



Market Disclosure Policy

Appendix 4

Tourism Holdings Limited
31 May 2019

1. INTRODUCTION

Tourism Holdings Limited (**thl**) is committed to:

- (a) ensuring that shareholders and the market are provided with complete and timely information about the activities of the business to allow proper accountability between **thl** and its investors, employees and other stakeholders;
- (b) ensuring compliance with all general and continuous disclosure requirements outlined in the NZX Listing Rules (**Listing Rules**), the Companies Act 1993 (**Companies Act**), the Financial Markets Conduct Act 2013 and guidelines issued by the Financial Markets Authority (**FMA**) and the NZX (including the NZX Corporate Governance Code); and
- (c) ensuring that all market participants have equal opportunities to view and act on publicly available information issued by **thl**.

The purpose of this Market Disclosure Policy is to implement appropriate systems and processes to enable the release of material information promptly and without delay once **thl** becomes aware of it, and to ensure that **thl** complies with its continuous disclosure obligations.

This Market Disclosure Policy applies to all **thl** persons, being all directors, senior managers, employees, contractors, consultants and other representatives of **thl** or any of its subsidiaries.

2. ESCALATION PROCEDURE

- 2.1 All **thl** persons (being all directors, senior managers, employees, contractors, consultants and other representatives of **thl** or any of its subsidiaries) must, immediately after becoming 'aware' of any material information relevant to **thl** that is not already generally available to the market, escalate such information by reporting it to the CFO if directly accessible, or otherwise to their direct manager, who shall report that information to the CFO.

'Aware' is defined in the Listing Rules as "An Issuer becomes aware of information if, and as soon as a Director or Senior Manager of the Issuer has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties".

- 2.2 Subject to and in accordance with the provisions of Listing Rule 3, the CFO must immediately advise the Market Disclosure Committee (appointed by the Board in accordance with paragraph 7) and, following a decision of the Market Disclosure Committee, **promptly and without delay** notify the market, via an announcement to NZX of any information concerning **thl** that the Market Disclosure Committee believes is material information.
- 2.3 If the Market Disclosure Committee is unable to make a decision in relation to the release of potential material information promptly and without delay after the CFO has

notified them, then such decision may instead be made by the Chairperson of the Board, or in their absence, the Chairperson of the Audit Committee.

3. WHAT IS MATERIAL INFORMATION?

- 3.1 Information is ‘material’ if a reasonable person would expect, if it were generally available to the market, to have a material effect on the price of **thl**’s shares, and relates to **thl**’s ordinary shares or **thl**, rather than shares or issuers generally.
- 3.2 A “reasonable person” is 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. The reasonable person test to be applied is an objective one, to be judged from the perspective of an independent, fair-minded bystander.
- 3.3 In order to be material information, information must be ‘particular’ in the sense that it must relate to **thl**’s ordinary shares or to **thl**. The information does not need to originate from **thl** itself in order to be material, and may instead originate from a third party. Where the information originates from a third party, **thl** may need to apply for a trading halt to allow it to formulate an announcement responding to that information (see paragraph 3.11 regarding trading halts).
- 3.4 There is no definitive list of the type of information that is material information, as it will depend on the particular circumstances, however the following information may be material information:
- (a) A change in **thl**’s financial forecast or expectation;
 - (b) The appointment of a receiver, manager or liquidator in respect of any loan, trade credit, trade debt, borrowing or securities held by **thl** or any of its subsidiaries;
 - (c) A transaction for which the consideration payable or receivable is a significant proportion of the written down value of **thl**’s consolidated assets. Normally, an amount of 5% or more would be significant, but a smaller amount may be significant in a particular case;
 - (d) A recommendation or declaration of a dividend or distribution;
 - (e) A recommendation or declaration that a dividend or distribution will not be declared;
 - (f) Under-subscription or over-subscription to an issue;
 - (g) A copy of a document containing market sensitive information that **thl** lodges with an overseas stock exchange or other regulator which is available to the public;
 - (h) Giving or receiving a notice of intention to make a takeover;
 - (i) Any proposed change in the general nature of the business of **thl** or its group;

