

Goodwood Capital Limited

Financial Products Trading Policy and Guidelines

Date adopted: 27 October 2020.

Version: 1

GOODWOOD CAPITAL LIMITED

FINANCIAL PRODUCTS TRADING POLICY AND GUIDELINES

Scope of Policy

This Goodwood Capital Limited (*GWC or Company*) policy applies to all directors, officers, employees and temporary contractors of the Company and its subsidiaries, and any trusts and companies controlled by them, who intend to trade in GWC'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.

Executive Summary

Under the Financial Markets Conduct Act 2013 (*FMCA*), it is illegal for any person holding price sensitive, confidential information about a company (referred to in the FMCA as an *information insider*) to trade that company's shares or other securities. This behaviour is called *insider trading*.

The policy adopted by GWC is that if you wish to trade in the Company's shares or other issued securities, you must not do so if you are an information insider. This policy also prohibits distributing information or engaging in trades which may constitute *market manipulation* under the FMCA (this is explained in further detail in the Appendix). In addition you must first apply to the Company for written consent to do so.

The detailed policy and procedure in respect of these rules is set out in Appendix A which forms part of this Securities Trading Policy and Guidelines document.

Purpose of this Document

The purpose of this document is twofold: to detail and explain the insider trading and market manipulation provisions of the Financial Markets Conduct Act 2013, as well as to provide a process for considering conduct by Directors, officers, employees and contractors who may be in breach of this policy.

These rules apply to dealing in the following securities (referred to in this document and the Appendix as *Restricted Securities*):

- ordinary shares or convertible notes issued by GWC and other listed securities of GWC; and
- quoted derivatives in respect of any such securities.

The requirements imposed by this policy are separate from, and in addition to, the legal prohibitions on insider trading in New Zealand and any other country where those securities may be listed.

If you do not understand any part of this policy, or how it applies to you, you should raise the matter with the Chief Executive Officer before dealing with any securities covered by this policy.

WARNING – FUNDAMENTAL RULE – INSIDER TRADING IS

If you have any material information (as defined below), it is illegal for you to:

- trade the Company's Restricted Securities;
- advise or encourage another person to trade or hold the Company's Restricted Securities;

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

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 illegal trading.

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 the Company's Restricted Securities. If a person has material information in relation to listed securities of another listed company (including futures contracts listed on an authorised futures exchange), that person must not trade in those securities.

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, would have a material effect on the price of GWC's Restricted Securities.

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).

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

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

What are some examples of material information?

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

- the financial performance of the Company;
- a possible change in the strategic direction of the Company;
- the introduction of an important new product or service;
- a possible acquisition or sale of any assets or company by the Company;
- 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 the Company's capital structure;
- a change in the historical pattern of dividends;
- senior management changes;
- a material legal claim by or against the Company; or
- any other unexpected liability.

Exceptions

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.

Confidential information

In addition to the above, you also have a duty of confidentiality to GWC. This duty of confidentiality will continue to apply, even if you have ceased being employed by the Company. You must not reveal any confidential information concerning the Company to a third party (unless that third party has signed a confidentiality agreement with the Company 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 the Company, or use confidential information to gain an advantage for yourself. You should ensure that external advisers keep Company information confidential.

Short term trading discouraged

You should not engage in short term trading of Restricted Securities unless there are exceptional circumstances discussed with and approved by the Chief Executive Officer.

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.

HEALTH WARNING ... 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!

Breaches of policy

Strict compliance with this policy is a condition of employment, both within GWC and on the Company's board of directors (*Board*). All suspected breaches of this policy should be reported to a member of the Board or senior management – the identity of anyone making such a report will be protected at all stages in the course of any internal investigation. Any determined breaches of this policy will be subject to disciplinary action, which may include termination of employment.

The Board has an obligation to report any breaches of this policy to NZX Regulation as soon as practicable after becoming aware of the breach.

Monitoring of trading

The Company may monitor the trading of Restricted Securities of directors, officers, employees and temporary contractors of the Company as part of the administration of this policy.

Application of policy

The Board 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 memo to you or by posting on the Company's intranet.

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

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APPENDIX A

Persons covered by GWC's Trading Restrictions

The trading restrictions set out below apply to all *Restricted Persons* defined as the following:

- all directors, officers and employees of the Company and its subsidiaries;
- all temporary or permanent contractors of the Company and its subsidiaries who have access to material information;
- all trusts and companies controlled by such persons.

