

Directors' report

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David Kirk

Independent chairman
NON-EXECUTIVE

David is the co-founder and managing partner of Bailador Investment Management, chairman of Kathmandu and a director of Forsyth Barr Limited, Bailador investee companies SMI Limited, Online Ventures Pty Ltd (trading as SiteMinder) and Viocorp Pty Limited. He is also chairman of Trustees of Sydney Grammar School.

David was the CEO of Fairfax Media from 2005 to 2008. He was also the chief executive officer and managing director of PMP Limited from 2003 to 2005 and the regional president (Australasia) for Norske Skog from 2000 to 2003. David worked for Fletcher Challenge Paper and Fletcher Challenge Energy in senior executive roles in New Zealand and Australia from 1995 to 1999. He was chief policy advisor to the Prime Minister of New Zealand from 1992 to 1994 and was a management consultant with McKinsey & Company in London from 1989 to 1991.

David holds a Medical Doctorate from the University of Otago and a Master of Arts (Philosophy, Politics and Economics) from Oxford University. He is also a Rhodes Scholar.

He lives in Sydney, Australia.

Joanna Perry

Independent director
NON-EXECUTIVE

Joanna has extensive governance experience and is currently the deputy chair of Genesis Energy. Her independent directorships include Kiwi Property Group, Sport New Zealand, Partners Life and Rowing New Zealand.

She is chair of the IFRS Advisory Council, and until April this year chaired the Investment Advisory Panel of the Primary Growth Partnership.

Prior to focusing on her directorships, Joanna was a senior partner in the global audit, tax and advisory firm KPMG. She was a member of the Securities Commission, chaired the Financial Reporting Standards board and was a member of the Australian Accounting Standards board.

Joanna has a Master of Arts in Economics from Cambridge University and is a Fellow of the New Zealand Institute of Chartered Accountants.

She is a Member of the New Zealand Order of Merit for services to accounting.

Joanna lives in Auckland, New Zealand.

Paul McCarney

Independent director
NON-EXECUTIVE

Paul is a technology entrepreneur, investor and consultant.

He has many years' experience in technology and digital marketing including co-founding search marketing agency Decide Interactive (acquired by NASDAQ-listed 24/7 Real Media in 2004), and founding digital marketing company Life Event Media (acquired by directory business Sensis in 2011). He is a co-founder and the CEO of Data Republic in Australia. Paul is also a director of BTBI TCo, which owns and operates B2B publisher Cirrus Media.

He lives in Sydney, Australia.



Sam Morgan

Independent director
NON-EXECUTIVE

Sam was the founder and chief executive officer of Trade Me Limited until 2008. (Trade Me was acquired by Fairfax Media in 2006, and a substantial interest was held until Fairfax disposed of its Trade Me shares fully in 2012.)

Sam is a director of Vend Limited and vWork Limited (formerly Visfleet) and was a director of Xero until July 2016. He is an active software investor and co-founded Kiwi Landing Pad in San Francisco, which aims to help New Zealand companies succeed when expanding into the United States.

Sam is active in his charitable foundation, Jasmine Social Investments. This funds a portfolio of high-impact social ventures in developing countries, providing critical services in health, education and livelihoods to the profoundly poor.

Sam lives in Nelson, New Zealand.



Katrina Johnson

Independent director
Appointed 23 June 2016
NON-EXECUTIVE

Katrina has extensive experience in technology businesses, particularly in legal and regulatory matters for online marketplaces. She worked for 12 years in the United States and Australia for eBay and its subsidiaries, including three years as director of legal affairs and on the board of Gumtree.com Australia. Prior to working at eBay, Katrina was a lawyer in private practice, advising start-ups as well as large technology and media businesses.

Katrina was appointed the legal director of Uber (Australia and New Zealand) in 2015.

Katrina has a BA, LLB (Hons) from Macquarie University and a graduate diploma in Legal Practice from the College of Law, New South Wales.

She lives in Sydney, Australia.



Gail Hambly

Independent director
Resigned 22 June 2016
NON-EXECUTIVE

Gail is a senior media executive, currently group general counsel and company secretary of Fairfax Media. Her areas of expertise are law, corporate governance and internal audit and risk. She is part of the Fairfax management team.

Gail is chairman of Copyco Pty Limited, a Director of Company B Belvoir Limited, a member of the advisory board of the Centre of Media and Communications Law at Melbourne University, a member of the Media and Communications and Privacy Law committees of the Law Council of Australia and a director of the Story Factory – a not-for-profit organisation which provides education services with a special focus on disadvantaged children in Sydney.

Gail holds degrees in law, science and economics.

Gail lives in Sydney, Australia.

Corporate governance information

On Trade Me's investor relations website (investors.trademe.co.nz), you will find the following corporate governance documents referred to in this section:

- Constitution
- Trade Me Board Charter
- Audit and Risk Management committee Charter
- Human Resources and Compensation committee Charter
- Nominations committee Charter
- Independent Directors committee Charter
- External Audit Independence Policy
- Code of Conduct
- Diversity Policy
- Securities Trading Policy
- Market Disclosure Policy
- Risk Management Policy

Corporate Governance Statement

As directors of Trade Me Group Limited ("Trade Me" or the "Company") we work to protect and enhance the value of the Company's assets, in the interests of the Company and its shareholders.

We are responsible for:

- providing leadership and setting the strategic objectives for the Company;
- appointing the CEO and reviewing their performance;
- approving the appointment, and when necessary replacement, of other senior executives;
- overseeing management's implementation of the entity's strategic objectives and its performance generally;
- approving the annual operating budget and major capital expenditure;
- overseeing the integrity of accounting and corporate reporting systems, including the external audit;
- ensuring timely and balanced disclosure of all material information concerning the Company which a reasonable person would expect to have a material effect on the price or value of Trade Me shares;
- ensuring the Company has an appropriate risk management framework and setting the risk appetite within which the board expects management to operate;
- approving the Company's remuneration framework; and
- monitoring the effectiveness of the Company's governance practices.

Management is responsible for implementing the strategic objectives, operating within the risk appetite we have set as a board, and for all other aspects of the day-to-day running of the Company.

We delegate the day-to-day leadership and management of the Company to the CEO. The delegations are set out in the board Charter and in a Delegated Authority framework, which also sets out authority levels for types of commitments that the Company's management can make.

The corporate governance structure ensures the Company complies with applicable laws, as well as aligning with the NZX Corporate Governance Best Practice Code (NZX Code), and the Corporate Governance Principles and Recommendations issued by the ASX Corporate Governance Council (3rd edition) (ASX Principles).

The Financial Markets Authority in New Zealand publishes the guidelines *Corporate Governance in New Zealand – Principles and Guidelines* (originally published by the Securities Commission) which sets out nine fundamental principles of good governance. We have set out information in this section of the Annual Report under each of those principles.

