



Tower Limited

# Insider Trading and Market Manipulation Policy

September 2023



## Document Information

<b>Policy Name</b>	Tower Limited Insider Trading and Market Manipulation Policy
<b>Policy Type</b>	Board Policy
<b>Policy Preparer</b>	Corporate Governance Counsel
<b>Policy Owner</b>	Board Chair
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## Document History

Version	Date	Changes	Reason for change	Author	Date Approved
1.0	Aug 2010	<ul style="list-style-type: none"> <li>Reformatted</li> <li>Version control added</li> <li>Minor wording updates</li> <li>External legal review</li> </ul>		Gillian Weavers	August 2010
2.0	May 2015	<ul style="list-style-type: none"> <li>Reflecting new operating model</li> <li>External legal review</li> <li>Change to definition of "Restricted person" and limitation of Blackout period to only apply to Restricted persons.</li> <li>Change to definition of blackout period</li> </ul>		Robyn Cory-Wright/ Angela Laurenson	May 2015
3.0	Sep 2017	<ul style="list-style-type: none"> <li>Amend version, preparer and owner</li> <li>General grammar, formatting and consistency with other Tower policies</li> <li>Update for compliance with the NZX Corporate Governance Code, NZX Listing Rules, Listed Companies Association Securities Trading Policies Guidelines, and Financial Markets Conduct Act 2013</li> <li>Update to reflect current teams and titles</li> </ul>	Review	Lara Teesdale	September 2017
4.0	Sep 2019	<ul style="list-style-type: none"> <li>Amend version and preparer</li> <li>Document reformatted and sections re-organised</li> </ul>	Review	Hannah Snelling	September 2019
5.0	Nov 2021	<ul style="list-style-type: none"> <li>General grammar, formatting and consistency with other Tower policies</li> <li>Update to process for approval of trading</li> </ul>	Review	Fabrizio Ferraro	November 2021
6.0	Sep 2023	<ul style="list-style-type: none"> <li>General grammar, formatting and consistency with other Tower policies</li> </ul>	Review	Arna Neems	September 2023



## 1. Purpose and Scope

- 1.1. This Policy sets out Tower Limited's expectations and requirements for financial product dealing. It intends to protect Tower Limited (**Tower**), its directors and employees from the risk of breaching insider trading and market manipulation laws, and to provide for appropriate disclosures. This Policy is intended to be read in conjunction with, and is subordinate to, the legal and regulatory requirements and prohibitions in New Zealand, Australia and any other country in which Tower securities may be listed.
- 1.2. This Policy applies to all executive and non-executive directors, officers, employees, consultants and contractors of Tower and its subsidiaries and to related parties of Restricted Persons. Additional rules apply to Restricted Persons.)
- 1.3. While this Policy only refers to Tower Restricted Securities, insider trading rules also apply to securities in other public issuers where material information is known about these securities. Information you come across at Tower may restrict your ability to trade in the securities of other listed issuers.
- 1.4. If you do not understand any part of this Policy, or how it applies to you, you should raise the matter with your people leader or the Chief Risk Officer before dealing in any securities covered by this Policy.
- 1.5. This Policy applies if you:
  - a. have access to Material Information; or
  - b. trade in Tower Restricted Securities (either on your own account or as part of your job); or
  - c. trade in any other listed securities for which you have access to Material Information.

## 2. Definitions

- 2.1. In this Policy:

**Blackout Period** has the meaning in paragraph 3.18.

**Insider Trading** has the meaning set out in paragraph 3.1.

**Material Effect** will vary depending on the characteristics of Tower and the Tower Restricted Securities. NZX Limited (**NZX**) will generally treat a price movement of 10% or more as evidence that information has had a material effect on the price of Tower Restricted Securities. Price movements between 5% and 10% may be considered evidence of a material effect if Tower Restricted Securities are highly liquid or Tower has a large market capitalisation. Whether information will have a material effect on price will be determined on a case-by-case basis.

**Material Information** is any information that is not generally available to the public and that, if the information were generally available, a reasonable person would expect to have a Material Effect on the price or value of the Tower Restricted Securities or on a decision to buy or sell the Tower Restricted Securities. Information is generally available to the public if it has been released as an NZX announcement, or investors that commonly invest in Tower's listed securities can readily obtain the information (whether by observation, use of expertise, purchase or other means). See further guidance in paragraphs 3.6-3.10.