- (j) A disposal or acquisition (including entering into any agreement or option to do so) of quoted securities of another issuer carrying 5% or more of the votes attaching to any class of securities of that issuer;
- (k) The acquisition or disposition of securities in **thl** carrying 5% or more of the votes attaching to any class of securities of **thl**;
- (l) The acquisition or disposition, by whatever means of assets of any nature (including entering into any agreement or option to do so) where the gross value of those assets, or the consideration paid or received by **thl**, represents more than 10% of the average market capitalisation of **thl**;
- (m) Circumstances arise that may give rise to a significant claim, litigation, or regulatory action against **thl**;
- (n) A change or potential change in any laws or regulations that are applicable to **thl** that may significantly impact **thl**'s operations or may impose significant additional costs on **thl**.

3.5 Material information need not be disclosed if: (Listing Rule 3.1.2)

- (a) A reasonable person would not expect the information to be disclosed; and
- (b) The information is confidential and its confidentiality is maintained; and
- (c) One or more of the following applies:
 - (i) The release of the information would be a breach of law;
 - (ii) The information concerns an incomplete proposal or negotiation – generally a proposal or negotiation will be considered complete when both parties sign an agreement to implement or give effect to the transaction;
 - (iii) The information contains matters of supposition or is insufficiently definite to warrant disclosure;
 - (iv) The information is generated for the internal management purposes of **thl** or its subsidiaries; or
 - (v) The information is a trade secret.

Decisions on what information is material information will be made by the Market Disclosure Committee.

3.6 It should be noted that:

- (a) Material information must be disclosed unless each of the “limbs” of the disclosure exception set out in paragraph 3.5 above are satisfied; and

- (b) The disclosure obligation resurrects once one or more of the limbs of the exception are no longer fulfilled.
- 3.7 How promptly any material will be able to be released in an announcement will depend on the circumstances and nature of information, and may be impacted by:
- (a) the nature, amount and complexity of the information concerned;
 - (b) where the information originated from and whether it needs to be checked or verified; and
 - (c) how long it takes to draft the necessary announcement and ensure that it is complete, accurate and not misleading.
- 3.8 **thl** must not, under any circumstances, disclose material information to any person not bound by obligations of confidentiality prior to NZX releasing the information to the market. If unreleased material information is unintentionally communicated, by **thl** or an employee, in any forum, the CFO must be advised immediately so that following a decision of the Market Disclosure Committee, the market can be informed.

Responding to a false market

- 3.9 **thl** will release material information to the market to the extent necessary to prevent development or subsistence of a market for **thl**'s securities which is materially influenced by false or misleading information which is of a reasonably specific nature and emanates from:
- (a) **thl** or any associated person (as that term is defined in the NZX Listing Rules) of **thl**; or
 - (b) other persons in circumstances in each case which would give such information substantial credibility.

thl will release such information notwithstanding that a disclosure exception set out in Listing Rule 3.1.2 (or paragraph 3.5 above) may apply.

- 3.10 While **thl** will not generally comment on media speculation or rumours, **thl** will monitor media for speculation and rumours to assist in meeting its obligation to prevent the existence of a false market in its securities. If the Market Disclosure Committee considers that there is speculation or rumour that is false or misleading which originates from a source which gives such information substantial credibility and is materially influencing the market for **thl** securities, it will authorise a market disclosure to be released.

Trading halts

- 3.11 **thl** may in certain circumstances be required to request a trading halt in order to meet its continuous disclosure obligations under this policy and/or the Listing Rules. **thl** may request a trading halt if there is material information in the public arena that it needs to respond to, because it needs to confirm, deny or clarify that information or explain the

impact of the information on *thl*, or because it otherwise needs time to consider the likely impact before an announcement is provided to the market.

