

# NZAI - Continuous Disclosure Policy

## 1. General

- 1.1 As a company listed on the NZX Main Board (**NZX**), NZ Automotive Investments Limited (**NZAI**) is committed to keeping the market informed of all material information relating to NZAI and its subsidiaries (**NZAI Group**) and its shares. In doing so, NZAI will comply with its obligations in relation to continuous disclosure of material information (**continuous disclosure obligations**) under the NZX Listing Rules (**Listing Rules**).
- 1.2 This Policy establishes the processes and responsibilities under which NZAI will ensure compliance with its continuous disclosure obligations under the Listing Rules.
- 1.3 This Policy reflects NZAI's commitment to:
  - 1.3.1 maintaining a fully informed market through effective communication with NZX and NZAI's shareholders (**Shareholders**); and
  - 1.3.2 providing timely access to material information concerning NZAI that is accurate, balanced, meaningful and consistent.

## 2. Scope

- 2.1 This Policy applies to the board of directors of NZAI (**Directors**, and the **Board**), the Chief Executive Officer (**CEO**), the Chief Financial Officer (**CFO**), other senior management and all other employees and contractors of or to the NZAI Group (each a **Relevant Person**).

## 3. Key responsibilities

- 3.1 NZAI will comply with the continuous disclosure obligations of NZX.
- 3.2 This means that NZAI will release all *material information* (as defined below) concerning it to NZX immediately upon NZAI becoming aware of that information, unless an announcement is not required under exceptions provided under the Listing Rules and NZAI chooses not to disclose the information.
- 3.3 Material information must not be released to any third party unless:
  - 3.3.1 the material information has first been disclosed to NZX; or
  - 3.3.2 an exception applies (see paragraph 3.2) and the third party has agreed to keep the material information confidential.
- 3.4 NZAI is mindful of the need to keep the market informed through a timely, clear and balanced approach which communicates both positive and negative news.
- 3.5 In the context of NZAI's continuous disclosure obligations:
  - 3.5.1 **material information** means any information that:
    - (a) a reasonable person<sup>1</sup> would expect, if it were generally available to the market,<sup>2</sup> to have a material effect on the price of NZAI's shares; and

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<sup>1</sup> "Reasonable person" is not defined in the Listing Rules, but it is the view of NZX Regulation (**NZXR**) that a "reasonable person" as a person who commonly invests in securities, and holds such securities for a period of time, based on their view of the inherent value of the securities.

<sup>2</sup> Broadly, information is "generally available to the market" if it:

(b) relates to NZAI's shares, or to NZAI, rather than to securities or issuers generally.

3.5.2 NZAI must be *aware* of material information in order to have a potential disclosure obligation. NZAI is deemed to be aware of information if, and as soon as, a Director or senior manager of the NZAI Group has, or ought reasonably to have, come into possession of that information in the course of his or her duties as a Director or senior manager.

3.6 *Senior manager* is defined in the Financial Markets Conduct Act 2013 as 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 the NZAI Group (for example, a chief executive or a chief financial officer). NZAI has determined that each of the CEO and the CFO is a senior manager for the purposes of this Policy.

3.7 A decision as to whether any information constitutes *material information* should be made using measures appropriate to NZAI and having regard to the examples and guidance given by NZX in the Continuous Disclosure Guidance Note (dated 1 January 2019) (as amended or updated from time to time) (**Guidance Note**).

#### 4. Exceptions to disclosure obligations

4.1 There are certain exceptions under the Listing Rules to the requirement for disclosure of material information. These are where:

4.1.1 a reasonable person would not expect the information to be disclosed;<sup>3</sup> and

4.1.2 the information is confidential and its confidentiality is maintained;<sup>4</sup> and

4.1.3 one or more of the following applies:

- (a) release of the information would be a breach of law;
- (b) the information concerns an incomplete proposal or negotiation;
- (c) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
- (d) the information is generated for internal management purposes of the NZAI Group; or
- (e) the information is a trade secret.

