



# Insider Trading Policy

**THIS POLICY APPLIES TO ALL DIRECTORS, SENIOR MANAGERS AND EMPLOYEES OF ALL MEMBER COMPANIES OF THE SPARK NEW ZEALAND GROUP WHO INTEND TO TRADE IN SPARK NEW ZEALAND SECURITIES.**

More specific and stringent rules (Additional Rules for Restricted Persons) ("**Additional Rules**") also apply to trading in Spark New Zealand Securities by directors and certain employees of the Spark New Zealand Group. The Additional Rules form part of this Policy and are set out in the Appendix.

## Statement

Spark New Zealand Limited ("**Spark New Zealand**") is committed to complying with all legal and statutory requirements. New Zealand, Australian and United States legal requirements make it unlawful to trade in Spark New Zealand Securities while in possession of Inside Information.

No Restricted Person (as defined in the Additional Rules) or employee may trade in Spark New Zealand Securities, or the financial products of any other issuers, or encourage others to do so, while in possession of Inside Information.

Confidential information should not be disclosed, directly or indirectly, to third

parties unless those persons are covered by express or implied duties of confidentiality.

In this Policy:

- "**trade**" includes, acquiring (which includes obtain by buying, subscribing or taking an assignment or transfer) or disposing of Spark New Zealand Securities or agreeing to do so, whether as principal or agent.
- "**Spark New Zealand Securities**" means any Spark New Zealand or Spark New Zealand subsidiary shares, debt securities, options, derivatives, debentures and American Depositary Shares.

Spark New Zealand Securities include:

- ordinary shares of Spark New

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- Zealand listed on the NZX or ASX;
- Spark Finance Limited debt securities (including bonds) listed on the NZX or Luxembourg Stock Exchange;
- Spark New Zealand American Depositary Shares; and
- any other listed financial products of Spark New Zealand or its subsidiaries, and any options, derivatives or other financial products issued or created over or in respect of any financial products of Spark New Zealand or its subsidiaries that are listed on an exchange.

The Insider Trading Policy applies to any trading in which you are involved or instrumental, whether or not the Spark New Zealand 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.

Note that insider trading rules apply to financial products in other companies as well – information you come across at Spark New Zealand could restrict your ability to trade in financial products of other organisations.

### Exception

Nothing in this Policy precludes a Restricted

Person or employee in possession of Inside Information from:

- acquiring Spark New Zealand shares under Spark Share, the Spark New Zealand Employee Share Purchase Scheme; or
- acquiring options or Spark New Zealand shares under the Spark New Zealand Long Term Incentive Schemes.

You **should** follow the guidance in this Policy to reduce any risk of liability for insider trading.

## Guidance

Fundamental Rule - No trading may be done while in possession of Inside Information

This is the primary rule under the insider trading laws. If you have any Inside Information, it is illegal for you to:

- trade in Spark New Zealand Securities;
- procure, advise or encourage another person to trade in or hold Spark New Zealand Securities;
- procure, advise or encourage a person to procure, advise or encourage another person to trade in or hold Spark New Zealand Securities; or
- directly or indirectly communicate, or pass on the Inside Information to anyone

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else – including colleagues, family, friends, nominees, partners, and trusts or companies you control – knowing, or where you ought reasonably to have known, that the other person will or is likely to use that information to trade, or hold, or procure, advise or encourage someone else to trade, or hold, Spark New Zealand 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 Spark New Zealand, for any loss suffered as a result of illegal trading.

The Insider Trading Policy restricts trading in Spark New Zealand Securities. It does not replace your legal obligations. You should be aware that insider trading laws relate to a broad range of financial products including interests in managed investment schemes, superannuation products, and other financial products which are able to be traded on a financial market. If you have inside information concerning financial products (including the financial products described, for example, information about a third party you become aware of as part of a project involving Spark New Zealand) insider trading laws will apply to your conduct in relation to those financial products. You should satisfy yourself of compliance with

insider trading laws before making any decisions in relation to those financial products.

What is “Inside Information”?

“**Inside Information**” is information in respect of which a person is an information insider of Spark New Zealand. An “**information insider**” is a very broad term which captures any person that:

- has material information that is not generally available to the market; and
- knows or ought to reasonably know the information is material information and not generally available to the market.