**Restricted Person** means any of those categories of persons listed in paragraph 3.16 of this Policy.

**Tower Restricted Securities** means:

- a. Tower's ordinary shares;
- b. options to subscribe for new Tower shares and options over existing Tower shares; and
- c. any other listed securities of Tower or its subsidiaries, and any listed derivatives (including structured financial products, swaps, contracts for differences, spread bets, warrants, depositary receipts or futures contracts listed on an authorised futures exchange) in respect of Tower Securities, from time to time.

**Trade** includes buying or selling Tower Restricted Securities or agreeing to do so, whether as principal or agent and similarly includes an "intention to trade".

**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 of Tower (for example, Chief Executive Officer or Chief Financial Officer).

### 3. Policy Principles

#### Insider Trading

##### **Fundamental rule – insider trading is prohibited at all times**

3.1 If you have any Material Information, and you know or ought reasonably to know that:

- a. the information is Material Information; and
- b. the information is not generally available to the market, then:

it is a breach of this Policy (and illegal) for you to:

- a. trade Tower Restricted Securities to which the Material Information relates;
- b. advise or encourage another person to trade or hold Tower Restricted Securities to which the Material Information relates;
- c. advise or encourage a person to advise or encourage another person to trade or hold Tower Restricted Securities to which the Material Information relates; or
- d. directly or indirectly disclose the Material Information to anyone else - including colleagues, family, friends, trusts or companies you control or have influence over – knowing (or where you ought reasonably to know or believe) that the other person will, or is likely to use that information to trade or hold, or advise or encourage someone else to trade or hold, Tower Restricted Securities to which the Material Information relates.

3.2 Insider Trading prohibitions apply at all times regardless of how you learn of the information, and regardless of why you are trading or who does the trading based on your actions. The Insider Trading prohibitions apply even when the trading occurs outside a Blackout Period, or when approval to trade Tower Restricted Securities has been granted under paragraph 3.22

3.3 Where a person related to or closely connected with a Restricted Person undertakes trading in Tower Restricted Securities, there is often a presumption that such person has been privy to information



which is held by the Restricted Person. If that presumption is correct, both the Restricted Person and the other person may have engaged in insider trading. Even if that presumption is incorrect, such trading may create a perception of insider trading which is likely to be harmful to Tower's reputation and business.

- 3.4 Accordingly, to the extent that it is within the Restricted Person's power to do so, Restricted Persons should ensure that any Tower Restricted Securities trading which is prohibited by this Policy is not undertaken by their:
- a. spouse or partner (including a de-facto spouse or civil union partner);
  - b. immediate family members such as a parent, child (including a step child or adopted child), sibling, in-laws or other relative living in the Restricted Person's home or to whom material support is contributed;
  - c. a company or trust over which the Restricted Person has influence or control (regardless of who is the beneficiary);
  - d. a trust of which the Restricted Person is a beneficiary (other than a trust over which the Restricted Person exercises no control, i.e. a third person or entity exercises exclusive discretionary authority); and
  - e. any other person over whom a Restricted Person has investment control or influence.
- 3.5 The prohibition on insider trading does not only apply to information concerning Tower'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), that person must not trade in those securities.

### **Material Information**

- 3.6 Whether information is Material Information is an objective test, based on whether a reasonable person would expect the Material Information to have a Material Effect on the price or value of the Tower Restricted Securities.
- 3.7 A reasonable person would be taken to expect information to have a Material Effect on the price or value of securities if the information would, or would be likely to, influence a person who commonly invests in securities to either deal or not deal in securities in any way.
- 3.8 Please note 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).
- 3.9 Information includes matters of supposition, intentions of a person (including Tower), and information which is insufficiently definite to warrant disclosure to the public.
- 3.10 The following are some examples of Material Information. Material Information could include information concerning:
- a. the financial performance of Tower and its subsidiaries;
  - b. a transaction that will lead to a significant change in the nature or scale of Tower's activities;
  - c. a potential or actual change in the strategic direction of Tower;
  - d. the introduction of an important new product or service;
  - e. a potential or actual acquisition or sale of any assets or company by Tower;

- f. a potential or actual entry into, termination or variation of material contracts or other business arrangements which are not publicly known;
- g. a possible change in the company's capital structure;
- h. a change in the historical pattern of dividends;
- i. under subscriptions or over subscriptions to an issue of securities;
- j. Senior Management changes;
- k. a material legal claim by or against Tower;
- l. appointment of a receiver, manager or liquidator in respect of any loan or security held by Tower;
- m. regulatory changes directly affecting Tower, or the industries in which the Tower operates, or one of Tower's competitors;
- n. an unexpected liability; or
- o. giving or receiving a notice of intention to make a takeover, which has not been released to the market.

