

**NZSX/NZDX**  
**NOTICE PURSUANT TO LISTING RULE 7.12.1**

(a)	Class of Security and ISIN:	<i>Restricted Shares ISIN:</i>
(b)	Number issued/acquired:	<i>211,121</i>
(c)	Issue/Acquisition price:	<i>NZ \$3.5174 for shares issued 1 October 2014; NZ \$3.73498 for shares issued 7 April 2015; NZ\$3.715992 for shares issued 18 November 2015; NZ\$3.98 and NZ\$4.08 for shares issued 29 February 2016; NZ \$3.799502 for shares issued 13 April 2016 NZ \$4.4299 for shares issued 15 November 2017</i>
(d)	Payment in Cash:	<i>yes</i>
(e)	Amount paid up:	<i>Fully paid</i>
(f)	Percentage total of class of securities:	<i>0.053%</i>
(g)	Reason for issue/acquisition:	<p><i>211,121 restricted shares comprising:</i></p> <p><i>201,866 balance of LTI round 3, issued 1 October 2014, which did not vest; and</i></p> <p><i>9,255 which will not meet the requirements to become unrestricted as the beneficial holders have left the company's employment.</i></p> <p><i>All originally issued to TMG Trustee Limited as trustee for senior employees under the company's Executive Long Term Incentive Scheme.</i></p> <p><i>The shares have been bought back under the Scheme Rules, and cancelled.</i></p> <p><i>Notice was given to shareholders on 20 March 2018 (attached).</i></p>
(h)	Specific authority for issue/acquisition:	<i>Board resolution, s. 71 Companies Act 1993.</i>
(i)	Any terms or details of the issue/acquisition:	<i>none</i>

(j)	Total number of securities on issue after issue/acquisition:	397,073,851
(k)	Companies Act 1993 registered company – shares to be held as Treasury Stock:	No
(l)	Date of issue/acquisition:	<i>Bought back and cancelled 6 April 2018</i>



Sarah Hard  
Company Secretary

## Disclosure relating to the buyback and cancellation of shares under the Trade Me Group Limited Long-term Executive Share Scheme (s.62 Companies Act 1993)

### Introduction – what this is about

Trade Me has a specific long-term incentive scheme for its senior staff (the LTI Scheme). The details are outlined in the company's annual report.

Sometimes the shares issued in the LTI Scheme need to be cancelled (if they don't vest, or the employee leaves Trade Me). This disclosure is a legal requirement before any LTI Shares are cancelled.

Under the LTI Scheme, Trade Me issues "restricted shares" to members of the senior management team, but those shares are held by a trustee until a time (generally 3 years after issue of the restricted shares) where the performance of the company is tested against two performance hurdles set by the Board (measures of Earnings Per Share and relative Total Shareholder Return). If the company has performed well enough and meets the hurdles, some or all of the restricted shares will vest and become the property of the senior employees concerned. If the company's performance has not met the hurdles, the shares will not vest and are cancelled.

It is a prerequisite that the senior employees who have restricted shares are still employed by the company at hurdle dates.

It's inevitable that some senior employees leave the company while their shares under the LTI Scheme are still restricted. The shares which the trustee holds for the relevant employees are bought back and cancelled after they leave.

In addition, shares which don't vest after testing need to be cancelled. Of the shares in the LTI 3 round (issued October 2014), 30.55% vested and the rest will be cancelled.

Trade Me must give notice to shareholders in accordance with the requirement of section 62 of the Companies Act 1993 (the Act) before the buyback and cancellation of shares can happen.

This disclosure is the required notice. It sets out the intention of Trade Me Group Limited to exercise an option to buy back and cancel certain restricted shares which were issued under the LTI Scheme but which the relevant employees are not entitled to retain.

The senior employees who are affected by this are aware that their LTI shares will be cancelled.

### What do you have to do?

**This disclosure is provided to you for your information only and you are not required to take any action in relation to it.**

### Terms

The restricted shares are to be bought back by the Company from TMG Trustee Limited, which holds the LTI Scheme shares as bare trustee. The shares will be repurchased for their original issue price and the proceeds used to repay a loan that was provided on issue, so the employees will not make any gain from holding the shares.

No director has any interest in the restricted shares which are the subject of the buyback.

The buyback will occur at least 10 working days after this disclosure has been distributed to shareholders.

### Directors' resolution

Trade Me's directors have resolved:

1. That Trade Me Group Limited (TME) make an offer to TMG Trustee Limited (the Trustee) to acquire by buying back ('the buyback') (a) 9,255 shares beneficially held by certain ex-employees, who have left the company's employment and (b) 201,866 shares in LTI 3 round, which did not vest (together, 'the Shares');
2. The buyback will be at the same price as the issue price for each of the Shares;
3. The buyback is in the best interests of the Company and is of benefit to the remaining shareholders;
4. The terms of the buyback and the consideration offered for the Shares are fair and reasonable to the Company and to the remaining shareholders;
5. The reasons for the director's conclusions are that:
  - a. The Company is exercising a buyback option given in consideration for the loan being provided to the Trustee to buy the Shares, under the Company's LTI Scheme; and
  - b. The buyback and cancellation of Shares is a key part of facilitating the Scheme which increases the alignment of interests between participating senior staff and shareholders;
  - c. The buyback price is the same as the original issue price for each of the Shares.
6. The shares will be cancelled by the Company immediately upon completion of the buyback.

### Note

#### Shareholder rights

Section 62(8) of the Act provides that a shareholder or the company may apply to the court for an order restraining the proposed acquisition on the grounds that—

- (a) it is not in the best interests of the company and of benefit to remaining shareholders; or
- (b) the terms of the offer and the consideration offered for the shares are not fair and reasonable to the company and remaining shareholders.

This disclosure is provided to you for your information only and you are not required to take any action in relation to it.

If you have any questions regarding this disclosure, please contact Trade Me's Company Secretary **Sarah Hard** on **(04) 803 2676** or **sarah.hard@trademe.co.nz**.