Information is “**material information**” if it is:

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

Information is “**generally available**” if it is:

- readily obtainable by persons who commonly invest in financial products;
- made known to people who commonly invest in financial products in a manner

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that would likely bring it to their attention (such as by NZX or ASX announcements) and since it was made known, a reasonable period for it to be disseminated among such persons has elapsed; or

- a deduction, conclusion or inference made or drawn from either or both of the above kinds of information.

It does not matter how you come to know the Inside 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 includes rumours, matters of supposition, intentions or likely intentions of a person (including Spark New Zealand or its subsidiaries), and information, which is insufficiently definite to warrant disclosure to the public.

What are some examples of Inside Information?

The following list is illustrative only. Inside Information could include information, which has not been released to the market, concerning:

- an unannounced upcoming performance announcement, especially if it contains unexpected results;
- the unannounced imminent introduction of an important new product or service;
- a possible change in the strategic direction of Spark New Zealand;

- a possible acquisition or sale of any material assets or company by Spark New Zealand;
- 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 Spark New Zealand's capital structure;
- a change in the historical pattern of dividends;
- executive management changes;
- a material legal claim by or against Spark New Zealand;
- major new regulation of Spark New Zealand or any of its businesses; or
- any other material and unexpected liability.

If you have knowledge of any of these matters or any other information likely to affect the price or value of Spark New Zealand Securities in the market, or you can procure a decision whether or not to trade in the Spark New Zealand Securities, you should not trade in those Spark New Zealand Securities until such matters become public knowledge and a reasonable period for the information to be disseminated has elapsed.

Short term trading should be avoided

Short term trading is buying and selling Spark New Zealand Securities over a very

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short time period (within a three month period). You should not engage in short term trading unless there are exceptional circumstances discussed and approved by the Company Secretary. If you did this in relation to Spark New Zealand Securities it might give rise to allegations of insider trading, particularly if short term trading is undertaken on a regular basis, in large amounts, or around important events which affect the price of the Spark New Zealand Securities. These events may not be expected or known by you, but if they do occur your short term trading may be viewed adversely with the benefit of hindsight. Therefore, to reduce the risk of an allegation of insider trading, do not trade in Spark New Zealand Securities on a short term basis.

### Short selling should be avoided

Short selling is a legitimate technique used by traders who believe that the market price of a security is likely to fall. They will borrow the security and sell it in the hope that they will be able to buy the security back at a lower price at some point in the future and close out their short position at a profit. Short selling has a speculative element that may be seen as an indication that the person engaging in such activity is taking advantage of either positive or negative information that has not been released to or fully absorbed by the market. Short selling by you may give the market a

negative message that your interest is not aligned with long-term investors or that you have a low level of confidence in the prospects of Spark New Zealand. Therefore, to reduce the risk of an allegation of insider trading, do not short sell Spark New Zealand Securities, including the use of derivatives to short sell Spark New Zealand Securities.

### Margin lending and other secured financial arrangements

Employees are prohibited from entering into margin lending and other secured financing arrangements in respect of Spark New Zealand Securities.

### Spark New Zealand Employees' Participation in the Spark New Zealand Dividend Reinvestment Plan (DRP)

Spark New Zealand employees who participate in the Spark New Zealand DRP should be aware that the acquisition of shares under the Spark New Zealand DRP while in possession of Inside Information is caught by the definition of trading in Spark New Zealand Securities for the purposes of the Insider Trading regime.

If you have Inside Information you should cease your contributions to the DRP as soon as you become aware of that Inside Information by giving written notice to Link Market Services. You can recommence your contributions to the DRP once the information is no longer Inside Information

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(for example, once the Inside Information has been released publicly). Please note that while we consider it important to be aware of potential Inside Information, it is likely that most Spark New Zealand employees will not have Inside Information and will be able to participate in the Spark New Zealand DRP without needing to cease contributions to the Scheme.

### 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 or it may give rise to the public drawing adverse inferences as to Spark New Zealand's conduct. If in doubt, don't.

### Trading/Issue/Exercise Periods

There are **no** 'safe' periods for trading in Spark New Zealand Securities. You may **never** trade in Spark New Zealand Securities if you have Inside Information.

### Don't "tip" or encourage trading by others

You should not either directly or indirectly advise or encourage any person to trade in Spark New Zealand Securities when you are in possession of Inside Information. You should take particular care not to "tip", which means to directly or indirectly communicate or cause to be communicated

Inside Information to those who you know or suspect are likely to trade in or otherwise hold Spark New Zealand Securities or to procure others to trade in or otherwise hold Spark New Zealand Securities. You could be liable in respect of trading by these people.