3.11 Material Information should only ever be disclosed to other Tower personnel on a 'need to know' basis.

### **Liability**

3.12 Committing an insider trading offence can subject you to:

- a. criminal liability under both Australian and New Zealand law, including large fines and/or imprisonment;
- b. civil liability under both Australian and New Zealand law, which may include being sued by another party or Tower for any loss suffered as a result of illegal activity; and
- c. disciplinary action for breach of this Policy, which may involve your employment being terminated for serious misconduct.

### **Defences to insider trading prohibition**

3.13 Insider trading prohibitions apply even when a trade falls within an exclusion to this Policy if it is undertaken by, or procured by, someone in possession of Material Information at the time of the trade.

3.14 Defences include:

**Ethical Walls** are arrangements that restrict the flow of information between different departments of the same organisation so that Material Information is not communicated to a person who is charged with making a decision to act. The Financial Markets Conduct Act 2013 recognises an ethical wall defence, if the following is proved:

- a. you did not receive or have access to Material Information;
- b. you were not influenced by the decision of someone who had Material Information;
- c. the arrangements were effective i.e. no person who took part in the decision received or had access to the Material Information or was influenced by someone who had the information; and
- d. everyone who either had Material Information or who took part in the decision acted in accordance with those arrangements.

**Other Defences** to insider trading, include:

- a. where Material Information was obtained by independent research and analysis and was not obtained directly or indirectly from Tower;



- b. where the opposite party to the transaction had the same information as the person disclosing the Material Information; or
- c. where trading or disclosure is required by law.

You must seek confirmation from the Chief Risk Officer as to whether an exception can be relied on before trading or disclosing information.

### **Market Manipulation**

3.15 The practice of market manipulation is not permitted at any time by any person. Market manipulation includes, but is not limited to:

- a. making statements or disseminating information if a material aspect of the statement or information is false or materially misleading where the person knows or ought reasonably to know a material aspect of the statement or information is false or materially misleading, which is released to the markets and is likely to induce a person to trade in the securities, impact on the price of the relevant securities, or which is likely to affect the way a person exercises a voting right attached to securities votes (or abstains from voting); or
- b. doing, or omitting to do, anything which will have or are is to have the effect of creating or causing the creation of a false or misleading appearance as to the extent of active trading or the supply of, demand for, price for trading in or value for the relevant securities, and where the person knows or ought reasonably to know that the act or omission will, or is likely to have that effect.

### **Additional Trading Restrictions for Restricted Persons covered by Securities Trading Restrictions**

3.16 Additional trading restrictions apply if you are:

- a. a director (executive or non-executive) or other officers of Tower;
- b. a member of the Executive Leadership Team;
- c. an employee who reports directly to a member of the Executive Leadership Team;
- d. an employee who holds executive options pursuant to any Tower share plan;
- e. anyone else designated by the Chief Executive Officer from time to time; and
- f. trusts and companies controlled by such persons.

3.17 Anyone in this category is a 'Restricted Person' for the purposes of this Policy. 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.

### **Trading restrictions for Restricted Persons**

3.18 Restricted Persons are prohibited from trading in any Tower Restricted Securities during any of the following **Blackout Periods**:

- a. between 30 March each year and the date of the announcement of Tower's half yearly results to the NZX and ASX inclusive (usually late May);
- b. between 30 September each year and the date of the announcement of Tower's annual results to the NZX and ASX inclusive (usually late November); or



- c. any other period that the Chief Executive Officer or Chair of the Tower Board specifies from time to time unless the Chair of Tower's Board of Directors provides a specific exemption. An exemption will ordinarily only be granted in situations of severe financial hardship (that cannot be satisfied otherwise than by trading Tower Restricted Securities) and only in the event that the Restricted Person is not in possession of Material Information. Any such exemptions shall be in the Chair of the Tower Board's absolute discretion.

3.19 Outside these Blackout Periods, Restricted Persons must obtain consent in advance of any proposed dealing in Tower Restricted Securities in accordance with paragraph 3.22.

3.20 A Restricted Person must not engage in hedging arrangements, deal in derivatives or enter into other arrangements which vary economic risk related to the Tower Restricted Securities including, for example, dealing in warrants, equity swaps, put and call options, contracts for difference and other contracts intended to secure a profit or avoid a loss based on fluctuations in the price of Tower's Restricted Securities. This provision includes engaging in hedging or other arrangements that would have the effect of limiting the economic risk in connection with Tower Restricted Securities which are invested or subject to a holding lock or any securities issued pursuant to an equity-based remuneration scheme.