Principle 1

Ethical standards: Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for delivering these standards throughout the organisation.

Code of Conduct

We have a Code of Conduct. The Code sets out the ethical and behavioural standards expected of directors of Trade Me, and of Trade Me staff. Directors and staff are also expected to uphold the Trade Me values (see page 28). The values sum up what's important to Trade Me and what the Company aims to be. Trade Me draws its values to the attention of applicants for roles, inducts staff on the values, references the values in its decision-making and keeps the values under review to ensure they are appropriately expressed and remain relevant.

Whistleblowing

Our Code of Conduct includes specific direction on action to be taken by a person who suspects a breach of the Code. We've provided for confidential and protected communications to a mailbox accessible only by the CEO and Head of Human Resources; or alternatively to a mailbox accessible only by the Chair of the Audit & Risk Management Committee.

Avoiding conflicts of interest

We are conscious of the need to ensure that we avoid conflicts of interest between our duties to Trade Me and our own interests. We update the board at each meeting on changes in our interests and any potential conflicts, and we review the interests register kept by the Company Secretary at least 6-monthly. The register records relevant transactions and our disclosures of interests. A copy of the directors' interests register is found on pages 50-51.

Trading in securities

We're restricted as directors from trading in Trade Me shares under New Zealand law and by Trade Me's Securities Trading Policy. The policy is in place to ensure people don't trade in securities when they may hold undisclosed, price-sensitive information, and it applies to both directors and designated senior employees. The policy details "blackout periods" where trading is forbidden, as well as a process for authorisation at other times.

We believe in the alignment in our interests and those of shareholders in the Company. The board's Charter sets out that each director should hold Trade Me shares to a value of at least \$100,000. Directors may take up to three years after appointment to acquire that holding in open trading periods under the Securities Trading Policy.

Our current shareholdings are set out on page 52.

Principle 2

Board composition and performance: To ensure an effective board there should be a balance of independence, skills, knowledge, experience and perspectives.

Board composition

The structure of our board and its governance arrangements are set out in the Company's Constitution and the board Charter.

Trade Me can have between three and ten directors on the board, and there are five directors at present, now all independent. There are no executive directors.

The directors are:

David Kirk (chairman), Katrina Johnson, Paul McCarney, Sam Morgan and Joanna Perry. Gail Hambly left the board in June this year, after nearly 5 years of excellent service as a director. We asked Katrina Johnson to join the board to fill the vacancy left by Gail's resignation, and Katrina will be standing for election at the Annual Meeting in November 2016.

Profiles of all the directors can be found on pages 32-33.

Apart from Katrina Johnson and Paul McCarney, the directors were appointed at the time of the Company's IPO in December 2011. Paul McCarney was appointed in November 2012. Each director has signed a written agreement with the Company.

The board is careful to make appropriate pre-appointment checks on the background and suitability of all directors. We're conscious of the need for diversity of thought and this year engaged external consultants to help with our director search, to identify a broad range of candidates and to bring to our attention candidates who might otherwise not be known to us.

We formally consider the board's composition each year at our annual performance review, and in 2016 the mix of skills and experience of directors was considered intently again as we searched for a director to fill the vacancy left by Gail Hambly's resignation. The Board had considered preparing a board skills matrix in F16, but given the discussions around the pending change of directors and the small number of directors on our

board, a formal matrix was not a priority. We believe our skills and experience to be complementary, appropriate for the Company, balanced and reasonably diverse. Our directors have expertise and experience in strategy development and implementation, executive leadership, acquisitions and divestment, venture capital, technology, data, corporate responsibility, governance, legal and regulatory matters, public policy, and finance (including the assessment of financial controls).

When directors are appointed to the Trade Me board, they enter into an agreement which specifies that their standard term is up to six years, after which they must offer to resign. It's our view that refreshing the board regularly is a good thing for the Company; it adds to the diversity of thinking and ensures we are open to new ideas. That should be balanced with the need to retain the knowledge and experience that comes with a term of directorship. For that reason, the agreement with directors provides for there to be, at the discretion of the board, an additional term of up to three years offered after the directors' initial term. That's subject of course to the requirements of the Listing Rules for one third of directors to retire by rotation and be re-elected, each year.

While we have a Nominations committee to identify and recommend prospective board members, in F16 we considered all matters concerning prospective directors as a full board.

Director independence

The board Charter requires that at least two directors be independent. A director will not be regarded as independent if:

- They are a substantial product holder (as defined in the Financial Markets Conduct Act 2013) of the Company or an officer of, or otherwise associated directly with, a substantial product holder;
- Within the last three years they have been employed in an executive capacity by the Company or another group member, or been a director of another group Company after ceasing to hold any such employment;
- Within the last three years they have been a principal of a material professional advisor or a material consultant to the Company or another group member or an employee materially associated with the service provided;
- They are a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- They have a material contractual relationship with the Company or another group member other than as a director of the Company;
- They are not free from any interest or any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of Trade Me.

Director independence is assessed by the board.

Gail Hambly (who left the board in June 2016) and Sam Morgan became independent under the definition above in December 2015,

when 3 years had passed since Fairfax Media and Trade Me were in the same group of companies. (Gail is an executive of Fairfax, and Sam had been a director of that Company).

We consider that all Trade Me's directors are now independent.

Board performance

The board Charter provides for regular performance reviews of the board and its committees.

We reviewed our compliance against the board Charter in July 2015, and we met all the requirements. We also reviewed and amended the charter itself in April 2016 to ensure we had clearly set out the extent of our responsibility for Health and Safety matters at Trade Me.

We review annually how the board is performing. As well as individual interviews between directors and the chairman, all directors and the executive team complete an evaluation questionnaire relating to board and committee composition and performance. Responses are anonymised, reported back and discussed at a board meeting. We have found this an effective way to identify issues, and the process has resulted in a number of changes to the way the board operates – for example, a change to the strategy-setting process and the way we revisit strategy during the year. We have considered in the past whether an external facilitator should assist with a performance review, but so far we are satisfied that the board is operating well and the performance process we've used is effective and suitable.

Principle 3

Board committees: The board should use committees where this will enhance its effectiveness in key areas while still retaining board responsibility.

Our board committees review and consider in detail the policies and strategies developed by management. They examine proposals and make recommendations to the board. They don't take action or make decisions on behalf of the board unless specifically mandated to do so. A committee or an individual director can engage independent legal counsel at Trade Me's expense with the prior approval of the chairman.

During the F16 year Trade Me's standing board committees, and their members were:

- **Audit & Risk Management committee:** Joanna Perry (chair), David Kirk, Gail Hambly (to 22 June 2016). Katrina Johnson joined this committee with effect from 11 August 2016.
- **Human Resources & Compensation committee:** David Kirk (chair), Paul McCarney, Sam Morgan, Joanna Perry
- **Nominations committee:** Joanna Perry (chair), David Kirk, Paul McCarney, Gail Hambly (to 22 June 2016). This committee was not active.
- **Independent Directors committee:** David Kirk (chair), Joanna Perry. This committee has not been required to meet since December 2012, when Fairfax Media sold its holding in Trade Me, and all directors are now considered independent.