You cannot avoid the insider trading laws by trading in Spark New Zealand Securities through companies or trusts you control. If the companies or trusts that you control trade in Spark New Zealand Securities while you have Inside Information, you will be deemed to have procured the company or trust to trade in Spark New Zealand Securities, exposing yourself and the company or trust to liability.

In addition, you should not trade in or procure, advise or encourage others to trade in, or tip, with respect to, financial products of another company if you have Inside Information about that other company.

Spark New Zealand Inside Information should only be disclosed to other Spark New Zealand personnel on a "need to know" basis

Inside Information should not be freely discussed by employees other than for work purposes. The "need to know" rule is part of Spark New Zealand's general security policy. This will reduce the flow of Inside Information within Spark New Zealand and help lessen the risk of insider trading.

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No Spark New Zealand Inside Information should be disclosed to third parties unless those third parties are covered by express or implied duties of confidentiality

Implied duties of confidentiality arise for example with respect to disclosure to legal advisers for the purposes of obtaining legal advice, on (say) a proposed acquisition of another company. Express obligations will arise where specific confidentiality agreements are entered into to cover disclosure in specific instances. You are also referred to Spark New Zealand's Disclosure Policy.

This policy applies whether the trading is to be done in New Zealand or overseas and whether or not the trading relates to Spark New Zealand's New Zealand or foreign financial products

Remember - if in doubt consult the Company Secretary or your own legal adviser.

### **Ownership**

This is a Chief Executive Policy that is owned by the Company Secretary. It will be updated annually or as otherwise required or necessary.

### **Publishing Date**

July 2019

# Additional Rules for Restricted Persons

## Application

These Rules are in addition to New Zealand and Australian legislative requirements and apply to:

1. All Directors of Spark New Zealand;
2. The Chief Executive;
3. All members of the Leadership Squad/Team;
4. All Tribe Leads, Chapter Area Leads, Channel and Delivery Unit Leads, Subsidiary Leads, and Centres of Excellence Leads ;
5. All members of each Centre of Excellence ;
6. All staff (such as IT staff) who may have access to a member of the Leadership Squad/Team email or document folders\*; and
7. All other people designated by the Spark New Zealand Company Secretary. Such designation may be by name, position or business group and shall be for such period of time as determined by Spark New Zealand's Company Secretary.

\* If you are unsure as to whether these Rules apply to you, you should contact Spark New Zealand's Company Secretary.

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.

## Black-out period

Restricted Persons are prohibited from trading in any Spark New Zealand Securities during the following specific "black-out" periods:

- from Spark New Zealand's half-year balance date (31 December), until the first trading day after the release of half-year results to the Stock Exchanges;
- from Spark New Zealand's year end balance date (30 June), until the first trading day after the release of full-year results to the Stock Exchanges; and
- such other period as determined by the Company Secretary and notified to Restricted Persons.

Restricted Persons are not permitted to trade in any Spark New Zealand Securities during a black-out period unless the Company Secretary provides a specific exemption in exceptional circumstances.

Outside the black-out periods specified above, Restricted Persons who do **not** possess Inside Information may trade in Spark New Zealand Securities subject to the notification and consent requirements set



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out below.

**Exceptional Circumstances** may include:

(i) where the Restricted Person is in severe financial hardship; or (ii) where the Restricted Person is required by a court order or other court enforceable undertaking to transfer or sell Spark New Zealand Securities.

A person may be in severe financial hardship if he or she has a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant Spark New Zealand Securities. A liability of such a person to pay tax would not normally constitute severe financial hardship unless the person has no other means of satisfying the liability. A circumstance will be considered exceptional if the person in question is required by a court order to transfer or sell the Spark New Zealand Securities or there is some other overriding legal requirement for him or her to do so.

***Please note that, subject to the exception in this Policy for acquiring, rights or shares under certain Spark New Zealand employee incentive schemes, if you possess Inside Information you must not trade in Spark New Zealand Securities at any time – regardless of these periods.***

## Consent

1. Before trading in Spark New Zealand Securities (or having Spark New Zealand Securities traded in your name or on your behalf), at any time, Restricted Persons must:

- notify the Company Secretary of their intention to trade in Spark New Zealand Securities and seek consent to do so (using the Consent to Trade Form);
- confirm that they do not possess Inside Information;
- confirm that there is no known reason to prohibit trading in any Spark New Zealand Securities; and
- where Exceptional Circumstances exist and the Restricted Person wishes to trade inside a black-out period, specify the nature of the Exceptional Circumstances.