Employees, directors, officers and contractors 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.

The restrictions also apply to every Director and senior manager¹ for a period of 6 months after that person ceases to be a Director or senior manager.

Trading restrictions for Restricted Persons

Restricted Persons are prohibited from trading in any Restricted Securities during the following specific *black-out* periods:

- Two weeks before 30 September until 48 hours after the half-year results are released to NZX;
- Two weeks before 31 March until 48 hours after the full-year results are released to NZX; and
- 30 days prior to release of an offer document (such as a product disclosure statement or prospectus) for a general public offer of the same class of Restricted Securities.

Restricted Persons are not permitted to deal in any Restricted Securities during a black-out period unless there are exceptional circumstances and they have received consent in accordance with the requirements set out in this policy. Outside the black-out periods specified above, Restricted Persons may deal in Restricted Securities subject to the notification and consent requirements outlined in this policy.

Please note that in all cases if you hold material information, you must not trade Restricted Securities at any time.

Market manipulation

Engaging in behaviour which constitutes *market manipulation* is prohibited by the Financial Markets Conduct Act 2013 (*FMCA*). Penalties for breaching the market manipulation provisions contained in the FMCA may include criminal liability, fines and imprisonment.

¹ *Senior manager* is as defined in the Financial Markets Conduct Act 2013.

It is possible to commit market manipulation inadvertently, for example, in circumstances where a person ought to have known that their behaviour could be construed as market manipulation. As such, directors, officers, employees and contractors of GWC should:

- (a) familiarise themselves with types conduct which could be considered market manipulation; and
- (b) take active steps to avoid disseminating information or trading securities in ways which could be construed as market manipulation.

The types of behaviour which could be categorised market manipulation include:

- *Misleading information*: you must not make a statement or disseminate information concerning GWC (or any other publicly listed entity) if this is materially false or misleading, where that statement would likely affect a person's decision to trade or exercise a voting right (including abstentions from doing so).
- *Misleading trading*: you must not do, or omit to do, anything which will have (or will likely have) the effect of creating a misleading appearance of supply, demand, price or value of securities in GWC (or any other publicly listed entity). This could include:
 - 1 *Wash trades*: sale and purchase of securities where there is no change in actual ownership of the security, e.g. from one company to another, where both companies are owned or controlled by the same person;
 - 2 *Improper matched orders*: transactions where both buy and sell orders are entered at the same time, with the same price and quantity by different colluding parties;
 - 3 *Advancing the bid*: increasing the bid for a security to increase its price;
 - 4 *Marking the close*: buying or selling securities at the close of market in order to affect the closing price of the security concerned;
 - 5 *Pump and dump*: engaging in buying activity which results in increasingly higher prices for securities, followed by selling the securities at the higher prices.

If you are in doubt as to whether your communications or trading activity could be construed as market manipulation, you should consult the Chief Executive Officer before trading or sharing information concerning the Company with external parties.

Requirements before trading

Before trading in Restricted Securities, at any time, the persons to whom these restrictions apply must, in writing:

- notify the Chief Financial Officer of their intention to trade in Restricted Securities, and seek consent to do so on the attached form;
- confirm that they do not hold material information; and
- confirm that there is no known reason to prohibit trading in any Restricted Securities.

Any consent given by the Company in accordance with this procedure 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.

Requirements after trading

A person to whom these restrictions apply must advise the Chief Financial Officer promptly following completion of any trade, and the person to whom these restrictions apply must comply with any disclosure obligations it has under the FMCA and the NZX listing rules.

REQUEST FOR CONSENT TO TRADE IN RESTRICTED SECURITIES

To: The Chief Financial Officer, Goodwood Capital Limited

In accordance with the Company's Financial Products Trading Policy and Guidelines, I request the Company'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 the Company is not advising or encouraging me to trade or hold securities and does not provide any securities recommendations.

Name:	
Name of registered holder transacting (if different):	
Address:	
Position:	
Description and number of Restricted 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 at the time of trading; and
- would have a material effect on the price of the Company's Restricted Securities if it were generally available to the market.

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

Signature

Date

The Company hereby **does/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 the Company's Financial Products Trading Policy and Guidelines.

Name:

Date

on behalf of **Goodwood Capital Limited**