#### **Additional trading restrictions for Restricted Persons (personal trades)**

3.21 When conducting personal trades within agreed guidelines, Restricted Persons must:

- a. not conduct personal trades to mirror or 'front-run' trading which is performed within their function;
- b. not conduct transactions on personally held Tower investment products when trading securities (as part of their job) which will impact on an asset valuation and affect the price of Tower investment products;
- c. ensure that all telephone trades which occur during office hours and use Tower's equipment to perform the trades, use voice recording trading lines; and
- d. use a broker who is a member of the NZX or the ASX (as appropriate).

#### **Application for consent before trading Tower Restricted Securities**

3.22 Before trading in Tower Restricted Securities, at any time, Restricted Persons must seek the consent of the Chief Risk Officer using the Request for Consent to Trade in Tower Restricted Securities Form (see Appendix 1) and, if applicable, comply with paragraphs 3.25 and 3.26.

3.23 No prior notification is needed for acquisitions of Tower Restricted Securities through an issue of new shares on the exercise of options, under a rights issue, a dividend reinvestment plan, equity incentive plan or share plan. However, Directors and Senior Managers must report all acquisitions of Tower Restricted Securities to the Chief Risk Officer promptly, so that Tower can comply with its NZX and ASX reporting obligations (see paragraph 3.31 for further details).

3.24 If granted, trading consent is only valid for a stated period after notification of approval. Trading consent is automatically deemed to be withdrawn if the person becomes aware of Material Information prior to trading.





### **Certain Trades to be approved by Chair**

- 3.25 The following trades by Restricted Persons must be approved by the Chair of the Board:
- a. an acquisition or disposal of Tower Restricted Securities by a Tower Limited Director, the Chief Executive Officer, Chief Financial Officer or Chief Risk Officer; or
  - b. an acquisition or disposal involving Tower Restricted Securities valued at NZ \$25,000 or more.
- 3.26 All proposed trades in Tower Restricted Securities by the Chair of the Board must be approved by the Chair of the Risk Committee.

### **When approval to trade Tower Restricted Securities will be given**

- 3.27 Approval to trade Tower Restricted Securities will only be given if the Chief Risk Officer or Chair of the Board (as applicable) is satisfied as to all of the following:
- a. the decision to buy or sell Tower Restricted Securities has not been made on the basis of the applicant holding Material Information; and
  - b. the applicant does not intend to sell the Tower Restricted Securities within 6 months of when they are purchased.
- 3.28 Any approval to trade can be given, withdrawn or refused by Tower in its discretion without giving any reasons. A decision to refuse approval is final and binding on the person seeking the approval. If approval to trade Tower Restricted Securities is refused, the person seeking the approval must keep that information confidential and not disclose it to anyone.
- 3.29 The applicant will be notified of the outcome of the application within 5 business days from when their completed application form is received. Any approval to trade under this Policy is not an endorsement from Tower and the applicant is individually responsible for their investment decisions and their compliance with insider trading laws.

### **Notification after trading**

- 3.30 If approval is given, a Restricted Person must advise the Chief Risk Officer promptly following completion of any trade, and the Restricted Person must comply with any disclosure obligations it has under Subpart 6 of Part 5 of the Financial Markets Conduct Act 2013 – *'Disclosure of relevant interests in quoted financial products by Directors and Senior Managers of listed issuers'*.
- 3.31 Directors and Senior Managers of Tower must report all acquisitions or disposals of Tower Restricted Securities, including the number and class of shares, the nature of the relevant interest, the price and the date of acquisition or disposal, and whether the change occurred during a Blackout Period and if so, whether written clearance was provided. This information must be provided to the Senior Corporate Governance Counsel and Board immediately after the acquisition or disposition, and to NZX as soon as reasonably practicable and in any event no later than five trading days after the date of the change so that Tower can comply with its NZX and ASX reporting obligations. This disclosure obligation applies for six months after a Director or Senior Manager ceases to hold office.



### **Exceptions and Defences to Trading Restrictions**

3.32 The restrictions in paragraph 3 of this Policy do not apply to:

- a. involuntary acquisitions or disposals such as by gift or inheritance; or
- b. acquisitions through an issue of new shares on the exercise of options, under a rights issue, or a dividend reinvestment plan, equity incentive plan or share plan.