4. **RELEASE OF REPORTS AS REQUIRED BY THE LISTING RULES AND THE COMPANIES ACT**

4.1 *thl* must release, in a timely fashion, the following reports as required by the Listing Rules and the Companies Act:

- (a) The annual report and audited financial statements;
- (b) The half-year and full-year results announcement; and
- (c) Any other reports required to be lodged under the Listing Rules and/or Companies Act 1993.

4.2 *thl* will include in its annual report either a statement on, or URL link to a statement on, the extent to which *thl* has followed the recommendations of the NZX Corporate Governance Code during the relevant financial year, and the date at which the statement is current (being either the relevant balance date or a later date). If *thl* has not followed a recommendation in the NZX Corporate Governance Code during the relevant financial year, it will provide details of such in accordance with Listing Rule 3.8.1(b).

4.3 *thl* must not hold any meetings with or initiate any meeting or phone contact with analysts, fund managers or brokers, during the period of 10 days before the release of the annual and half-yearly results.

4.4 Directors of *thl* are required to give written notice to *thl* in respect of any dealing in the securities of *thl* and to comply with *thl*'s Securities Trading Policy and Guidelines. A change in the notifiable interest of a director must be advised to NZX in accordance with the applicable timeframe set out in the Financial Markets Conduct Act 2013.

5. **INFORMATION BRIEFINGS WITH ANALYSTS, ANALYST COVERAGE AND FORECASTS/GUIDANCE**

5.1 No material information that is not generally available to the market may be disclosed in any meeting with an investor or analyst.

5.2 *thl* may provide background and technical information (other than material information) in one-on-one briefings with analysts, fund managers, brokers or institutional investors to assist them in their understanding of *thl*'s business activities. Such information may include:

- (a) Long term strategy;
- (b) Company history, vision and goals;
- (c) Management philosophy and the strength and depth of management;
- (d) Competitive advantages and risks;

- (e) Previously disclosed material information;
- (f) Non-material information;
- (g) Industry trends and issues; and
- (h) Assumptions underlying earnings forecasts, not the forecast per se.

The Chief Executive Officer (**CEO**) and CFO must review any written presentation material prepared for meetings prior to the meeting to determine whether all information has previously been disclosed to the market or may require disclosure.

- 5.3 A one-on-one briefing includes any communication between **thl** and a broker, analyst, fund manager, or institutional investor and includes any phone calls.
- 5.4 If an analyst sends **thl** a draft report, that report must be referred to the CEO or CFO. **thl** shall only comment on factual errors relating to historic or previously disclosed information.
- 5.5 **thl** may experience a material effect on its share price where it releases results that materially deviate from market expectations including previously provided guidance or forecasts, or in the absence of such guidance from **thl**, any analyst forecasts. The Market Disclosure Committee should consider whether any such expected deviation could itself constitute “material information” and therefore require disclosure under the NZX Listing Rules. Where **thl** is sufficiently certain that the material deviation from market expectations will arise and that disclosure is required, it must promptly, and without delay, disclose that **thl**’s performance for the relevant reporting period is expected to materially deviate from market expectations or previously provided forecasts and give an indication of the order of magnitude of that deviation.
- 5.6 The **thl** Board will consider how to manage the market’s expectations regarding **thl**’s performance on an ongoing basis so as to avoid any surprises when announcing financial results.

6. **RELEASE OF INFORMATION TO THE PUBLIC**

- 6.1 Only the CEO or Chairman is authorised to provide comment about financial aspects of **thl**, or speak on behalf of **thl**, to the media or external parties. Any employees providing comment on **thl** must be in accordance with the delegated authorities or first obtain the authorisation of the CEO or the Chairman.
- 6.2 In order to safeguard the confidentiality of material information, **thl** employees must not respond to any market speculation or rumours about **thl**, unless authorised by the CEO or the Chairman to do so.

7. **REVIEW OF PROCEDURE**

- 7.1 The Board will appoint a Market Disclosure Committee which must consist of the:
 - (a) CEO;

- (b) CFO;
- (c) Chairman of the Board; and
- (d) Chairman of Audit and Risk Committee (if the release relates to financial performance).

thl may seek external advice on whether matters are material and accordingly whether those matters should be disclosed.

