

# SECURITIES TRADING POLICY AND GUIDELINES

This policy applies to all Directors, Officers and employees of MHM Automation Limited (MHM) and its subsidiaries who intend to trade in MHM listed securities (NZX ticker: MHM). In this policy 'trade' includes buying or selling listed securities, or agreeing to do so, whether as principal or agent, but it does not include subscription for, or the issue of, new securities.

In addition to this Policy and Guidelines, further more specific and stringent rules also apply to trading in MHM's securities, by Directors and certain employees (see additional Trading Restrictions for Restricted Person).

## INTRODUCTION AND PURPOSE

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

- MHM's Ordinary Shares (NZX)
  - The requirements imposed by the policy are separate from, and in addition to, the legal prohibitions on insider conduct and insider trading in New Zealand.
  - If you do not understand any part of this policy, or how it applies to you, you should raise the matter with the CEO / Company Secretary / CFO 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 below, you must not:

- trade Restricted Securities;
- advise or encourage 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. The prohibition on insider trading applies not only to information concerning MHM's securities. If a person has material information in relation to listed securities of another issuer that person must not trade in those securities.

## INSIDER TRADING LAWS

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

- trade MHM's listed securities;
- advise or encourage another person to trade or hold MHM's listed securities;
- advise or encourage a person to advise or encourage another person to trade or hold MHM's listed securities; or
- pass on the material information to anyone else (whether directly or indirectly) – 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, MHM'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 MHM, 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 MHM. You must not reveal any confidential information concerning MHM to a third party (unless that third party has signed a confidentiality agreement with MHM and you have been authorized to disclose the confidential information), or to use confidential information in any way which may harm or cause loss to MHM or use confidential information to gain an advantage for yourself. You should ensure that external parties keep MHM 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, would have a material effect on the price of MHM'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 MHM'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 MHM), and information, which is insufficiently definite to warrant disclosure to the public.

What are some examples of material information?

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

- the financial performance of MHM or its subsidiaries;
- a possible change in the strategic direction of MHM;
- the introduction of an important new product or service;
- a possible acquisition or sale of any assets or company by MHM;
- 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 MHM's capital structure;

- senior management changes;
- a material legal claim by or against MHM; or
- any other unexpected liability, which has not been released to the market.

## **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 Company Secretary. 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.

## **FIXED TRADING PLAN DEFENCE**

Trading of MHM's securities under a fixed trading plan will not breach the law if the fixed trading plan was entered into at a time where an investor has no inside information and in entering the fixed trading plan, the investor did not intend to evade the prohibition on trading on material information. A fixed trading plan is a plan that is fixed for a period of time during which the investor cannot withdraw from the plan or influence trading decisions after the plan has begun.

## **IF IN DOUBT, DON'T DEAL**

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 deal!!

## **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.

## **APPLICATION OF POLICY**

This policy applies to all directors, and all employees including contingent workers such as secondees, contractors and consultants of Contact and its subsidiaries (collectively "employee/s").

## ADDITIONAL TRADING RESTRICTIONS FOR RESTRICTED PERSONS

Persons covered by Restricted Securities Trading Restrictions The additional trading restrictions set out below apply to:

- all Directors;
- Chief Executive Officer and all direct reports to the Chief Executive Officer (the Exec Team);
- all employees in Senior Management (direct reports to the Exec, direct reports to General Managers Fabrication or Automation (Wyma in Automation segment)
- all employees in the finance department;
- spouses and close family members of all above persons; and
- trusts and companies controlled by such persons.

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.

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

Restricted Persons are prohibited from trading in any Restricted Securities during the following specific “blackout” periods:

- 30 days prior to MHM’s half-year balance date, until the end of trading on the day the half-year results are released to NZX
- 30 days prior to MHM’s yearend balance date, until the end of trading on the day the full year results are released to NZX, and
- Any other period determined by the Company Secretary

Restricted Persons are not permitted to trade any Restricted Securities during a blackout period unless MHM’s Board provides a specific exemption or in cases of severe financial hardship or other exceptional circumstances. Such an exemption can only be granted by the Chairman.

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