



BLACK PEARL GROUP LIMITED

FINANCIAL PRODUCT TRADING POLICY AND GUIDELINES

Policy Statement

Black Pearl Group Limited (**BPG**) is committed to complying with all legal and statutory requirements in respect of trading in financial products. BPG intends to directly list on the NZX in December 2022. Once listed, legal requirements make it unlawful to deal in BPG financial products while in possession of “inside information” about BPG. To the extent practicable, BPG wishes to ensure any financial product trading is conducted as if BPG were listed from the time of its incorporation.

This policy is designed to clearly outline the prohibitions of insider trading in New Zealand, minimising the potential for a breach, or appearance of any such breach, of these prohibitions. For the avoidance of doubt, this policy applies to trading that is done by both New Zealand and overseas financial product holders.

This policy applies to all directors, employees and contractors of BPG (**BPG People**).

Background

Under the Financial Markets Conduct Act 2013 (**FMCA**), it is illegal for any person (**Information Insider**) holding price sensitive information that is not generally available to the market about a listed company (**Inside Information**) to trade that listed company’s shares or other securities. Engaging in such behaviour is known as “insider trading”.

The policy adopted by BPG is that if you wish to trade in the BPG’s shares or other issued securities (**Financial Products**), you must not do so if you are an Information Insider. In addition, Inside Information should not be disclosed to third parties unless those persons are covered by express duties of confidentiality that restrict their ability to trade Financial Products while they are an Information Insider.

This policy also prohibits distributing information or engaging in trades which may constitute “market manipulation” under the FMCA (this is explained in further detail below).

The detailed policy and procedure in respect of these rules is set out below.

Guidance

BPG treats insider trading very seriously. If you intend to buy, sell or otherwise deal in Financial Products of BPG, please read this document carefully and seek advice from the Chair of BPG’s board (**Chair**) or BPG’s legal counsel if any matter is unclear.

BPG People are required to obtain consent from the Chair in the form set out in Appendix A before either buying or selling Financial Products. If you intend to buy or sell shares, you will need to:

- notify the Chair of your intention to trade in Financial Products, and seek consent to do so on the attached form;
- confirm that you do not hold Inside Information; and

- confirm that there is no known reason to prohibit trading in any Financial Products.

Consent is only valid for a period of 10 trading days after notification. Consent is automatically withdrawn if you become aware of Inside Information prior to trading.

In the instance of the Chair seeking to trade Financial Products, the Chair must follow this process with an independent director.

References

Documents and other sources of assistance available to support this policy include the FMCA and guidance material on insider trading that is published from time to time by the Financial Markets Authority (see www.fma.govt.nz).

General

BPG will communicate this policy to BPG People, its shareholders and to the market, including via its website, in the interests of transparency and accountability and to better promote the objectives of this policy.

This policy has been agreed by the Board of Black Pearl Group Limited.

Issue	Approved by	Date
1.0	The Board	24 November 2022

BLACK PEARL GROUP LIMITED (BPG) FINANCIAL PRODUCT TRADING GUIDELINES FOR INSIDERS

In this policy 'trade' includes buying or selling Financial Products, or agreeing to do so, whether as principal or agent, but it does not include a subscription for an issue of new Financial Products.

Introduction and Purpose

This document details BPG's rules for dealing in the Financial Products. Financial Products include:

- all financial products of BPG or its subsidiaries that are on issue from time to time; and
- any derivatives in respect of the above financial products.

The requirements imposed by this policy are separate from, and in addition to, the legal prohibitions on insider trading in New Zealand.

Fundamental Rule - No trading may be done while in possession of Inside Information.

If you possess Inside Information, it is a breach of this policy for you to:

- trade in Financial Products;
- procure, advise or encourage another person to trade or hold Financial Products; and
- directly or indirectly communicate the Inside Information to others 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, the Financial Products. You could be liable in respect of trading by the other person (known as **Tipping**).

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 Financial Products. If a person has inside information in relation to listed financial products of another listed company (including futures contracts listed on an authorised futures exchange), that person must not trade in those financial products.