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- 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, provided a reasonable period for it to be disseminated amongst those persons has expired; or
  - is likely to be readily obtainable to persons who commonly invest in relevant financial products (by observation, use of expertise, purchase from other persons, or any other means); or
  - consists of deductions, conclusions or inferences made or drawn from either or both of the above two kinds of information.

<sup>3</sup> A *reasonable person* would not expect the information to be disclosed if the release of the information would unreasonably prejudice NZAI (or any subsidiary of NZAI or any entity in which NZAI has a controlling interest) or provide no benefit to a person who commonly invests in securities. This requires an objective assessment of the circumstances relating to the information concerned to determine whether a reasonable person would expect the information not to be disclosed.

<sup>4</sup> In this context, *confidential* has the sense of "secret". Once the information is received by any person who is not bound by any corresponding obligation of confidentiality with which that person is likely to comply, the exception no longer applies and the information must be disclosed to the market via NZX. This is the case even if NZAI has entered into confidentiality arrangements and/or the information has come from a source other than NZAI. NZX accepts that information provided by NZAI to a professional adviser, a party negotiating on NZAI's behalf, a third party negotiating with NZAI, or a regulatory authority, does not lose its confidentiality, provided that in each case the information was provided with an obligation to maintain its confidentiality and such information is used by the person to whom it was provided solely for the purpose for which it was provided.

4.2 A decision as to whether an exception applies should be made with reference to the guidance given by NZX in the Guidance Note.

4.3 A decision as to whether an exception applies to any material information will be provided by the Disclosure Committee (see below). Employees and other members of senior management should not decide that an exception may apply and should therefore always make the internal disclosure as required under this Policy.

## 5. **Disclosure Committee**

5.1 The Board has established a Disclosure Committee to oversee NZAI's compliance with this Policy and, accordingly, has delegated the day-to-day oversight of NZAI's continuous disclosure obligations to the Disclosure Committee.

5.2 The Disclosure Committee consists of the CEO, CFO, Chair of the Board, Chair of the Audit and Risk Committee and one other Director. If any Disclosure Committee member is not available for any meeting, another Director will join in the place of that member.

5.3 The Disclosure Committee will be responsible for making the final decision as to whether or not the information requires disclosure to NZX, taking into account the exceptions to the continuous disclosure obligations described above and any timing requirements for disclosure set out below.

5.4 The Disclosure Committee may seek external professional advice on whether matters are material and, accordingly, whether they need to be disclosed.

5.5 As a matter of routine, monthly trading metrics will be monitored for any trends that may give rise to material information.

5.6 The Listing Rules and legislation provides exemptions from the need to disclose certain information and in such circumstances NZAI will not be required to disclose that information.

5.7 Where the Disclosure Committee considers a matter for disclosure and a decision is made not to disclose, the Disclosure Committee will document the reason for that decision.

## 6. **Process for identifying material information**

6.1 Any Relevant Person who becomes aware of any information that is or may be material information must:

6.1.1 immediately alert the Disclosure Committee and provide the Disclosure Committee with all relevant information in relation to the matter or event, which may include:

- (a) a general description;
- (b) details of the parties involved;
- (c) its status and potential consequences; and/or
- (d) the value implications and potential impact on NZAI's financial performance or position; and

6.1.2 keep the information confidential, and not disclose it to other persons (such as investors, analysts, media, customers and suppliers) until it is released to the NZX and becomes publicly available.

6.2 It is important that all potentially material information, regardless of whether its consequences are fully known, be immediately reported in the manner described above.

6.3 The Board shall consider at each Board meeting whether there are any matters arising from the matters discussed at the meeting or otherwise that may require disclosure in accordance with this Policy.