The roles and responsibilities of the standing committees are set out in their respective Charters. We do also occasionally appoint a committee of directors to consider or approve a specific proposal or action, if the timing of meetings or availability of directors means the matter cannot be considered by the full board. Their deliberations and decisions are reported back to the board not later than the next meeting following.

Board and committee meetings

Between 1 July 2015 and 30 June 2016 we held ten board meetings (8 in person and 2 by audio conference), a separate strategy meeting, seven Audit & Risk Management committee meetings, and two Human Resources & Compensation committee meetings.

The Nominations committee did not meet as the full board considered director appointments and board succession planning.

All meetings were attended by all the directors or committee members as appropriate, other than these meetings, which the director named was unable to attend:

July 2015 – Paul McCarney

February 2016 (teleconference) – Sam Morgan

June 2016 – Joanna Perry

Principle 4

Reporting and disclosure: The board should demand integrity in financial reporting and in the timeliness and balance of corporate disclosures.

Financial reporting

The board is responsible for ensuring the integrity of the Company's reporting to shareholders, including for financial statements that comply with generally accepted accounting practice.

The board's Audit & Risk Management committee oversees the quality, reliability and accuracy of the financial statements and related documents. (The Audit & Risk Management committee's role is described fully in the committee Charter). In doing so the committee make enquiries of management and auditors (including requiring management representations) so that we can be satisfied as to the validity and accuracy of all aspects of Trade Me's financial reporting.

The CEO and CFO certify to the board in relation to Trade Me's financial statements, including (as required by ASX) certifying that the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control which implements the policies of the board, and that the Company's risk management and internal control systems, to the extent they relate to financial reporting, are operating effectively in all material respects.

Trade Me has worked hard to improve the clarity and readability of its financial statements over the past two years, while continuing to maintain all the requirements of the financial reporting standards. We also agreed with our external auditors that from and including F16, the auditors would report against the revised version of International Standard on Auditing (New Zealand) 700 which (amongst other changes) requires the auditors to explain in the audit report the key risks they identified and how they have responded to them. That standard was not applicable to Trade Me for a further year and our early adoption was voluntary.

Disclosure to the market

The Market Disclosure Policy sets out requirements for our full and timely disclosure to the market of material issues, so all stakeholders have equal access to information.

The board reviews and approves material announcements. We have not needed to make an urgent announcement in F16, but a Disclosure committee is in place if required to manage urgent releases (CEO, CFO, and the Company Secretary). The Company Secretary is responsible for ensuring timely release of information to NZX and ASX and is the main liaison person for communications with the NZX and ASX.

We also specifically consider with management at each board meeting whether there are any issues which might require disclosure to the market under the NZX and ASX continuous disclosure requirements.

Information for investors

Trade Me's investor relations website (investors.trademe.co.nz) includes the Company's presentations, reports, announcements, and media releases, as well as the Charters and guidelines referred to in this section. The Annual Report is available in electronic and hard copy format.

Trade Me's annual meeting will be held on Thursday 10 November 2016 in Wellington. We welcome shareholders' questions and comment on relevant matters. The external auditors, EY, will be there and will be available to answer questions about the audit and the audit report. A Notice of Meeting will be sent to shareholders in October.

Principle 5

Remuneration: The remuneration of directors and executives should be transparent, fair and reasonable.

Directors' remuneration

The total remuneration pool for Trade Me's directors was set at \$800,000 per annum at the Annual Meeting in October 2013.

For the financial year the annual fees paid to directors were:

- Chairman \$205,000 (including all committee responsibilities)
- Directors \$90,000
- Chair of the Audit & Risk Management committee \$25,000
- Chair of the Human Resources & Compensation committee \$15,000
- Members of a committee (except chair) \$10,000

Directors on multiple committees (except the Nominations committee and Independent Directors committee) receive fees for membership of each committee.

Our directors' fees for F16 are set out on page 49. No retirement fees were paid.

We have recently reviewed the fees for the first time in three years. In doing so we considered a number of factors including summarised results from the 2015 Institute of Directors' fees survey.

With effect from 1 July 2016 fees increased:

- Chairman \$215,000 (including all Committee responsibilities)
- Directors \$ 95,000

Our other fees (Chair and Committee fees above) remained unchanged. There is headroom in the approved pool of fees for an additional director to be appointed and to serve on Committees, if the board or shareholders make an additional appointment.

Remuneration of employees

As a New Zealand Company, Trade Me is not required to prepare a detailed remuneration report. Those requirements only apply to companies incorporated in Australia.

Trade Me aims to have a remuneration framework and policies to attract and retain talented and motivated people. The Company wants to:

- Be recognised as a great place to work, and attract, retain and motivate high-performing individuals.
- Align employee incentives with the achievement of good business performance and shareholder return.
- Recognise and reward individual success, while encouraging teamwork and a high-performance culture.
- Be competitive in the labour market.
- Be fair, consistent and easy to understand.
- Be true to one of Trade Me's core values: hiring and growing great people.

Trade Me employee remuneration

We use market data to determine competitive salary and total remuneration levels for all staff. We make allowances for individual performance, scarcity of skills, internal relativities and specific business needs. Trade Me is operating in a growth industry, and we have a skilled and mobile workforce. Because we achieve scale through technology, the difference a high-performing employee can make is amplified, and we want to ensure these people are identified so we can retain them.

The HR team uses benchmark reports and regularly updated market data to ensure the market relativity is maintained on recruitment and at reviews. We also think the overall opportunity and work environment at Trade Me has a lot to offer, which means we can be competitive in the labour market.

Executive remuneration

The board's Human Resources & Compensation Committee makes recommendations to the board on remuneration arrangements for the executive team – the people who report directly to the CEO. As directors we approve executive remuneration, the total of short-term incentive payments across the Company, and the overall remuneration budget for the Company.

Employee performance reviews are undertaken annually at present, in a comprehensive process involving feedback from direct reports, peers and others. The Company expects to move into a quarterly pattern in F17.

The CEO reviews each executive's performance – most recently in July 2016 – against specific objectives set the previous year, and that review is the basis for short-term incentive payments.

Short-term incentive (STI) plan

STI payments across the whole company, not just at executive level, have a component linked to the EBITDA performance of the Company.