Inside Information

Inside Information is information concerning BPG 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 or value of BPG Financial Products.

Inside Information can include rumours, matters of supposition, intentions of BPG and information concerning an incomplete proposal that is insufficiently definite to warrant disclosure to the public.

It does not matter how you come to know Inside 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 is generally available to the market if BPG has posted the information on its website or the information has been announced on the NZX Main Board, and it has been publicly available there for at least 24 hours (**Publicly Released**).

Examples of Inside Information

Examples of Inside Information include:

- the financial performance of BPG or its subsidiaries;
- a possible change in strategic direction of BPG;
- a possible acquisition or sale of any assets by BPG;
- senior management or director changes;
- the entry into or likely entry into, or termination or likely termination of, material contracts or other business arrangements;
- upcoming performance announcements, especially if they contain unexpected results;
- a proposed takeover or restructuring;
- a change in BPG's dividend policy; and
- an unexpected liability for BPG arising or a contingent liability becoming an actual liability.

The list is illustrative only. If you have knowledge of any of these matters or any other information likely to affect the price or value of Financial Products (or influence a decision whether or not to trade in them) you must not trade in Financial Products until such matters have been Publicly Released.

Short term trading should be avoided

Short term trading is buying and selling financial products over a short time period (i.e. 3 months). If you do this in relation to Financial Products, it might give rise to allegations of insider trading, particularly if the short term trading is done around important events which affect BPG's share price. These events may not be expected or known by you, but if they do occur, your short term trading may be viewed adversely with the benefit of hindsight.

Accordingly, you should not engage in short term trading unless there are exceptional circumstances that have been discussed with and approved by the Chair.

Trading/Issue/Exercise Periods

There are no 'safe' periods for trading financial products. You may never trade if you hold Inside Information.

However, there is less risk that you will face allegations that you have Inside Information if you trade Financial Products after the announcement of BPG's full year and where applicable, half year results, particularly if they are audited and final. This is because any Inside Information you may have had is likely to have been incorporated into the results that were Publicly Released. However, some matters that constitute Inside Information (e.g. a potential acquisition or disposal) may not be detailed in such results and so due consideration must still be given as to whether you hold Inside Information despite the release of such results.

BPG People have greater restrictions on trading in any Financial Products under this Policy except in the 30 day period commencing on the first day of trading after:

- results have been Publicly Released; or
- a product disclosure statement for a retail offer of Financial Products has been registered,

(together, the **Trading Windows**).

BPG People are less likely to receive approval to trade any Financial Products during any time outside of these Trading Windows. The Chair may refer a request for approval to trade outside of the Trading Windows for consideration and determination by the board of BPG (**Board**).

BPG People are highly unlikely to receive approval to trade any Financial Products during the period commencing 30 days prior to the balance date of BPG's full year and where applicable, half year results, until those results have been Publicly Released.

Third Party Disclosure of Inside Information

No Inside Information should be disclosed to third parties unless those third parties are covered by express or clearly implied duties of confidentiality.

For example, implied duties of confidentiality can arise where there is disclosure to legal advisers for the purposes of obtaining legal advice. Express duties will arise where written confidentiality agreements are entered into.

Your duty of confidentiality to BPG will continue to apply even if you have ceased being employed or engaged by BPG. You must not reveal any confidential information concerning BPG to a third party (unless that third party has signed a confidentiality agreement with BPG and you have been authorised to disclose the confidential information) or use confidential information in any way which may injure or cause loss to BPG or to gain an advantage for yourself. You should ensure that external advisers keep BPG information confidential.

Disregarding these requirements could, in addition to being a serious breach of this policy, constitute Tipping under the FMCA if the recipient of the confidential information then trades in BPG Financial Products or encourages another person to trade in BPG Financial Products. Tipping, like Insider Trading, can give rise to civil and criminal liability.

