy & Corporate Affairs
Policy Approver:	PGG Wrightson Board of Directors
Date of Last Approval:	February 2018

Securities Trading Policy

Purpose	This document details PGG Wrightson Limited's (PGW) insider trading policy on, and rules for dealing in PGW shares.
Scope	This policy applies to all Directors, senior managers, employees and contractors of PGG Wrightson Limited (PGW) and its subsidiaries and who intend to trade in PGW's financial products, which include shares.
Date of issue	February 2018
Review	Every two years on anniversary. Outside of the review, minor changes to this policy can be approved by the Chief Executive Officer or General Manager Strategy & Corporate Affairs.

Related Policies and Documents

Continuous Disclosure Policy

Financial Markets Conduct Act 2013

1. Policy Standards

1.1 Purpose

This document details PGW's policy on, and rules for dealing in Restricted Securities.

If you do not understand any part of this policy, or how it applies to you, you should raise the matter with the General Manager Strategy & Corporate Affairs before dealing with any securities covered by this Policy.

1.2 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 **Material Information** to others.

The prohibitions apply regardless of how you learn of the information, and regardless of why you are trading.

The prohibition on insider trading applies not only to information concerning PGW's Restricted 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.

1.3 Definitions

A person is an **information insider**¹ of a listed issuer if that person—

- a) has material information relating to PGW that is not generally available to the market; and
- b) knows or ought reasonably to know that the information is material information; and
- c) knows or ought reasonably to know that the information is not generally available to the market.

A listed issuer may be an information insider of itself.

Inside information² means the information in respect of which a person is an information insider of the listed issuer in question.

Material Information – see section 1.8

¹ section 234(1) FMCA 2013

² section 234(4) FMCA 2013

Restricted Securities are:

- 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.

Trade³ means to acquire or dispose of (except by inheritance or gift) securities.

1.4 Scope

This policy applies to all Directors, senior managers, employees and contractors of PGW and its subsidiaries and who intend to trade in PGW's Restricted Securities.

This policy 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 Restricted Securities through trusts or companies you control while you have material information.

In addition to this policy, 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).

1.5 Insider trading laws

1.5.1 If you are an information insider:

- **You must not trade PGW's Restricted Securities while in possession of Inside Information;**
- **You must not disclose inside information** directly or indirectly to another person (B) if you know or ought reasonably to know or believe that B will, or is likely to:
 - a. trade quoted financial products of PGW; or
 - b. advise or encourage another person (C) to trade or hold those products.
- **You must not advise or encourage** another person (B):
 - a. to trade or hold quoted financial products of PGW; or
 - b. to advise or encourage another person (C) to trade or hold those financial products.
- **You must not pass on 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.

1.5.2 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.

1.5.3 There are **no** 'safe' periods for trading in PGW Restricted Securities. You may **never** trade in PGW Restricted Securities if you have Inside Information.

³ Section 241(3) FMCA 2013

1.6 Market manipulation⁴

You must not make a statement or disseminate information if:

- i. a material aspect of the statement or information is false or the statement or information is materially misleading; and
- ii. you know or ought reasonably to know that a material aspect of the statement or information is false or that the statement or information is materially misleading; and
- iii. the statement or information is likely to:
 - a. induce a person to trade in quoted financial products; or
 - b. have the effect of increasing, reducing, maintaining, or stabilising the price for trading in those financial products; or
 - c. induce a person to exercise a voting right attached to a quoted financial product in a particular way, or to abstain from exercising such a right.

1.7 Confidential information

In addition to the above, you also have a duty of confidentiality to PGW. You must not reveal any <http://www.legislation.govt.nz/> 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.

1.8 What is “material information”?

1.8.1 Material Information⁵ in relation to a listed issuer, is information that:

- a. a reasonable person would expect, if it were generally available to the market, to have a material effect on the price of quoted financial products of the listed issuer; and
- b. relates to particular financial products, a particular listed issuer, or particular listed issuers, rather than to financial products generally or listed issuers generally.

Information is generally available to the market⁶:

- a. if—
 - i. it is information that 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 relevant financial products; and
 - ii. since it was made known, a reasonable period for it to be disseminated among those persons has expired; or
- b. if it is likely that persons who commonly invest in relevant financial products can readily obtain the information (whether by observation, use of expertise, purchase from other persons, or any other means); or
- c. if it is information that consists of deductions, conclusions, or inferences made or drawn from either or both of the kinds of information referred to in paragraphs (a) and (b).