Terms vary depending on the seniority and role of employees. In general:

	At risk % of fixed annual remuneration, at target	Percentage of at risk (STI) attributable to company's EBITDA performance	Percentage of at risk (STI) attributable to individual or team performance
Team member	5%	25.0% of STI	75.0% of STI
Senior management	10%	33.3% of STI	66.7% of STI
Executive team	15%	66.7% of STI	33.3% of STI

Long-term incentive (LTI) scheme

We established a Long-Term Incentive Scheme for Trade Me executives and senior management at 1 October 2012. The Scheme is an incentive and reward scheme for participating employees with the benefits directly linked to the Company's performance.

There is a Scheme Deed and Scheme Rules, which provide for the board to make offers of shares to selected senior employees and to establish Company performance-based hurdles for the vesting of the shares. A wholly-owned subsidiary (TMG Trustee Limited) was incorporated as trustee to administer the Scheme.

Shares have been issued annually since October 2012. They are issued to TMG Trustee at the volume weighted average market price for Trade Me shares on NZX, over the 20 trading days prior to the issue date. The trustee holds the shares for each beneficial holder, until the performance hurdles are tested.

Trade Me lends each participating employee the issue price of the shares. TMG Trustee uses that loan to acquire the shares on behalf of each relevant employee.

The Company has to achieve set performance hurdles before the shares become unrestricted ordinary shares and can be transferred by TMG Trustee to the relevant beneficial holders. Trade Me's performance is measured at the end of identified intervals from the date of issue of the shares – usually three years from issue date. The performance hurdles are separate measures of the Company's total return to shareholders and its earnings per share.

For the time that the shares are still restricted and held by the trustee, they rank equally for dividends (which are paid to the beneficial holders) and have the same voting rights as ordinary shares in the Company.

If the performance hurdles are met on the testing dates the Company pays a bonus, which (after tax) is equal to the loan attributable to those shares. The loan is then repaid and the shares transferred by TMG Trustee to the relevant employees as unrestricted ordinary shares.

If the performance hurdles are not met (or are only partially met) the balance of the shares become "Forfeited Shares", will be purchased by TMG Trustee, the loan repaid and the shares cancelled. If the beneficial holders leave Trade Me employment before the shares become unrestricted, the shares are bought back and cancelled (we give notice to all shareholders when that happens, as required under the Companies Act 1993 (NZ)).

The performance hurdles for the first round of shares issued in October 2012 (LTI 1) were tested at 30 September 2015. The Company's performance was not sufficient to meet the hurdles, and the shares in that round were cancelled.

The LTI shares (all of which are still restricted) at 30 June 2016 were:

Round	Issue date	Hurdle date	Number of shares	Number of holders
LTI 2	1 October 2013	30 September 2016	208,591	25
LTI 3	1 October 2014	30 September 2017	396,442	46
LTI 4	19 November 2015	30 September 2018	418,864	51

CEO remuneration

Jon Macdonald's employment agreement for his role as CEO commenced on 26 February 2008.

His agreement reflects standard conditions that are appropriate for the chief executive of a listed company. Jon's remuneration is a combination of base salary, KiwiSaver and incentive arrangements for short-term and long-term performance.

His base salary for the year to 30 June 2016 was \$669,500. The STI component paid in August 2016 for the F16 year was \$246,000.

Jon had 229,068 restricted shares in the LTI Scheme at 30 June 2016. He is currently allocated LTI shares to the value of 45% of his base salary annually.

The Human Resources & Compensation committee considers the CEO's remuneration annually, at the same time as his performance is reviewed, and makes a recommendation to the full board. The committee refers to available remuneration information for a range of comparable companies (generally in New Zealand, though with some Australian information where relevant), published salary surveys and commentary from remuneration specialists to assist it in setting Jon's total remuneration.

Performance

We evaluate Jon's performance in July each year, which includes seeking feedback from the Executive team. To determine the STI payment due to the CEO we look at the Company's financial performance against budget, as well as a number of specific strategic, non-financial performance targets set at the beginning of the financial year.

Principle 6

Risk management: Directors should have a sound understanding of the key risks faced by the business. The board should regularly verify that the entity has appropriate processes that identify and manage potential and relevant risks.

Risk management

The purpose of risk management for Trade Me is to identify and manage both existing and new risks in a planned and coordinated manner, with the minimum of disruption and cost, and to develop a "risk aware" culture that encourages all staff to identify risks and associated opportunities and respond to them effectively.

Trade Me has a risk management framework in place to identify, oversee, manage and control risk. That framework includes a risk management policy (available on the Company's investor relations website) and an implementation structure.

The implementation requires a Comprehensive Risk Register to be completed by the senior management team 6-monthly. It identifies all known risks—those which are seen as a risk to the Company's strategy and business priorities, or which are counter to its code of conduct. The Comprehensive Risk Register records risks by impact, probability, and trending, and records the controls for those risks. Risk mitigation must be included in project plans for high-risk projects from inception, and those mitigation plans need to be signed off by specified executive team members.

In addition to the Comprehensive Risk Register a Key Risk Register is maintained, which we review and discuss at least 6-monthly as a specific matter at a board meeting.

Those Key Risks are the ones we and management have identified as Trade Me's greatest strategic and operational risks. They may be long term or short term, and may include risks around specific current projects. We also now consider health and safety risks, as a full board, as part of the Key Risk review. The Key Risks are plotted on a matrix of impact and probability.

The Executive team reviews the Key Risks in setting the Company's strategy and budgets, with all new business cases and investments, on certain types of project, in relation to the Company's insurances, and at regular 6-monthly intervals. The Executive team's update of the Key Risk Register is provided to the board as soon as practicable following its 6-monthly review. As well as that discussion, we have been provided with specific and detailed presentations from management including incident reporting in particular Key Risk areas, on a regular basis.

We recognise that there is a degree of subjectivity in risk assessment, but a Key Risk which is assessed as high in both impact and probability will generally not be considered acceptable unless directors are satisfied that the risk is trending downward and/or there are immediate plans to improve controls further.

The risk management framework was put in place in 2013 and was reviewed in December 2015 and again in April 2016 – the latter to ensure in particular that we had determined how health and safety matters would be reported to and discussed by the board.

Trade Me doesn't have an internal audit function. Management reports at least annually to the Audit & Risk Management committee on improvements and changes to internal controls in relation to the finance function. Through the review steps we have outlined above we ensure the Company is evaluating risk and continually improving the effectiveness of its risk management.

Economic, environmental and social sustainability risks

Trade Me's assessments of its economic, environmental and social sustainability risks are woven into the Comprehensive and Key Risk assessments covered earlier in this report.

Economic sustainability

Brand and reputation

The Company relies on strong and ongoing consumer confidence in the internet as an efficient, simple, safe and trusted channel. Trade Me's reputation and recognisable brand are valuable components of its business, and underpin users' trust in its websites. Adverse events including issues with fraudulent or other illegal activity on or in connection with its websites, privacy breaches, sustained or repeated site outages, a failure to effectively address customer disputes or a loss of customer data could damage the Company's reputation.