7.2 The role of the Market Disclosure Committee is to:

- (a) Monitor compliance by all **thl** persons with this Market Disclosure Policy;
- (b) Ensure compliance by **thl** with all general and continuous disclosure requirements;
- (c) Ensure appropriate education for all **thl** persons of the details of this Market Disclosure Policy and specifically the escalation procedure set out in paragraph 2;
- (d) Approve the form, contents and release of disclosures to the market;
- (e) Review this Market Disclosure Policy at least once each financial year; and
- (f) Provide a report to the Board on any matters dealt with in the preceding period with the next set of board papers.

8. CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE

8.1 **thl** is committed to communicating to the market its priorities and progress in respect of economic, social and governance (ESG) risks and opportunities. **thl** recognises that its decisions in relation to the environmental and social impacts of its activities as a company are fundamental to its ability to position itself to deliver long term sustainable value to stakeholders.

8.2 In order to ensure effective communication of its goals and progress in this respect, **thl** will aim to report on the following matters for the period 1 July to 30 June each year (**ESG Reporting**):

- the relevance of ESG factors to **thl**'s business model and strategy;
- how ESG issues may affect **thl**'s business; and
- how **thl** intends to, in the upcoming reporting period, and how **thl** has during the previous reporting period, improved practices within the organisation to enable it to reduce its carbon footprint. Where available, qualitative and quantitative data should be provided.

8.3 **thl**'s ESG Reporting is to be released at the same time as **thl**'s annual report each year and may take the form of either a standalone report or be integrated into **thl**'s annual report.

8.4 **thl**'s ESG Reporting is to be compiled in accordance with GRI standards, or such other equivalent and recognised standard as decided by the Board from time to time.

9. ROLES

Responsibilities of all thl persons

9.1 Any **thl** person who is aware of information that is, or may be, material information relevant to **thl**, that is not already public information, must escalate such information by immediately reporting to the CFO if directly accessible, or otherwise to their direct manager, who shall report that information to the CFO immediately.

9.2 All **thl** persons must report to the CFO if directly accessible, or otherwise to their direct manager, who shall report that information to the CFO, any known or suspected non-compliance with this Market Disclosure Policy immediately upon becoming aware of such known or suspected non-compliance.

9.3 If a **thl** person becomes aware that unreleased material information has been unintentionally communicated by **thl** or any of its subsidiaries or any **thl** person, in any forum, they must immediately notify the CFO if directly accessible, or otherwise their direct manager, who shall notify the CFO immediately.

Responsibilities of executive officers

9.4 The executive officers must consider at each meeting of the executive whether there is any information that requires disclosure in accordance with this Market Disclosure Policy.

9.5 Executive officers are responsible for identifying and reporting to the Market Disclosure Committee any matters that might require disclosure under this Market Disclosure Policy or any known or suspected non-compliance with this Market Disclosure Policy upon becoming aware of such matter.

9.6 The CEO and CFO will monitor analyst coverage relating to **thl** and, if appropriate, clarify any issues with any such analysis proactively but in accordance with the procedures set out in this policy in respect of any information briefings with analysts.

9.7 The CEO and CFO must ensure that appropriate systems and controls are in place to ensure that information within **thl** is appropriately escalated to senior management, so as to allow **thl** to efficiently comply with its continuous disclosure obligations under the NZX Listing Rules.

Responsibilities of the Board

9.8 The directors must consider at each board meeting if there is any information that requires disclosure in accordance with the Market Disclosure Policy. The Board must also consider any matters dealt with in accordance with this Market Disclosure Policy as provided in board papers by the Market Disclosure Committee.

10. **DISCIPLINARY ACTION**

Breaches of this policy may lead to disciplinary action being taken against employees including dismissal in serious cases.

11. **ADOPTION**

Approved by the Tourism Holdings Limited Board of Directors effective from 31 May 2019.