⁴ Section 262 FMCA 2013

⁵ Section 231 FMCA 2013

⁶ Section 232 FMCA 2013

1.8.2 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).

1.9 What are some examples of Inside Information?

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

- a. the financial performance of PGW;
- b. a possible change in the strategic direction of PGW;
- c. the introduction of an important new product or service;
- d. a possible acquisition or sale of any assets or company by PGW;
- e. entry into or the likely entry into or termination or likely termination of material contracts or other business arrangements which are not publicly known;
- f. a possible change in PGW's capital structure;
- g. a change in the historical pattern of dividends;
- h. senior management changes;
- i. a material legal claim by or against PGW; or
- j. any other unexpected liability, which has not been released to the market.

1.10 Exceptions

This policy does not apply to:

- a. acquisitions and disposals by gift or inheritance;
- b. 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.

1.11 Defences to trading

There are a number of defined situations which provide a defence and encourage legitimate trading. where you can establish and prove one of the following existed and was the reason for your trading activity when you held material information. These defences are outlined in full in the Financial Markets Conduct Act and include situations involving:

- a. Independent research or analysis;
- b. Where both parties to a transaction have equal information;
- c. Trading in accordance with a fixed trading plan;
- d. Where trading or disclosure is required by law;
- e. Underwriting agreements;
- f. Knowledge of a person's own intentions or activities;
- g. Advisers and agents acting on instructions;
- h. Certain takeover related activities;
- i. Certain derivative related activities;
- j. Schemes of arrangement;
- k. Redemption of managed investment products.

1.12 The Exceptions

The following exceptions apply to the 4 prohibitions outlined under the heading Insider trading laws in section 1.5 of this policy.

The **information 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.

1.13 Short term trading discouraged

You should not engage in short term trading (the buying and selling of Restricted Securities within a three month period), unless there are exceptional circumstances discussed with and approved by the General Manager Strategy & Corporate Affairs.

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.

1.14 If in doubt, don't

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!

1.15 Breaches of policy

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.

1.16 Monitoring of trading

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

1.17 Application of policy

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

This policy should be read in conjunction with the Continuous Disclosure Policy.

2. Clarification and Breaches

2.1 Clarification

If you require any clarification in respect of this policy, contact the General Manager Strategy & Corporate Affairs.

2.2 Breaches of policy

Compliance with this policy is monitored by the General Manager Strategy & Corporate Affairs.

2.3 Exceptions

Any exceptions to this policy must be approved by the Board of Directors.

3. 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 PGG Wrightson Limited and its subsidiaries;
2. the Chief Executive and all senior managers of PGG Wrightson Limited and its subsidiaries (all Chief Executive direct reports);
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 General Manager Strategy & Corporate Affairs 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.

3.1 Blackout Periods

Restricted Persons must not trade in **Restricted Securities** during any of the following blackout periods:

- from PGW’s half-year balance date (31 December) until the first trading day after the release of the half year results to the NZX;
- from PGW’s year-end balance date (30 June) until the first trading day after the release of the full year results to the NZX; and
- any other period that the General Manager Strategy & Corporate Affairs specifies from time to time.

The General Manager Strategy & Corporate Affairs has discretion to reduce or extend (conditionally or unconditionally) the blackout periods.

Outside the black-out periods specified above, Restricted Persons who do **not** possess Inside Information may trade in PGW Restricted Securities subject to the notification and consent requirements set out in 3.3 and 4 below.

3.2 Exceptional Circumstances

If a **Restricted Person** needs to trade in **Restricted Securities** during a blackout period due to exceptional circumstances, the **Restricted Person** may seek an exemption from the General Manager Strategy & Corporate Affairs to trade in **Restricted Securities** (using the Request for Consent to Trade in Listed Securities form).

In the case of proposed trading during a blackout period by a director or the Chief Executive, the Request for Consent form must be signed by the Chair or, in his or her absence, the Chair of the Audit Committee. In the case of proposed trading by the Chair, the Request for Consent form must be signed by the Chair of the Audit Committee.

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 otherwise than by selling the Restricted 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 his or her sole discretion.

If a waiver is granted to trade during a blackout period, the **Restricted Person** will be notified in writing (which may include notification via email) and in each circumstance the duration of the waiver to trade in **Restricted 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 prior to 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).