6.4 As each senior manager is deemed to hold information that he or she has, or ought reasonably to have, come into possession of in the course of his or her duties as senior manager, it is incumbent upon each senior manager to seek out potentially material information (rather than be solely a conduit for material information). All senior managers must be conscious at all times of the need to make enquiries within their business units from employees that might become aware of material information from time to time. Senior managers are to foster a culture of disclosure in accordance with this Policy within their business units.

6.5 The CEO is to ensure that all of the NZAI Group's personnel are aware of NZAI's continuous disclosure obligations and this Policy. Training is to be run for all personnel upon induction and periodically to ensure there is a high degree of awareness of continuous disclosure obligations and NZAI's internal processes to manage compliance with these obligations.

## 7. **Trading halts**

7.1 If necessary, the Disclosure Committee may consider it appropriate to request a trading halt from NZX to ensure the orderly trading of NZAI's shares and to manage disclosure issues. Possible situations giving rise to a request for a trading halt includes:

7.1.1 NZAI is preparing to make a major company announcement and is concerned to prevent uninformed or speculative trading; or

7.1.2 confidential information about the NZAI Group is leaked or inadvertently made public and further time is required to enable NZAI to prepare an appropriate public announcement.

## 8. **Approval of disclosure**

8.1 To the greatest extent practicable in the circumstances, the Board will be given the opportunity to review NZX announcements disclosing material information to the market. However, the Directors accept that, given the time critical nature of the announcement of material information to the market, obtaining unanimous Director approval to the announcements may not always be achievable. In any event, the Disclosure Committee or such other persons who are specified in paragraph 8.2 below (in the circumstances provided for in that paragraph) shall approve the form and content of disclosure of material information to the market.

8.2 If:

8.2.1 a proposed NZX announcement discloses material information to the market; and

8.2.2 the announcement must promptly and without delay be released to the market in order for NZAI to comply with its continuous disclosure obligations; and

8.2.3 it is impractical to obtain prior Board approval or approval of the full Disclosure Committee,

then any two of the following individuals may authorise disclosure to ensure NZAI complies with its continuous disclosure obligations:

8.2.4 the Chair of the Board;

8.2.5 the Disclosure Committee Chair; and

8.2.6 the CEO.

If that approval is still not able to be obtained due to the unavailability of sufficient of the individuals listed above, then an announcement may be authorised by one Group A member and one Group B member as follows:

Group A	Group B
CEO	Chair of the Board
CFO	Disclosure Committee Chair
	Audit and Risk Committee Chair, but if not available any other director who is a member of the Disclosure Committee

8.3 Any release considered under this Policy which includes disclosure of a profit projection or forecast shall require approval by the Board, in addition to the other approvals required under this Policy.

## 9. **Disclosure**

9.1 Once a decision has been made to make an announcement of material information, the CFO (or his or her nominee) will make the disclosure of the approved announcement to NZX (where possible, this will occur outside of market trading hours).

9.2 At the same time as the announcement is made, the CFO (or his or her nominee) will provide a copy of the announcement to all Board members.

9.3 In addition to, but at least 10 minutes after, disclosure through NZX, disclosure will be made by way of announcement on NZAI's website.

## 10. **Preventing a false market developing**

10.1 Under the Listing Rules, NZAI is required to release material information to the extent necessary to prevent the development or subsistence of a market for its shares which is materially influenced by false or misleading information emanating from:

10.1.1 NZAI or any associated person of NZAI; or

10.1.2 other persons in circumstances in each case which would give such information substantial credibility.

10.2 The CFO will arrange for conventional and social media to be monitored for speculation and rumours, as well as NZAI's share price, so as to assist NZAI to meet its obligation to prevent the development of a false market for its shares.

10.3 NZAI will not generally comment on market or media speculation or rumours. However, if the CFO or a Director determines that confidential information may have been disclosed or there is a risk that a false market for NZAI's shares may exist, the CFO or the relevant Director will promptly convene a meeting of the Board or Disclosure Committee to consider the matter and provide information received or held by him or her in relation to the matter to the Board and Disclosure Committee.