Market manipulation

Engaging in behaviour which constitutes "market manipulation" is prohibited by the FMCA for NZX listed companies. Penalties for breaching the market manipulation provisions contained in the FMCA may include criminal liability, fines and imprisonment. Prior to listing, BPG and BPG People are to conduct themselves as if these provisions already apply to BPG (to the extent practicable).

It is possible to commit market manipulation inadvertently, for example, in circumstances where a person *ought to have known* that their behaviour could be construed as market manipulation. As such, BPG People should:

- (a) familiarise themselves with the types of conduct which could be considered market manipulation; and
- (b) take active steps to avoid disseminating information or trading in Financial Products in ways which could be construed as market manipulation.

The types of behaviour which could be categorised as market manipulation in relation to BPG include:

- *Misleading information*: you must not make a statement or disseminate information concerning BPG if it is materially false or misleading, where that statement would likely affect a person's decision to trade or exercise a voting right (including abstentions from doing so).
- *Misleading trading*: you must not do, or omit to do, anything which will have (or will likely have) the effect of creating a misleading appearance of supply, demand, price or value of Financial Products. This could include:
 - *Wash trades*: sale and purchase of financial products where there is no change in actual ownership of the financial product e.g. from one company to another, where both companies are owned or controlled by the same person.

- *Improper matched orders*: transactions where both buy and sell orders are entered at the same time, with the same price and quantity by different colluding parties.
- *Advancing the bid*: increasing the bid for a financial product to increase its price.
- *Marking the close*: buying or selling financial products at the close of market in order to affect the closing price of the security concerned.
- *Pump and dump*: engaging in buying activity which results in increasingly higher prices for financial products, followed by selling those financial products at the resulting higher prices.

If you are in doubt as to whether your trading activity could be construed as market manipulation, you should consult the Chair before trading.

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 or market manipulation. If in doubt, don't!

Breaches of policy

Strict compliance with this policy is a condition of employment or engagement, both within BPG and as a condition of service on the Board. All suspected breaches of this policy should be reported to a member of the Board – the identity of anyone making such a report will be protected at all stages in the course of any internal investigation. Any determined breaches of this policy will be subject to disciplinary action, which may include immediate termination of employment (or contract for service) for serious misconduct.

The Board may report any breaches of this policy to the Financial Markets Authority after becoming aware of a breach.

Monitoring of trading

BPG People must promptly advise BPG following completion of any trade in BPG's Financial Products and must comply with any disclosure obligations they have under Subpart 6 of the FMCA (*disclosure of relevant interests in quoted financial products by directors and senior managers of listed issuers*).

BPG may monitor the trading of Financial Products of BPG People as part of the administration of this policy.

Application of policy

The Board 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 memo to you or by posting on BPG's website.

These guidelines apply to any trading in which you are involved or instrumental, whether or not the Financial Products are held or received in your own name or that of your spouse, children, other relatives, associates, companies which you control or trusts of which you are a trustee. These guidelines apply whether or not the trading is to be done in New Zealand or overseas and apply to all Financial Products.

Appendix A

REQUEST FOR CONSENT TO TRADE IN BPG FINANCIAL PRODUCTS

To: Black Pearl Group Limited (**BPG**)

In accordance with BPG's Financial Product Trading Policy and Guidelines (**Policy**), I request consent be given to the following proposed transaction that is to be undertaken either by me or persons associated with me, within five business days after receiving the necessary consent. I acknowledge that BPG is not advising or encouraging me to trade in or hold BPG financial products (**Financial Products**) and does not provide any such recommendations.

Name:

Name of registered holder transacting (if different):

Address:

Position:

Description and number of Financial Products:

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

Likely date of transaction (on or about):

I declare that I do not hold information which:

- is not Publicly Released at the time of trading; and
- would have a material effect on the price of Financial Products if it were Publicly Released.

I know of no reason to prohibit me from trading in Financial Products and certify that the details given above are complete, true and correct.

Signature

Date

BPG hereby **does/does not** consent to the proposed transaction described above. Any consent is conditional on the proposed transaction being completed within the allowable timeframe specified in the Policy and otherwise in full compliance with the Policy.

Black Pearl Group Limited

Date