

**THE WAREHOUSE GROUP LIMITED**

**("The Warehouse")**

**Securities Trading Policy**

*This policy applies to all directors, officers, employees and contractors of The Warehouse and its subsidiaries and/or associated companies ("**Team Members**") who intend to trade in The Warehouse's securities in New Zealand and/or Australia. The Warehouse is listed on both the New Zealand and Australian stock exchanges; hence the insider trading laws of both Australia and New Zealand must be complied with.*

*In this policy "**trade**" includes buying or selling listed or unlisted securities, or agreeing to do so, whether as principal or agent and also includes the subscription for, and the issue of, new securities.*

**INTRODUCTION AND PURPOSE**

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

- The Warehouse Group Limited Ordinary Shares;
- The Warehouse Group Limited Share Options; and
- any other listed or unlisted securities of The Warehouse or its subsidiaries/associated companies, and any listed or unlisted derivatives (including futures contracts listed on an authorised futures exchange) in respect of listed 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.

*Specific and stringent rules apply to trading in Restricted Securities, by directors and certain employees including members of the Executive Share Scheme (Long Term Incentive Plan or LTIP) (see **Restricted Persons**). It is recommended that all other Team Members also adopt the practice of trading only during the trading windows.*

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

**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** as defined below, you must not:

- trade Restricted Securities;
- advise, encourage or procure others to trade, or hold any Restricted Securities; or
- pass on the material information to others.

The prohibitions apply regardless of how you learn of the information, and regardless of why you are trading. You should note that, even if you cease to be a Team Member the prohibitions will still apply to you if you remain in possession of material information.

The prohibition on insider trading applies not only to information concerning The Warehouse'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), that person must not trade in those securities, advise or encourage others to trade or hold those securities or pass on the information to others.

### **INSIDER TRADING LAWS**

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

- trade Restricted Securities;
- procure another person to trade in Restricted Securities;
- advise or encourage another person to trade or hold Restricted Securities;
- advise or encourage a person to advise or encourage another person to trade or hold 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, continue to hold, or advise or encourage someone else to trade, or hold, Restricted Securities.

**This offence, called "insider trading", can subject you to criminal liability including large fines (in New Zealand up to \$300,000 for an individual and up to \$1,000,000 for a body corporate) and/or imprisonment (in New Zealand, up to 5 years), and civil liability, which may include being sued by another party or The Warehouse, for any loss suffered as a result of illegal trading.**

### **CONFIDENTIAL INFORMATION**

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

### **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, a reasonable person would expect it to have a material effect on the price of The Warehouse's listed securities.

Information is generally available to the market if it has been released as an NZX announcement, or investors that commonly invest in The Warehouse'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 passing in the corridor, or in a lift, or at a social function).

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

## **Examples of material information**

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

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

which has not been released to the market.

## **TRADING WINDOWS**

The trading windows comprise eight week periods commencing on the first business day after:

- release of half-year results to NZX;
- release of full-year results to NZX; and
- release of a prospectus for a general public offer of the same class of Restricted Securities.

All Team Members will be advised when the trading windows open and close during the year, either by email or through icRed. It is recommended that all Team Members adopt the practice of trading only during the trading windows.

***Please note that if you hold material information you must not trade Restricted Securities at any time - regardless of these periods.***

## **SHORT TERM TRADING TO BE AVOIDED**

You should not engage in short term trading (the buying or selling of securities within a 6 month period), unless there are exceptional circumstances discussed with and approved by the Company Secretary in consultation with the Chairman of the Board.

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 securities on a short-term basis.

## **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!

## **CONSENT REQUIREMENTS BEFORE TRADING**

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

- notify The Warehouse's Company Secretary of their intention to trade in securities, and seek consent to do so (using the **Request for Consent to Trade In Securities** form attached);
- confirm that they do not hold material information; and
- confirm that there is no known reason to prohibit trading in any Restricted Securities.

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

Directors are required to seek approval from the Chairman of the Board in advance of trading in Restricted Securities. The Chairman is required to seek approval from the Chairman of the Corporate Governance Committee.

Restricted Persons must complete all transactions in Restricted Securities within the trading windows unless the Board approves otherwise (including, without limitation, where the Board approves trading of shares outside a trading window after vesting of shares under the Executive Share Scheme). It is recommended that all other Team Members also adopt the practice of trading only during the trading windows.

## **REQUIREMENTS AFTER TRADING**

A Team Member must:

- advise the Company Secretary promptly following completion of any trade and provide a copy of the contract note (or other transaction documentation, in the case of an off-market trade) within five working days;
- comply with any disclosure obligations he or she has under the Securities Markets (Disclosure of Relevant Interests by Directors and Officers) Regulations.

