

**HARVEY NORMAN HOLDINGS LIMITED A.C.N. 003 237 545 (the "Company")**  
**SHARE TRADING POLICY**

**1. BACKGROUND AND DEFINITIONS**

- 1.1 The Company is a public company, listed on the ASX.
- 1.2 The Company is committed to responsible corporate governance. This policy forms part of the corporate governance framework of the Company.
- 1.3 ASX Listing Rules govern trading in shares of the Company.
- 1.4 *Corporations Act 2001 (Cth)* prohibits insider trading by anyone.
- 1.5 Where used in this document, the following terms or expressions shall have the following meanings:
- "**Act**" means the *Corporations Act 2001 (Cth)*;
- "**ASX**" means the Australian Securities Exchange;
- "**Board**" means the board of directors of Harvey Norman Holdings Limited;
- "**Chairman**" means the chairman of the Board;
- "**Chief Executive Officer**" means the chief executive officer of the Company;
- "**Chief Financial Officer**" means the chief financial officer of the Company;
- "**Committee**" means a committee or sub-committee of the Board;
- "**Company**" includes Harvey Norman Holdings Limited A.C.N. 003 237 545 and each controlled entity of the Company;
- "**Company Secretary**" means the secretary of the Company;
- "**Director**" means each director, executive and non-executive, of the Company;
- "**Employee**" includes each Director, Executive, employee of, or contractor to the Company;
- "**Executive**" means each person who holds a position which makes that person an "*officer*" of the Company, as that term is defined in the Act;
- "**Generally Available Information**" means information concerning the Company:
- (a) which can be easily observed; or
  - (b) has been released to the ASX, published in an annual report or prospectus, or is generally available to the investing public and a reasonable time has elapsed since the information was released, published or otherwise communicated to the investing public; or
  - (c) may be deduced, inferred or concluded from any of the above;
- "**Performance Rights**" means Shares, or rights or options over Shares, in each case granted by the Company to an Employee, in accordance with a plan which has been previously approved by shareholders of the Company in general meeting;
- "**Policy**" means this share trading policy of the Company;
- "**Price Sensitive Information**" means information concerning the Company, which:

- (a) is not Generally Available Information; and
- (b) may have a material effect on the price or value of Shares; and
- (c) a person who is in possession of that information knows or ought reasonably to know that the information is not Generally Available Information, and if made generally available, it might have a material effect on the price or value of Shares;

**"Shares"** includes shares in the Company and options or rights over shares in the Company;

**"Trading Window"** means each of the following periods of thirty days (or such other period as may be determined by the Chairman or a Committee) commencing one day after:

- (a) the announcement of half-yearly financial results of the Company;
- (b) the announcement of annual financial results of the Company;
- (c) the holding of the annual general meeting of the Company;
- (d) the filing of a disclosure document for an offer of securities in the Company with ASIC or the ASX, or both; or
- (e) the declaration by the Chairman of the commencement of a period as a Trading Window.

1.6 A reference in this Policy to information that would be likely to have a material effect on the price or value of Shares means information that might influence persons who commonly invest in securities (including Shares) in deciding whether or not to subscribe for, buy or sell those securities. Information likely to have a material effect on the price or value of Shares includes, but is not limited to:

- (a) information regarding a material increase or decrease in the financial performance of the Company, from previous results;
- (b) entry into, or termination of a material contract;
- (c) a material acquisition or sale of assets by the Company;
- (d) an actual or proposed takeover or merger by the Company;
- (e) a proposed dividend or change in dividend policy of the Company;
- (f) an actual or proposed change to the capital structure of the Company or financing arrangements for the Company;
- (g) proposed material legal proceedings to be initiated by or against the Company; or
- (h) regulatory action or investigations undertaken by a government authority.

## **2. PURPOSE**

2.1 The purpose of this policy is to:

- (a) explain the type of conduct in relation to dealings in Shares that is prohibited by the Company and under relevant law;

- (b) establish a best practice policy and procedure for buying, selling or otherwise acquiring Shares and prevent the misuse of unpublished information which could have a material effect on the price or value of Shares;
- (c) ensure that the reputation of each of the Company, and Directors, Executives and Employees of the Company is not placed under suspicion of abusing inside information that any Director, Executive or Employee has or may be thought to have.