To defend against that risk, the Company takes appropriate steps to protect against fraudulent activity, security breaches and outages and communicates clearly, effectively and honestly with its members.

Disruption of information systems and security

Trade Me is dependent on its information technology systems, servers, networks, hardware and software. These systems may be vulnerable to unauthorised access, viruses, human error, natural disasters, communications failure, sabotage or terrorism. Security measures, disaster recovery, systems redundancy, and backup procedures are in place to defend against those risks.

Threat of disruptive models, technology changes and competition

Emerging technologies may create additional competition in the future. Online and mobile technology continues to advance rapidly and this may affect the Company's ability to retain its existing community of members, maintain and increase its existing level of listings/sales, or implement its growth strategies. The effects of future technological change cannot be predicted.

Trade Me competes against a broad range of industry participants including domestic and international companies, online retailers, and niche market operators. The costs of market entry for many online businesses are relatively low and competition may intensify in the future.

The Company has taken strategic action to enhance its products, to build on its strong brand and reputation, and to build and invest in a portfolio of businesses to manage those risks.

Environmental sustainability

The fundamental premise of the Trade Me used goods marketplace is the reuse and recycling of goods by members – one person selling unwanted goods to another.

The business has a relatively low environmental impact, dominated by energy consumption in offices, and emissions from air travel. As employee numbers have grown, more travel has been required between New Zealand and the markets where suppliers are based, between the Company's offices in Wellington, Christchurch and Auckland, and locally to visit key customers.

The Company provides full data annually to EY to prepare a Greenhouse Gases (GHG) Emissions Profile on the basis of travel and other energy consumption. We have bought carbon credits to fully offset carbon emissions each year.

The most recent advisory report by EY was completed for the year ending 31 December 2015.

In the course of its work EY identified some issues in relation to Trade Me's data capture and the compilation of the 2013 and 2014 inventories. As a result, the GHG inventory for these years has been amended. The amendments include:

- Overstatement of estimated electricity consumption at two of our external server sites.
- Overstatement of electricity consumption at our Auckland Parnell office.
- Understatement of scope three emissions relating to international air travel.

As a result our 2013 inventory has decreased by 143 tCO₂-e or 24 per cent. The 2014 inventory decreased by 108 tCO₂-e or 14 per cent, on the inventory previously reported.

Summary of 2015 emissions inventory results

Our GHG emissions for the 2015 reporting year were 670 tCO₂-e, an increase of 31 tCO₂-e (or 4.8%) against the restated 2014 GHG inventory.

This increase is largely attributed to an overall 13 per cent increase in scope two emissions from electricity consumption at our offices, and domestic air travel. We have expanded our offices in the last year particularly in Auckland to accommodate additional employees, so an increase was expected. We are keen to work on power-saving initiatives as well as some other smaller projects around recycling of food waste in the next year.

It recorded the following GHG Emissions:

Scope	GHG emission Sources	2014 (restated)		2015	
		Tonnes CO ₂ -e	Percent of Total Emissions Reported	Tonnes CO ₂ -e	Percent of Total Emissions Reported
Scope 1	Trade Me vehicles	6	0.9%	6	0.3%
Scope 2	Electricity	272	42.5%	306	45.7%
Scope 3	Taxi, car hire, air travel, landfill waste	361	56.5%	362	54.0%
Total		639	100%	670	100%

Social sustainability

Trade Me's values (referred to under Principle 1) articulate a culture of ethical corporate conduct.

The Company has long been active in promoting the interests of consumers, and contributes to legislative reviews that may impact trading online. A few recent examples of this in action include playing a key part in the creation of a 'safe harbour' regime under the Harmful Digital Communications Act, our appearance at the Law & Order Select Committee to advocate for improved protections around online firearm trading, submissions on tax bills where relevant to online trading and on bills that implement foreign trade deals such as the Trans-Pacific Partnership (TPP). We're also involved in the review of privacy laws which is being undertaken by the Ministry of Justice.

The Company conducts a government relations briefing each year, attended by representatives of a range of ministries and agencies including the Office of the Privacy Commissioner, Police, Customs, Human Rights Commission and Energy Safety. A number of government agencies consult with Trade Me from time-to-time to identify the best means to ensure that legislation, regulation and guidance is practical and effective in a digital environment.

Trade Me actively engages in issues of principle for consumers and provides guidance to members on a huge range of products for legal and safety reasons. It may not be a straightforward exercise to make a call on some types of listings – like the resale of tickets to sporting events not covered by legislation, but we keep those issues under review. We have recently placed new restrictions on the sale of written off vehicle imports and we're advocating for additional protections for vehicle buyers.

For employees, Trade Me endeavours to provide a work environment which is healthy, safe, and fun. Trade Me employees complete an annual IBM Kenexa workplace engagement survey (with rates of participation over 90%) and the results are reported across the business and to the Board. Teams develop specific action plans to address issues identified in each Kenexa survey, updated quarterly. The Company is proud to have been a finalist for the best employer in our category for the last six years consecutively. This year was the first year we were in the best 'large' employer for companies of 400–749 employees. Trade Me is also one of only eleven companies recognised in the Kenexa 'Five-Year League' for companies that have been finalists for five of the last six years.

Customers and members have multiple means of communication with the Company – through the Customer Support team by email or phone, on the Company's message boards on the site, social media pages, and in person at shareholder meetings.

Broad community engagement through sponsorship, philanthropy and staff participation in a wide range of charitable events is a key part of the Company's philosophy – this is covered more in the Community section on page 44.

This range of activity ensures the Company takes into account stakeholder concerns, so it can continue to meet accepted social norms and needs over the long term.

Principle 7

Auditors: The board should ensure the quality and independence of the external audit process.

We have adopted an Audit Independence Policy that requires the external auditor to be independent and to be seen as independent. The policy sets out our key commitments and the procedures the Audit & Risk Management committee and management must maintain a framework for audit independence. We are satisfied that there is no relationship between the auditor and Trade Me or any related person at this time, that could compromise the auditor's independence. We also obtain that confirmation formally from the auditor.

We ensure the auditor is remunerated fairly for the agreed scope of the statutory audit and audit-related services.

To ensure full and frank dialogue amongst the Audit & Risk Management committee and the auditors, the auditor's senior representatives meet separately with the Audit & Risk Management committee (without management present) at least twice a year, including immediately before finalisation and release of our half-year and full-year financial results to the market.

Non-audit work

The Audit Independence Policy sets out restrictions on non-audit work that can be performed by the auditor. In F16 there was one occasion – the calculation of the company's carbon emissions, which is a voluntary matter to allow us to acquire offsetting carbon credits – where the audit firm did specific non-audit work, with approval from the Audit & Risk Management committee. The cost of that work when billed is expected to be approximately \$8,000. We do not believe there was any compromise whatsoever to the independence and objectivity of the audit process. The work was conducted by EY's specialist in Auckland without any communication with the audit team.