10.4 NZAI will release material information to NZX to the extent necessary to prevent the development or subsistence of a market for NZAI's shares which is materially influenced by false or misleading information emanating from NZAI or an associated person or another credible source. NZAI may be required to provide this information even if an exception to the continuous disclosure obligations applies.

## 11. **Analysts/shareholders**

11.1 All communications with market analysts and shareholders must be conducted by:

11.1.1 the CEO or CFO, or if the CEO or CFO are unavailable, the Chair of the Board; or

11.1.2 a person specifically authorised to do so by the CEO or the Chair of the Board.

Notwithstanding the above, it is best practice for at least two representatives of NZAI to be present at any meeting held with market analysts and shareholders. The representatives who attend such meeting(s) must keep a contemporaneous note of the discussions held at that meeting and the discussions should be summarised in the monthly Board report.

11.2 Directors and senior managers of the NZAI Group should be particularly careful about what they say when speaking publicly (including at analyst or institutional investor briefings) about NZAI. Consistent with the continuous disclosure obligations, only publicly available information or non-material information is to be referred to or provided to analysts and Shareholders. NZXR notes that it is best practice for issuers to release to NZX any information that will be discussed at an analyst or investor presentation no later than the time of commencement of that presentation.

11.3 If NZAI becomes aware that in general the markets earning projections materially differ from its own estimates, NZAI may consider it appropriate to issue an earnings guidance or other statement.

## 12. **Web-based communications**

12.1 NZAI's website is an important channel for release information to Shareholders. It features an investor section designed to ensure that relevant public information can be accessed by Shareholders. Such information may include annual reports and result announcements, other company announcements made to NZX, company profile information, written information provided to shareholders or other stakeholders at briefings, presentations, site visits or conferences, dividend related information (if any) and shareholding related information.

12.2 If any proposed website disclosures contain information that in the opinion of the CFO may contain material information, the Disclosure Committee or Board, as applicable, must approve drafts of the information before being posted to the website.

12.3 Information lodged with NZX will be made available on NZAI's website after the release of that information has been confirmed.

12.4 Website information will be reviewed and updated to ensure all information is current, or appropriately dated and archived. Historical information should be archived and clearly dated to ensure viewers are aware that it may be out of date.

## 13. **Annual and interim financial results**

13.1 Proposed disclosures of NZAI's draft annual and interim results and accompanying news releases and presentations must be reviewed and approved by the Audit, Finance and Risk Management Committee prior to approval by the Board and other specific approvals as set out in this Policy.

13.2 When preparing annual and interim financial results, the information will be restricted to people who require the information on a "need to know" basis to assist to maintain its confidentiality prior to release to the market.

## 14. **Media and social media**

14.1 No Relevant Person may communicate any information about the NZAI Group to the media, including social media, blogs or chat rooms, unless it forms part of business as usual sanctioned marketing activity. In that case, approval must be first obtained from the CEO.

## 14.2 **Compliance**

14.3 All Relevant Persons are required to comply with this Policy and must ensure they are familiar with its requirements. Failure to comply with this Policy may lead to a breach of applicable legislation or the Listing Rules. This may result in liability for NZAI and in turn may lead to personal penalties for Directors and senior managers. Breach of this Policy may lead to disciplinary action, up to and including dismissal (or termination of existing contractual arrangements for contractors or other agents). In some circumstances, a breach of this Policy may result in civil or criminal liability.

14.4 Each Relevant Person must report to the CFO for investigation of any known or suspected instances of non-compliance (including inadvertent or accidental instances) or events that have given rise to a material risk of non-compliance.

## 15. **Review**

15.1 The Disclosure Committee will provide a quarterly report to the Board on NZAI's compliance with this Policy and its continuous disclosure obligations.

15.2 The Board will review this Policy at least annually.

Date adopted: 25 February 2021