2.2 A breach of this Policy by a person may result in disciplinary action, or termination of any office, employment or engagement of that person with the Company.

2.3 This Policy summarises some complex provisions of the law and is only a general guide. This Policy does not constitute legal advice. If any Director, Executive, or Employee of the Company does not understand this Policy or how this Policy may apply, that person should communicate with the Company Secretary, or seek further advice, or both.

### **3. DEALINGS IN SHARES**

3.1 Under the Act, each person who possesses price sensitive information about an entity:

- (a) must not buy or sell, or agree to buy or sell securities in that entity;
- (b) subscribe for new securities in that entity;
- (c) enter into an agreement to subscribe for, buy or sell securities in that entity;
- (d) communicate that price sensitive information to any other person;
- (e) procure any other person to deal in securities in that entity; or
- (f) advise, procure or encourage another person to deal in those securities in that entity, including for example, a family member, friend, family company or trust.

3.2 If a person, including a Director, Executive or Employee, has Price Sensitive Information, that person must not:

- (a) buy or sell Shares;
- (b) subscribe for new Shares;
- (c) enter into an agreement to subscribe for, buy or sell Shares;
- (d) communicate that Price Sensitive Information to any other person, except in the proper performance of the duties of that person, and in all respects, subject to law;
- (e) advise, procure or encourage another person to buy or sell Shares or agree to buy or sell Shares.

#### **4. TRADING WINDOWS**

- 4.1 Each Director and Executive may buy, sell, otherwise acquire, or deal in Shares only in a Trading Window, and never when that Director or Executive is in possession of Price Sensitive Information.
- 4.2 Each Director must give notice to, and receive consent from the Chairman before commencing to buy, sell, otherwise acquire, or deal in Shares, outside of Trading Windows.
- 4.3 Each Executive must give notice to, and receive consent from the Chairman before commencing to buy, sell, otherwise acquire, or deal in Shares, outside of Trading Windows.
- 4.4 (a) Performance Rights involving options over Shares, may be exercised outside Trading Windows.
- (b) Any sale of Shares acquired upon exercise or vesting of Performance Rights may only occur:
- (i) during a Trading Window, if the relevant party exercising the Performance Rights is not in possession of Price Sensitive Information; or
  - (ii) outside a Trading Window, with the prior written consent of the Chairman or Chief Executive Officer.

#### **5. ADDITIONAL RESTRICTIONS UPON DIRECTORS AND EXECUTIVES**

- 5.1 Each Director and Executive must not hedge any Performance Rights.
- 5.2 Each Director and Executive must not deal or trade in any Shares received upon exercise or vesting of any Performance Rights while those Shares are subject to any transfer restriction.
- 5.3 Each Director and Executive must notify the Chairman if that person hedges any Shares acquired as a result of the exercise of any Performance Rights.
- 5.4 Each Director must give notice to the Company Secretary when that Director buys or sells shares in the Company, so that the ASX can be informed, in accordance with the ASX Listing Rules and the law.
- 5.5 Each person who is a Director or Executive must not engage in short term trading in Shares except where:
- (a) the Director or Executive makes specific request to the Chairman or Chief Executive Officer, explaining a specific circumstance or requirement of that Director or Executive;
  - (b) the request relates to exercised or vested Performance Rights; and
  - (c) the Chairman or Chief Executive Officer gives prior written approval to the proposed short term trading.
- 5.6 A Director or Executive who has, or proposes to enter into a margin loan in respect of Shares must comply with this Policy. A forced sale under a margin loan, to satisfy an unmet margin call or default will be a breach of this Policy unless the Director or Executive has first obtained approval to the margin loan. The Company has an obligation to disclose the existence and terms of any margin loan arrangement to the

market where that information would, or would be likely to, have a material effect on the price or value of Shares.

- 5.7 If a Director or Executive, acting reasonably, would believe that there will be an unmet margin call or event of default in relation to any margin loan arrangements, the Director or Executive must immediately disclose to the Chairman, Company Secretary or Chief Executive Officer, full and complete details of the arrangement as is necessary to ensure the Company can comply with continuous disclosure obligations of the Company under ASX Listing Rules and the law.

## **6. CONTACT**

- 6.1 Each Director, Executive or Employee who is in any doubt about the effect of this Policy on any proposed dealing in Shares should contact the Company Secretary or Chief Financial Officer of the Company.