Our policy requires the rotation of the senior audit partner and review partner at least every five years. The senior audit partner changed at the completion of the 2015 audit after having completed five years in that role.

Principle 8

Shareholder relations: The board should foster constructive relationships with shareholders that encourage them to engage with the entity.

Trade Me keeps shareholders informed through periodic reporting to NZX and ASX, and through its continuous disclosure. We provide briefings and presentations to media and analysts (which are made immediately available on the investor relations website), and communicate with shareholders through our annual and half-year reports and shareholder meetings, as well as through a range of releases to media on Trade Me matters which we believe will interest shareholders and our members.

We encourage shareholders to refer to the investor relations website, and to receive annual and half-year reports electronically but hard copies of the reports can readily be obtained from Trade Me's share registrar, Link Market Services Limited. We take care to write all shareholder communications in a clear and straightforward way and to limit use of jargon.

Principle 9

Stakeholder interests: The board should respect the interest of stakeholders taking into account the entity's ownership type and its fundamental purpose.

The aim of the Trade Me business is to make life better for Kiwis, through online experiences they love. We put the consumer at the heart of all transactions in our online marketplaces. The Trade Me platform is designed to meet the needs of users in a way that is trusted, effective and good value, and we are continually working to improve the experience.

As well as the interactions with government outlined in the "Social sustainability" section above, Trade Me plays an important role in identifying the potential for illegal activity and works with government and industry bodies to ensure the public is both protected and educated about online business.

Trade Me receives a number of requests for information from a range of government agencies, many of which relate to law enforcement. It works hard to ensure that information is released only in a way which does not identify individuals, or where identification is required, exceptions to the Privacy Principles apply. For the last four years, Trade Me has published Transparency Reports detailing the requests it has received.

The Company balances its economic and social responsibilities to the fullest possible extent.

Community

Trade Me's commitment to sponsorship and philanthropy is preserved within our values ("Care about our community") and is part of being a good Kiwi company. We think it is important for Trade Me members to be part of a community with a generous spirit and that the wider public feels good about doing business with a company that helps out with worthy causes. Trade Me supports organisations or events that are family-orientated and familiar to Kiwis, and aligned with its vision and values.

A key strength when we work with charities and other organisations is our ability to leverage our platform to help those enterprises reach a wide audience. Trade Me offers a perfect opportunity to give charitable listings exposure.

On the charities and good causes front, we field up to 40 queries a week from around the country, and since 2011 we've had a full-time charities co-ordinator. For larger organisations and campaigns, our support may extend to publicity, pro bono advertising and social media promotion. For smaller campaigns, an acknowledgement that the organisation is doing something worthwhile by refunding their auction success fees is always appreciated.

In F16, more than \$123,000 in success fees was returned to charities around the country, and almost 64 million ad impressions were provided to deserving organisations pro bono. Trade Me Jobs also provided charities with a 33 per cent discount on 2395 job listings.

Trade Me has had a formal relationship with Plunket since 2005. Plunket is a charitable organisation that relies on donations to provide support services to parents and families. Actual feathered kiwis are an obvious alignment for us and Trade Me also works closely with Kiwis for kiwi, a national charity raising funds and awareness to support kiwi conservation projects.

When placing a listing on Trade Me, sellers can choose to round up their success fee to the nearest dollar and donate the difference to either Plunket or Kiwis for kiwi – this tool raised more than \$50,000 for these two charities in F16.

In June 2016, Trade Me announced a new relationship with One Percent Collective. This organisation takes the hassle out of regular charitable giving by asking Kiwis to donate up to one per cent of their income for distribution amongst their six partner charities. Donors can select to choose the amount and frequency of their donations to any or all of these charities. Our support is a business partnership which helps One Percent Collective to get its message out and grow its base of supporters.

We have partnered with the Starship Foundation for the Starship Spring Clean initiative for the last six years. This platform allows sellers to pledge funds to Starship from the sale of their items – and get their success fees refunded.

Trade Me also supports The Special Children's Christmas Party (with a donation and volunteers) and a multitude of other one-off events and causes.

In terms of sponsorship, we are biased towards things where the overall equation is better than just writing a cheque. In F16 we supported a wide range of events and initiatives including Wellington Zoo, Code Camp, DevMob, Product Tank, Gather 2016, Codemania, Workchoice Day, WDCNZ (a conference for web developers), Webstock, NetHui, NodeBots and Summer of Tech.

Trade Me also provides free, public Wi-Fi in Wellington (waterfront) and Christchurch (Re:Start Mall).

We treat all these community matters as sponsorships rather than recording them as donations.

Diversity

The Company fosters an inclusive working environment that promotes employment equity and workforce diversity at all levels, including the executive team and board.

Diversity guidelines were developed during F12 and are available on the investor relations website. Each year the board approves measurable objectives for promoting diversity at Trade Me based on recommendations from the executive team; reports on progress in the Annual Report, and assesses its guidelines.

In August 2015 the board considered and approved the following gender diversity objectives for the F16 year (which were the same as for the F15 and preceding year):

- 33% of the board should be female
- 33% of the executive team and senior management team should be female
- 50% of all employees should be female

The gender breakdown at Trade Me as at 30 June 2016 was as follows:

	F15 Women	F15 Men	F15 Total	F15 %	F16 Women	F16 Men	F16 Total	F16 %
Board	2	3	5	40%	2	3	5	40%
Executive ("officers")	2	8	9	22%	2	7	9	22%
Senior management	13	29	42	31%	13	26	39	33%
Exec and SMT together	15	36	51	29%	15	33	48	31%
All employees	165	270	436	38%	184	319	503	37%

The senior management team is defined as direct reports to the executive team. We have in the past reported executive and senior management numbers together in line with our diversity guidelines, but this year have separated the two groups to align with NZX's reporting requirements.

We have increased the emphasis on gender diversity initiatives at Trade Me in the last year.

In F15 Trade Me established a Diversity project group to explore initiatives to improve the gender balance in the Company, as an initial focus. Out of that project has come a pilot on "blind recruiting" where gender indicators are completely removed from CVs sent to hiring managers; the trial of an initial screening tool for Customer Support roles that tests applicants online before their CVs are viewed, and the use of a tool to review our own recruitment advertising for use of language that may inadvertently discourage applications from women.

The Company has held staff sessions and provided information on inclusive behaviours, rolled out unconscious bias training, begun to examine pay parity, and has interviewed a number of employees and ex-employees about how parental leave arrangements affected their return to work.

Just after the end of the financial year Trade Me made guidance available to staff on flexible working arrangements, which we expect to result in more employees adjusting days or hours or their place of work, or making agreed leave changes.

Trade Me management and the board are proud of the progress made this year in gender diversity initiatives, and are committed to continuing them.

