

# **POLICY ON TRADING OF GENESIS' SECURITIES BY DIRECTORS, EMPLOYEES AND INSIDERS**

## **Corporate Policy 005**

This policy applies to all Directors, officers and employees of Genesis and its subsidiaries who intend to trade in Genesis securities.

In this policy, '**trade**' includes buying or selling listed securities, or agreeing to do so, whether as principal or agent, but does not include subscription for, or issue of, new securities.

In addition to this policy and guidelines, further more stringent rules also apply to trading in Genesis securities by Directors and certain employees (see *Additional Trading Restrictions for Restricted Persons.*)

### **1. Introduction and Purpose**

This document details Genesis's policy on, and rules for dealing in the following securities (**Restricted Securities**):

- Ordinary Shares in Genesis;
- any other listed securities of Genesis or its subsidiaries, and any listed derivatives in respect of listed Genesis securities, from time to time.

The requirements imposed by the policy are separate from, and in addition to, the legal prohibitions on insider trading in New Zealand and Australia 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 before dealing with any securities covered by this policy.**

### **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 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 Genesis's securities. If a person has material information in relation to listed securities of another issuer (including futures contracts listed on an authorised futures exchange) over listed securities), that person must not trade in those securities.

### 3. Insider trading laws

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

- trade Genesis's listed securities;
- advise or encourage another person to trade or hold Genesis's listed 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, continue to hold, or advise or encourage someone else to trade, or hold, Genesis's listed 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 Genesis, for any loss suffered as a result of illegal trading.

### 4. Confidential Information

In addition to the above, you also have a duty of confidentiality to Genesis. You must not reveal any confidential information concerning Genesis to a third party (unless that third party has signed a confidentiality agreement with Genesis 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 Genesis, or use confidential information to gain and advantage for yourself. You should ensure that external advisers keep Genesis information confidential.

### 5. 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 Genesis's listed securities.

Information is generally available to the market if it has been released as a NZSX and ASX announcement, or investors who commonly invest in Genesis's listed securities can readily obtain the information (whether by observation, use of expertise, purchase or other means).

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 some other manner such as while passing in the corridor, or in a lift, or at a social function).

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

## **6. What are some examples of material information?**

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

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

which has not been released to the market.

## **7. Exception**

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, share purchase plan, or dividend reinvestment plan.

## **8. Short term trading discouraged**

You should not engage in short term trading (the buying or selling of listed securities within a 6 month period, unless there are exceptional circumstances discussed with and approved by the Chief Executive.

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 listed securities on a short-term basis.

## **9. If in doubt, don't trade**

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 trade.

#### **10. Breaches of policy**

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

#### **11. Monitoring of policy**

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

#### **12. Application of policy**

The Board of Genesis has approved this policy. The Board may approve updates, amendments, and exemptions to this policy from time to time, which may be implemented by email notice to directors and employees.

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

## **Additional Trading Restrictions for Restricted Persons**

### **13. Persons covered by Restricted Securities Trading Restrictions**

The additional trading restrictions set out below apply to:

- all Directors;
- the Chief Executive and all senior officers (all Chief Executive direct reports);
- trusts and companies controlled by such persons; and
- anyone else notified by the Chief Executive from time to time.

Persons covered by these additional resources 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.

### **14. Additional trading restrictions for Restricted Persons (blackout period)**

Restricted persons are prohibited from trading in any Restricted Securities during the following specific “black-out” periods:

- 30 days prior to Genesis's half year balance date, until the first trading day after the half year results are released to NZSX and ASX;
- 30 days prior to Genesis's year end balance date, until the first trading day after the full year results are released to NZSX and ASX; and
- 30 days prior to release of a prospectus for a general public offer of the same class of Restricted Securities.

Restricted Persons are not permitted to trade any restricted Securities during a black-out period unless Genesis's Board provides a specific exemption.

**Note that if you hold material information you must not trade Restricted Securities at any time – regardless of these periods**

### **15. Requirements before trading**

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

- notify Genesis's Chief Executive of their intention to trade in securities, and seek consent to do so (using the *Request for Consent to Trade in Listed Securities* form attached);
- conform that they do not hold material information; and confirm that there is no known reason to prohibit trading in restricted Securities.

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

#### **16. Requirements after trading**

A Restricted Person must advise the Chief Executive promptly following completion of any trade, and the Restricted Person must comply with any disclosure obligations under the Securities Markets (Disclosure of Relevant Interests by Directors and Officers) Regulations and any other disclosure obligations under any NZSX or ASX Rules.

#### **17. Administrative arrangements for Chief Executive**

If the Chief Executive wishes to trade Restricted Securities, any reference in this policy to the Chief Executive shall be deemed to be a reference to the Chairman of the Board in respect of the Chief Executive's trading in Restricted Securities.

**Genesis Research and Development Corporation Limited**

**Request for Consent to Trade in Listed Securities**

To the Chief Executive of Genesis

In accordance with Genesis's Securities Trading Policy and Guidelines, and Additional Trading Restrictions for Restricted Persons, I request Genesis'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 Genesis 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 in Company:

Class of Security:

Description and number of Securities:

Type of proposed transaction: Purchase/sale/other (specify)

To be transacted on NZSX/ASX/off-market trade/other (specify)

Likely date of transaction:

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 Genesis's listed securities if it were generally available to the market.

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Genesis 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 Genesis's Securities Trading Policy and Guidelines and Additional Trading Restrictions for Restricted Persons.

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Date