## **RESTRICTED PERSONS**

The following Team Members are Restricted Persons and may trade in Restricted Securities only during the trading windows unless The Warehouse's Board provides a specific exemption:

- all Directors;
- the Group Chief Executive Officer and all senior officers (all Group Chief Executive Officer direct reports);
- all Team Members who are members of the Executive Share Scheme (Long Term Incentive Plan or LTIP);
- the spouse and dependent children of such persons;
- trusts and companies in which such persons have a material interest or which are controlled by such persons; and

- anyone else notified by the Company Secretary from time to time.

Restricted Persons must obtain consent using the **Request for Consent to Trade in Securities** form prior to trading in Restricted Securities.

#### **APPLICATION OF THIS POLICY TO OTHER PERSONS**

The rules contained in this policy apply to Team Members and also to:

- a Team Member's spouse or dependent children;
- a company in which a Team Member has a material interest, or is a director, and can influence the decision of that company in the investment of funds;
- a trust or a managed fund when either the Team Member has a beneficial interest, or is a trustee or manager, and can influence the decision of that trust or managed fund in the investment of funds; and
- anyone else notified by the Company Secretary from time to time.

#### **EXECUTIVE SHARE SCHEME (LONG TERM INCENTIVE PLAN OR LTIP)**

Under the terms of the executive share scheme, no offers may be made to Team Members and no Restricted Securities may be transferred to Team Members other than during a trading window unless the Board approves otherwise. At the start of a trading window in which letters of notification of vesting will be issued, Team Members will be required to complete and return to the Company Secretary a form confirming either that:

- the Team Member does not hold any material information; or
- if such Team Member does hold material information, that the trustee of the executive share scheme holds the same material information as the Team Member.

After completing this form, Team Members must notify the Company Secretary immediately if she/he becomes aware of material information prior to receiving a letter of notification or prior to any shares vesting.

Any subsequent trading of shares acquired on vesting under the executive share scheme is subject to insider trading laws and must take place during a trading window and with consent as set out above under the heading "Consent Requirements before Trading".

The trustee of the Executive Share Scheme may only acquire Restricted Securities during the trading windows and must seek prior consent of the Company Secretary using the **Request for Consent to Trade in Securities** form. The trustee is not permitted to trade any Restricted Securities during any other period unless The Warehouse's Board provides a specific exemption.

#### **BREACHES OF POLICY**

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

### **MONITORING OF TRADING**

The Warehouse may monitor the trading of Team Members as part of the administration of this policy.

### **ENDORSEMENT OF POLICY**

The Board of The Warehouse 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 posting on icRed.

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

This policy is not intended to be legal advice and is not a substitute for legal advice. If a Team Member has any doubt about whether they may trade in Restricted Securities they should consult a legal adviser.

*Current as at 28 May 2009*

**THE WAREHOUSE GROUP LIMITED**  
 ("The Warehouse")

**REQUEST FOR CONSENT TO TRADE IN SECURITIES**

To: The Company Secretary  
 The Warehouse Group Limited

In accordance with The Warehouse's Securities Trading Policy, I request The Warehouse's consent be given to the following proposed transaction to be undertaken either by me or persons associated with me, within 5 trading days of approval being given. I acknowledge The Warehouse is not advising or encouraging me to trade or hold securities and does not provide any securities recommendation.

Name of Team Member:	
Position in Company:	
Residential address:	
E-mail address:	
Name of Registered Holder transacting: (if different)	

Description and number of securities:			
Type of proposed transaction:	<b>Acquire</b>	<b>Dispose of</b>	<b>Other Specify</b>
To be transacted:	<input type="checkbox"/> On NZX	<input type="checkbox"/> On ASX	<input type="checkbox"/> Following exercise of options
	<input type="checkbox"/> Off-market Trade (describe what is proposed)	<input type="checkbox"/> Subscription	<input type="checkbox"/> Other (please specify)
Likely date of transaction: (on or about)			

**NB: A copy of the contract note (or other transaction documentation, in the case of an off-market trade) must be provided to the Company Secretary within 5 working days of the trade being completed.**

**DECLARATION**

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

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

**I UNDERSTAND THAT CONSENT IS AUTOMATICALLY DEEMED TO BE WITHDRAWN IF I BECOME AWARE OF MATERIAL INFORMATION PRIOR TO TRADE BEING COMPLETED.**

\_\_\_\_\_  
 Signature of Team Member

\_\_\_\_\_  
 Date

The Warehouse hereby **consents / does not consent** to the proposed transaction described above. Any consent is conditional on the proposed transaction being completed within 5 trading days of the date of this consent, that is, no later than \_\_\_\_\_ and in compliance with The Warehouse's Securities Trading Policy.

\_\_\_\_\_  
 Signature of Company Secretary/Chairman

\_\_\_\_\_  
 Date

**The Securities Trading Policy is not intended to be legal advice and is not a substitute for legal advice. If a Team Member has any doubt about whether they may trade in The Warehouse securities, they should consult a legal adviser.**