### **Breaches**

3.33 Breaches of this Policy may lead to disciplinary action, up to and including dismissal (or termination of existing contractual arrangements for contractors or consultants).

3.34 In addition, breaches of this Policy may lead to criminal or civil liability.

3.35 Any suspected breach of this Policy will be investigated by the Chief Risk Officer, who may engage external expert assistance, with escalation to the Chief Executive Officer and Tower Board Chair as appropriate.

### ***If in doubt, don't***

3.36 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 actually be insider trading. If in doubt, don't!

3.37 There are no 'safe' periods for dealing in Tower Restricted Securities. You may never deal in Tower Restricted Securities if you have Material Information.

### **Monitoring of Trading**

3.38 Tower monitors the trading of directors and employees as part of the administration of this Policy. Directors, Executive members and other Senior Managers must be aware of their obligations to disclose to the market relevant interests and dealings in relevant interests in relation to Tower Restricted Securities as set out in paragraph 3.31. If in doubt, ask the Chief Risk Officer.

### **Short Term Trading Prohibited**

3.39 Short-term trading (the buying or selling of Tower Restricted Securities within a three-month period of a person's last such opposite transaction) 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 Tower Restricted Securities on a short-term basis, unless there are exceptional circumstances discussed with and approved in advance by the Chief Risk Officer.

### **Confidentiality**

3.40 Every employee and Director has a duty of confidentiality to Tower. You must not:

- a. reveal any confidential information concerning Tower to a third party (unless that third party has signed a confidentiality agreement with Tower, and you have been authorised to disclose



the confidential information);

- b. use confidential information in any way which may injure or cause loss to Tower; and
- c. use confidential information to gain an advantage for yourself.

3.41 You should ensure that external advisers keep Tower information confidential.

## **4 Roles and responsibilities**

- 4.1 Employees are responsible for not trading or advising or encouraging any other person to trade or hold Tower Restricted Securities if they are in possession of Material Information.
- 4.2 Restricted Persons are responsible for obtaining consent prior to trading and complying with all conditions which may attach to the consent.
- 4.3 Directors and Senior Managers are responsible for disclosing trading activities to Tower and NZX or ASX as necessary.
- 4.4 Chief Risk Officer is responsible for considering and granting consent to trade of Restricted Persons, other than where consent of the Chair is required as set out in this Policy. The Chief Risk Officer is also responsible for investigating any suspected breaches of the Policy.

## **5 Governance and Accountability**

- 5.1 Tower's Board has approved this Policy. The Board may approve updates, amendments to and exemptions from this Policy from time to time, which may be implemented by posting an updated version of the policy on Tower's intranet.

## **6 Related Policies, Procedures or Guidelines**

- 6.1 This policy should be read in conjunction with:
  - a. Code of Conduct
  - b. Corporate Disclosure Policy
  - c. Conflicts of Interest Policy
  - d. Related Party Transaction Policy
  - e. Whistleblower policy

## **7 Review of Policy**

- 7.1 This Policy will be reviewed every two years, or more regularly as required.
- 7.2 Comments and queries should be directed to the Chief Risk Officer.



## APPENDIX 1: Request for Consent to Trade in Tower Restricted Securities Form

To: Chief Risk Officer, Tower Limited (**Tower**)

In accordance with Tower's Insider Trading and Market Manipulation Policy, I request Tower's consent be given to the following proposed transaction to be undertaken either by me or persons associated with me, within 15 trading days of approval being given (or such shorter period being permitted). I acknowledge Tower is not advising or encouraging me to trade or hold securities and does not provide any securities recommendation.

<b>Name:</b>	
<b>Address:</b>	
<b>Position:</b>	
<b>Description and number of securities:</b>	
<b>Type of proposed transaction:</b>	Purchase/sale/other (specify)
<b>To be transacted:</b>	On NZX/ASX/off-market trade/other (specify)
<b>Likely date of transaction (on or about):</b>	

I confirm:

- (where the proposed transaction is an acquisition) I do not intend to sell the Tower Restricted Securities within six months of when they are purchased; and
- the price I am paying or receiving is arm's length and fair, taking into account the price at which Tower shares trade on the relevant date.

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 Tower's Tower Restricted Securities if it were generally available to the market.

I certify that:

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Tower hereby **consents / does not consent** to the proposed transaction described above. Any consent is conditional on the proposed transaction being completed within 15 trading days of the date of this consent (or such shorter period being permitted), and in compliance with Tower's Insider Trading and Market Manipulation Policy.

Approved by:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date