Once again, we've had significant growth in employee numbers in the year, with a focus on tech hires. There are noticeably greater numbers of women leaving tertiary study with technology qualifications, but still the majority of candidates for technology roles are men.

We've looked again at the gender breakdown in hiring in different types of roles. As we saw last year, where we appointed staff to new roles through an internal placement, there was a relatively higher hiring rate for women, than when we went externally to fill a role. This year that trend was not confined to technology roles. It may indicate that once on board, women at Trade Me are taking the opportunity to move and progress in the business.

The discrepancy in technology roles could simply be the product of the greater number of men with technology qualifications and experience applying for work. If however it was partly attributable to our manner of recruiting, we hope the work we're doing to make our advertising free of unconscious bias, and to evaluate CVs and competencies without visibility as to the gender of the candidate, will assist us in reaching the gender targets we've specified.

Type of Placement – July 2015–June 2016	Women		Men		Total
Total placements	70	35.53%	127	64.47%	197
Total internal placements	21	38.89%	33	61.11%	54
Tech hires	33	27.73%	86	72.27%	119
Tech hires (internal)	10	32.26%	21	67.74%	31
Non tech hires	37	47.44%	41	52.56%	78
Non tech hires (internal)	11	47.83%	12	52.17%	23
CS hires	10	55.56%	8	44.44%	18
CS hires (internal)	2	40.00%	3	60.00%	5
Non tech/non CS hires	27	45.00%	33	55.00%	60
Non tech/non CS hires (internal)	9	50.00%	9	50.00%	18

Compliance with NZX Code and ASX Principles

The board has determined that the Company complies with the NZX Code and the ASX principles, except that a formal board skills matrix has not been completed (although the mix of skills has been discussed).

Disclosures

Shareholder information

Twenty largest shareholders as at 19 August 2016

Rank	Investor Name	Total shares	% Issued Capital
1	New Zealand Central Securities Depository Limited	116,185,324	29.26
2	J P Morgan Nominees Australia Limited	73,404,489	18.49
3	HSBC Custody Nominees (Australia) Limited	43,009,871	10.83
4	National Nominees Limited	31,487,988	7.93
5	RBC Investor Services Australia Nominees Pty Limited	24,638,772	6.20
6	Citicorp Nominees Pty Limited	17,675,134	4.45
7	Bnp Paribas Noms Pty Ltd	8,256,998	2.08
8	Citicorp Nominees Pty Limited	7,216,335	1.82
9	Bnp Paribas Nominees Pty Ltd	6,478,723	1.63
10	UBS Nominees Pty Ltd	6,327,930	1.59
11	Custodial Services Limited	2,537,209	0.64
12	New Zealand Depository Nominee Limited	2,091,695	0.53
13	Investment Custodial Services Limited	1,886,394	0.48
14	The Trust Company Superannuation Limited	1,273,929	0.32
15	TMG Trustee Limited	1,023,897	0.26
16	RBC Investor Services Australia Nominees Pty Limited	949,000	0.24
17	Powerwrap Limited	942,129	0.24
18	NZPT Custodians (Grosvenor) Limited	939,815	0.24
19	HSBC Custody Nominees (Australia) Limited	930,122	0.23
20	Bnp Paribas Nominees Pty Ltd	880,000	0.22

Distribution of ordinary shares and registered shareholders as at 19 August 2016

Shareholder range	Number of holders	Number of shares	Issued capital (%)
1–1,000	3,145	1,866,531	0.47
1,001–5,000	4,772	12,336,552	3.11
5,001–10,000	1,094	8,119,247	2.04
10,001–50,000	590	10,945,799	2.76
50,001–100,000	50	3,463,503	0.87
100,001 and over	52	360,361,191	90.75
Total	9,703	397,092,823	100

As at 19 August 2016, the total number of shares on issue was 397,092,823 ordinary shares.

There were 56 shareholders holding less than a marketable parcel of shares as defined in the ASX Listing Rules, based on the closing price of AU \$5.16 on 19 August 2016. The ASX Listing Rules define a marketable parcel of shares as "a parcel of not less than AU\$500".

There is no current share buy-back taking place.

Substantial product holders

As at 30 June 2016, Trade Me had received notice that the following were substantial product holders in accordance with section 293 of the Financial Markets Conduct Act 2013. (The total number of shares on issue was 397,092,823 ordinary shares.)

	Date of last disclosure notice before 30 June 2016	Relevant interest in number of shares	% held as at the date of notice
Commonwealth Bank of Australia	6 May 2016	24,019,907	6.049
Hyperion Asset Management Limited	22 May 2013	49,550,653	12.510

Voting rights

Shareholders may vote at a meeting of shareholders, either in person or through a representative. Where voting is by show of hands or by voice, every shareholder (present in person or by representative) has one vote.

In a poll, every shareholder present in person or by representative has one vote for each share. Unless the board determines otherwise, shareholders may not exercise the right to vote at a meeting by casting postal votes.

Limitations on the acquisition of Trade Me securities

The terms of the Company's admission to the ASX and ongoing listing requires the following disclosure. Trade Me is incorporated in New Zealand. As such, it is not subject to Chapters 6, 6A, 6B and 6C of the Corporations Act 2001 (Australia) dealing with the acquisition of shares (i.e. substantial holdings and takeovers).

Limitations on the acquisition of securities imposed under New Zealand law are as follows:

- In general, securities in Trade Me are freely transferable and the only significant restrictions or limitations in relation to the acquisition of securities are those imposed by New Zealand laws relating to takeovers, overseas investment and competition.
- The New Zealand Takeovers Code creates a general rule under which the acquisition of 20% of more of the voting rights in Trade Me, or the increase of an existing holding of 20% or more of the voting rights of Trade Me, can only occur in certain permitted ways. These include a full takeover offer in accordance with the Takeovers Code, an acquisition approved by an ordinary resolution, an allotment approved by an ordinary resolution, a creeping acquisition (in certain circumstances), or compulsory acquisition of a shareholder holding 90% or more of the shares.
- The New Zealand Overseas Investment Act 2005 and Overseas Investment Regulations 2005 (New Zealand) regulate certain investments in New Zealand by overseas interests. In general terms, the consent of the New Zealand Overseas Investment Office is likely to be required where an "overseas person" acquires shares in the Company that amount to 25% or more of the shares issued by Trade Me, or if the overseas person already holds 25% or more, the acquisition increases that holding.
- The New Zealand Commerce Act 1986 is likely to prevent a person from acquiring shares in Trade Me if the acquisition would have, or would be likely to have, the effect of substantially lessening competition in the market.

In accordance with the requirements of the ASX waiver provided at the time of the Company's admission to the ASX, Trade Me certifies that during the period from 1 July 2015 to 30 June 2016 it has been subject to, and has complied with the requirements of NZX with respect to the issue of new securities. Trade Me continues to comply with these requirements.