3.3 Trading outside Blackout Periods

Before trading in Restricted Securities at any time outside of a blackout period, **Restricted Persons** must, in writing:

- notify the General Manager Strategy & Corporate Affairs of their intention to trade **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**.

In the case of proposed trading by a director or the Chief Executive, the Request for Consent form must be signed by the Chair or, in his or her absence, the Chair of the Audit Committee. In the case of proposed trading by the Chair, the Request for Consent form must be signed by the Chair of Audit Committee.

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.

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

4. 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 General Manager Strategy & Corporate Affairs. 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 General Manager Strategy & Corporate Affairs to consider.

The applicant will be told whether permission is given within 5 days of the date they deliver their application.

4.1 When permission will be given

Permission will only be given if the Chairman, Board director or the General Manager Strategy & Corporate Affairs 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 3 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.

4.2 Requirements after trading

A **Restricted Person** must advise the General Manager Strategy & Corporate Affairs promptly following completion of any trade, and the **Restricted Person** must comply with any disclosure obligations he or she has under the FMCA.

Remember - if you are ever in any doubt about how these Rules apply to you, you should consult the General Manager Strategy & Corporate Affairs. You may also consult your own legal adviser.

5. Disclosure under the Financial Markets Conduct Regulations Additional Disclosure Obligations for Directors and Senior Managers

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

A senior manager is defined in the FMCA 2013 as follows: **senior manager** means a person who is not a director but occupies a position that allows that person to exercise significant influence over the management or administration (for example, a chief executive or a chief financial officer). PGW considers all direct reports to the CEO to be senior managers. If you are unsure whether or not you are a senior manager 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 a senior manager 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 under New Zealand legislation.

5.1 Initial Disclosure

On the date you are appointed, each director and senior manager **who holds a relevant interest in PGW's Restricted 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 General Manager Strategy & Corporate Affairs.

A "relevant interest" in PGW Restricted 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 Restricted Securities please contact the General Manager Strategy & Corporate Affairs.

If you are a director or senior manager you must complete a Disclosure Notice and return it to the General Manager Strategy & Corporate Affairs to enable the General Manager Strategy & Corporate

Affairs 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 a senior manager for the first time, you must complete these obligations within 5 days of commencing that position with PGW.

5.2 Ongoing Disclosure

If you are a senior manager 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 General Manager Strategy & Corporate Affairs within 5 trading days of you acquiring or disposing of the relevant interest, to enable the General Manager Strategy & Corporate Affairs to file that Notice with NZX.

5.3 Disclosure Notices to be returned to the General Manager Strategy & Corporate Affairs

If you are a director or senior manager it is your obligation to ensure that your completed Disclosure Notice is sent to the General Manager Strategy & Corporate Affairs. The General Manager Strategy & Corporate Affairs 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 General Manager Strategy & Corporate Affairs has confirmed to you before the requisite date for filing that the Disclosure Notice has been filed on your behalf. The General Manager Strategy & Corporate Affairs 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 General Manager Strategy & Corporate Affairs. Alternatively, if you do not have an electronic signature you should complete a hard copy of the form, sign it, scan it and email to the General Manager Strategy & Corporate Affairs.

5.4 Period for which disclosure rules operate

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

Request for Consent to Trade in Listed Securities

To: The General Manager Strategy & Corporate Affairs, PGG Wrightson

In accordance with PGG Wrightson's Securities Trading Policy, Additional Trading Restrictions for Restricted Persons, I request PGG Wrightson's consent be given to the following proposed transaction to be undertaken either by me or persons associated with me, within 10 trading days of approval being given. I acknowledge PGG Wrightson 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: _____

Description and number of securities: _____

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

To be transacted: On NZX / Off-market trade / Other (specify) _____

Likely date of transaction (on or about): _____

I declare that I do not hold information which:

- is not generally available to the market; and
- would have a material effect on the price of PGG Wrightson's listed securities if it were generally available to the market.

I do not intend to sell the securities within 6 months of purchase

I believe that the sale or purchase of the securities will be at the fair value of the securities.

I know of no reason to prohibit me from trading in PGG Wrightson's listed securities and certify that the details given above are complete, true and correct.

Signature

Date

PGG Wrightson 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 of the date of this consent, and in compliance with PGG Wrightson's Securities Trading Policy and Additional Trading Restrictions for Restricted Persons.

Name on behalf of PGG Wrightson

Date