By way of example, consent is required should you wish to:

- acquire or dispose of Spark New Zealand shares or American Depositary Shares (including a disposal of shares that have been acquired through the exercise of options or the vesting of shares under a Spark New Zealand employee incentive scheme and including if such disposal is to pay for a tax liability);
- trade in Spark Finance Limited debt securities (including bonds) listed on the NZX or Luxembourg Stock Exchange;
- otherwise trade in Spark New Zealand

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shares or American Depositary Shares (e.g. gifting of shares to a family member, transferring shares to a trust); or

- participate in the Dividend Reinvestment Plan following the declaration of a dividend.

\*N.B. All trading involving:

1. *Spark New Zealand Directors; or*
2. *Greater than 100,000 shares/ options, must be approved by the Chairman of the Spark New Zealand Board. The completed Consent to Trade Form should be submitted to the Spark New Zealand Company Secretary.*

Consent is **not** required should you:

- acquire Spark New Zealand shares through the vesting of your restricted shares under the Spark New Zealand Share Scheme or the Spark New Zealand Long Term Incentive Scheme;
- acquire Spark New Zealand shares by electing to exercise your options granted under the Spark New Zealand Long Term Incentive Scheme;
- acquire Spark New Zealand shares under the Spark New Zealand Employee Share Purchase Scheme;
- cease to participate in the DRP because you are in possession of Inside Information;
- acquire Spark New Zealand shares through a pro rata rights issue;

- dispose of Spark New Zealand shares through the acceptance of a takeover offer under the Takeovers Code; or
- dispose of Spark New Zealand shares through a pro rata share buyback or cancellation of shares by a scheme of arrangement.

Consent is also not required should your restricted shares or options granted under a Spark New Zealand employee incentive scheme lapse or be forfeited or redeemed.

A consent is only valid for a period of 10 trading days after notification. Further consent is required for tradings in Spark New Zealand Securities which will be completed more than 10 trading days after a previous consent was given. A consent is automatically deemed to be withdrawn if the person becomes aware of Inside Information prior to trading.

2. Permission will only be given if the Spark New Zealand Company Secretary or the Spark New Zealand Chairman, as appropriate, is reasonably satisfied as to the following:

- the decision to trade in the Spark New Zealand Securities has not been made on the basis of Inside Information;
- the information provided in the Consent to Trade Form is true; and
- Exceptional Circumstances exist in the case of a Restricted Person seeking

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Permission to trade inside a black-out period.

3. Permission to trade, if it is granted, will be provided by way of letter or email.
4. Any permission to trade can be given or refused by Spark New Zealand in its discretion, without giving reasons.
5. Permission to trade can be withdrawn if new information comes to light or there is a change in circumstances.
6. Spark New Zealand's decision to refuse permission is final and binding on the Restricted Person seeking the permission.
7. If permission to trade is refused, the Restricted Person seeking the permission must keep that information confidential and not disclose it to anyone.

### Notification of Trading

Once trading is complete this must be disclosed to Spark New Zealand's Company Secretary.

### Hedging and other Tradings

Restricted Persons are prohibited from entering into hedging arrangements to limit their exposure in relation to "at-risk" remuneration (meaning unvested shares, options or rights issued or acquired under

the Spark New Zealand employee incentive schemes where performance hurdles have not yet been achieved or other conditions have not yet been met). A Restricted Person shall not enter into any transaction (including any hedging or derivative transaction) which will limit that person's economic risk in relation to such unvested shares, options or rights.

### Status of Rules

Failure to comply with these requirements will be treated seriously. Full and accurate disclosure of all relevant facts must be made when completing the Consent to Trade Form.

These Additional Rules form part of the "Insider Trading Policy" which applies to all Directors, "Senior Managers" and employees.

### Additional Disclosure Requirements for Directors and Senior Managers

If you are:

1. a director of Spark New Zealand Limited or Spark Finance Limited;
2. the Chief Executive; or
3. a direct report to the Chief Executive, you may have additional disclosure requirements if you trade in Spark New Zealand financial products. Please see the Additional Disclosure Requirements for

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Directors and Senior Managers for a detailed description of your legal obligations.