Credit rating

The Company has no credit rating.

Company Secretary

Trade Me's Company Secretary is Sarah Hard.

Director and employee remuneration

Employee remuneration

There were 145 Trade Me employees (or former employees) who received remuneration and other benefits in excess of \$100,000 in their capacity as employees in F16, as set out in the table below.

This includes salary, Kiwisaver contributions, STI payments, and the fair value of LTI shares at 30 June 2016. It also includes any settlement payments and payments in lieu of notice upon departure from the Company.

Salary bands (\$)	Count of Total
100,000–110,000	33
110,000–120,000	17
120,000–130,000	19
130,000–140,000	16
140,000–150,000	13
150,000–160,000	4
160,000–170,000	1
170,000–180,000	8
180,000–190,000	5
200,000–210,000	3
210,000–220,000	6
220,000–230,000	3
230,000–240,000	3
240,000–250,000	1
280,000–290,000	3
300,000–310,000	1
310,000–320,000	3
320,000–330,000	2
350,000–360,000	1
470,000–480,000	1
510,000–520,000	1
990,000–1,000,000	1

Remuneration of directors

Remuneration paid to directors of Trade Me for the F16 year is as follows:

David Kirk	\$205,000
Gail Hambly	\$100,000
Sam Morgan	\$100,000
Paul McCarney	\$100,000
Joanna Perry	\$125,000

None of the directors have received or become entitled to receive a benefit other than director's fees since the end of the financial year. Directors are reimbursed for travel and other incidental expenses incurred in attending board meetings.

Directors' disclosures

Interests register

Pursuant to section 140(2) of the Companies Act 1993 directors made the following general disclosure of interests. The following information was included in Trade Me's interest register as at 30 June 2016. Where changes in the interests register were notified during the year, or subsequently, they have been indicated below.

David Kirk	
Bailador Investment Management Limited	Director/shareholder
David Kirk Pty Limited	Director/shareholder
DocsCorp Pty Limited	Director
Foodshare Limited	Chairman
Forsyth Barr Limited	Director
Kathmandu Holdings Limited	Chairman
Kirk Family Trust Pty Limited	Director/shareholder
NZ Performance Horses Limited	Director/shareholder
Ocean Beach Wilderness Property Limited	Director
Online Ventures Pty Limited (trading as SiteMinder)	Director/shareholder
Rezdy Pty Limited	Chairman
SMI Holding Company Pty Limited	Director/shareholder
Sydney Festival Limited	Chairman
Viocorp International Pty Limited	Director/shareholder
Gail Hamblly (resigned 22 June 2016)	
Fairfax Media Limited	Executive and Company Secretary
Other Fairfax subsidiaries (Australia, New Zealand, Malaysia, Singapore, United States, United Kingdom)	Director
Australian Associated Press Pty Limited	Alternate Director
Bellsline Nominees Pty Limited	Director
Canberra Newspapers Limited	Director and Secretary
Copyco Pty Limited	Chair
Paper Bond Limited	Director
Rural Press Superannuation Pty Limited	Director
The Story Factory Pty Limited	Director
Vident Pty Limited	Director and Secretary
Katrina Johnson (appointed 23 June 2016)	
eBay, Inc	Shareholder (restricted stock units)
PayPal Holdings, Inc	Shareholder (restricted stock units)

Paul McCarney

BTBI TCo Pty Limited	Director/shareholder
BTBI Holdings Pty Ltd	Director/shareholder
Codylan Pty Ltd	Director/shareholder
Culture Amp Pty Limited	Adviser
Data Republic Pty Limited	Executive Director/shareholder
Notee Finance Pty Ltd	Director/shareholder
Nuda Rudda Pty Ltd	Director/shareholder
Sector Light Group Pty Ltd	Director/shareholder

Sam Morgan

Jasmine Charitable Trust	Trustee
Jasmine Investment Trusts 1–3	Trustee
Jasmine Investment Holdings Limited	Director/shareholder
Jasmine Investment Holdings Limited No.2–5 (includes holdings in Goodnest Limited and Wynyard Limited)	Director/shareholder
Kiwi Landing Pad Limited	Director/shareholder
Vend Limited	Director
vWork Limited (formerly known as Visfleet)	Director/shareholder
Willis Bond Capital Partners Limited	Advisory Board member
Willis Bond Capital Partners No2 Limited	Advisory Board member
Xero Limited	Director/shareholder – Resigned July 2016

Joanna Perry

Genesis Power Limited	Deputy Chair
IFRS Advisory Council	Chair
JMGP Limited	Director/shareholder
Kiwi Property Group Limited	Director
National Health Committee	Member – Committee disestablished March 2016
Partners Group Holdings Limited	Director
Partners Life Limited	Director
Primary Growth Partnership	Chair of Investment Advisory Panel – Resigned April 2016
Rowing New Zealand Limited	Director
Sports and Recreation New Zealand	Director
Tainui Group Holdings	Board adviser – Resigned July 2015

Directors' and officers' indemnities and insurance

In accordance with Section 162 of the Companies Act 1993 and the Company's Constitution, Trade Me indemnifies and insures directors and officers against liability to other parties that may arise from their position. Details are maintained in the interests register as required by the Companies Act 1993.

Disclosure of directors' interests in share transactions

There were no disclosures made of acquisitions or dispositions of Trade Me shares by directors (under section 148(2) of the Companies Act 1993) in the year ending 30 June 2016.

Directors' relevant interests in shares

Directors held the following relevant interests in voting securities of Trade Me as at 30 June 2016.

	Directly held	Held by associated persons
David Kirk		157,625
Gail Hambly	19,218	
Paul McCarney		30,000
Sam Morgan		525,680
Joanna Perry	26,000	
Katrina Johnson	0	0

Subsidiary company directors

The directors of the Company's subsidiary companies during the F16 year were Jon Macdonald and Jonathan Klouwens, until his resignation from the company when he was replaced by Colin Rohloff.

In the case of Kevin's Australian Investments Pty Limited and MotorWeb Australia Pty Limited the directors were Gail Hambly and Jonathan Klouwens, until his resignation from the Company when he was replaced by Colin Rohloff.

They do not receive or retain any remuneration as directors.

The subsidiaries are

- Trade Me Limited
- Old Friends Limited
- Paystation Limited
- Trade Me Comparisons Limited
- TMG Trustee Limited
- Kevin's Australian Investments Pty Limited
- MotorWeb Australia Pty Limited

Shareholder communications

Trade Me prefers to communicate with shareholders online and via email. However shareholders have the right to receive a copy of the Annual Report on request.

Share registry

The contact details for Link Market Services, Trade Me's share registry, are set out in the Directory on page 83.

Further information online

Please visit the Trade Me investor relations website (investors.trademe.co.nz) for more information, including details of announcements, corporate governance policies, and FAQs.