

Directors' report

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Director profiles



David Kirk

Independent chairman

NON-EXECUTIVE AGE 57
Appointed October 2011

David is the co-founder and managing partner of Bailador Investment Management, chairman of Kathmandu Holdings, a director of Forsyth Barr Limited and a director of a range of Bailador's investee companies. He is also chairman of Sydney Festival Limited.

David was the CEO of Fairfax Media from 2005 to 2008. In 2006 he successfully negotiated Fairfax's purchase of Trade Me Limited from its founders, a very large and high-profile purchase. David's association with Trade Me ended when he left Fairfax in 2008, but started afresh at the time of the company's IPO in late 2011, when he was asked to chair the board.

Before his role at Fairfax, David was CEO of PMP Limited, Regional President (Australasia) for Norske Skog, and held senior executive roles at Fletcher Challenge in New Zealand and Australia. 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, a Master of Arts (Philosophy, Politics and Economics) from Oxford University and is a Rhodes Scholar.

He lives mostly in Sydney, Australia, but spends some time in rural Hawke's Bay.

Joanna Perry

Independent director

NON-EXECUTIVE AGE 61
Appointed October 2011

Joanna has extensive governance experience. She chairs the IFRS Advisory Council and is a director of Genesis Energy, Partners Life, Regional Facilities Auckland and Oyster Property Group.

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 Chartered Accountants Australia and New Zealand. 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 AGE 50
Appointed November 2012

Paul is the co-founder and CEO of Data Republic (www.datapublic.com), a business focused on secure data collaboration. He is also co-founder of the data for social good charity, Minerva Collective.

Paul was one of the founders of search marketing agency Decide Interactive and digital marketing company Life Event Media (acquired by directory business Sensis in 2011).

He is a non-executive director of Cirrus Media, and was previously a non-executive director of iiNet.

Paul lives in Sydney, Australia.



Katrina Johnson

Independent director
NON-EXECUTIVE AGE 42
Appointed June 2016

Katrina has considerable experience in technology businesses, particularly in legal and regulatory matters affecting 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 is Associate General Counsel and Head of APAC Legal for technology company Uber.

Katrina has a Bachelor of Arts, Bachelor of Laws (Honours) from Macquarie University and a graduate diploma in Legal Practice from the College of Law, New South Wales.

She lives in Sydney, Australia.



Simon West

Independent director
NON-EXECUTIVE AGE 44
Appointed December 2016

Simon has extensive experience in retail and technology businesses, and is currently the executive director of Max Fashions.

He has previously held CEO roles at clothing retailer EziBuy and the Australian ecommerce website DealsDirect.com.au, and is a director of Onceit, a fashion flash sale site.

He holds a Bachelor of Management Studies, majoring in strategic management, from the University of Waikato.

Simon lives in Auckland, New Zealand.

Corporate Governance

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
- External Audit Independence Policy
- Code of Conduct
- Diversity Policy
- Securities Trading Policy
- Market Disclosure Policy
- Risk Management Policy

Corporate Governance Statement

Trade Me Group Limited is a New Zealand company. The shares are quoted on the New Zealand and Australian Stock Exchanges. It has been a foreign exempt listed issuer on ASX since December 2016.

Though we are not required to specifically report against the majority of the ASX Listing Rules or the ASX Corporate Governance Council's Governance Principles and Recommendations, they are relevant guidance. We report against the Principles and Recommendations in the NZX Corporate Governance Code 2017 (the NZX Code).

This statement is current to 30 June 2018, and has been approved by the directors.

Principle 1

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

Trade Me's directors and management are committed to ensuring that our people act ethically, with integrity, in accordance with our values and the policies we have developed.

Code of Conduct

Trade Me has a Code of Conduct, setting 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, and references the values in its decision-making.

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 HR; or alternatively to a mailbox accessible only by the Chair of the Audit & Risk Management Committee.

Avoiding conflicts of interest

We are conscious that we must avoid conflicts of interest between our duties to Trade Me and our own interests. We review the interests register kept by the Company Secretary at each board meeting, and discuss the appropriate way to manage any potential or perceived conflict as it arises. A copy of the directors' interests register is found on page 48.

Trading in securities

We're restricted as directors from trading in Trade Me shares under New Zealand law and by Trade Me's financial product dealing policy (referred to as the Securities Trading Policy). That policy details "blackout periods" where trading by directors and designated senior employees is forbidden, as well as a process for authorisation at other times.

Our interests and those of shareholders should be aligned, so 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 49.

Principle 2

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

and

Principle 3

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

Board composition

Trade Me can have between three and ten directors on the board. There are five directors at present, all independent, and no executive directors. Each director has signed a written agreement with the Company.

The directors are David Kirk (chairman), Katrina Johnson, Paul McCarney, Joanna Perry and Simon West.

Our directors' profiles, ages and the dates of our appointment as directors, are on pages 30 and 31.

Our directors have expertise and experience in strategy development and implementation, executive leadership, business acquisition and divestment, venture capital, technology, data, corporate responsibility, governance, legal and regulatory matters, public policy, and finance (including the assessment of financial controls).

We believe our respective skills and experience to be complementary, appropriate for the Company, balanced and reasonably diverse.

We formally consider the board's composition each year at our annual performance review (more on performance reviews later in this section).

We have had two women directors, out of a board of five, since the Company's IPO in 2011. Directors range in age from 42 to 61, and range in their tenure as Trade Me directors from 1.5 years to 6.5 years.

One-third of the directors retire by rotation annually in accordance with the NZX Listing Rules.

As a matter of board policy Trade Me directors have a term of six years from the date of appointment or election. After six years, the director must offer to resign and the board may support his or her re-election for a further term of up to three years.

In November 2017 under that policy the board supported David Kirk and Joanna Perry standing for re-election, both having then been directors for six years, and they were re-elected by shareholders at the Annual Meeting. We acknowledge though that the company can benefit from new views, so we are actively discussing succession planning.

Independence

The board Charter requires that at least two directors be independent, and sets out in detail what relationship will prevent a director from being considered independent. We assess director independence as a board. All Trade Me's directors are currently independent.

Board Committees

During the F18 year Trade Me's standing board committees were:

- Audit & Risk Management committee
- Human Resources & Compensation committee

Audit & Risk Management committee:

Joanna Perry (chair), David Kirk, Katrina Johnson.

All independent directors.

In accordance with the NZX Code the Audit & Risk Management Committee is chaired by an independent director, who is not the Chair of the board. Joanna Perry is a professional director, a Fellow of Chartered Accountants Australia and New Zealand and Chair of the IFRS Advisory Council.

The committee's Charter is set out on the investor relations website. We evaluate the performance of the committee against its Charter annually.

Trade Me management attend Audit & Risk Management committee meetings at the invitation of the committee. The committee meets regularly with the external auditors with management excluded.

Human Resources & Compensation committee:

David Kirk (chair), Paul McCarney, Joanna Perry, Simon West.

All independent directors.

This committee has oversight of health and safety systems and processes at Trade Me, in addition to matters of recruitment, retention and remuneration. Its Charter is on the investor relations website.

Because the committee meetings are on the same day as the Board meeting, and four of the five directors are members of the committee, in practice many HR & Compensation matters are considered by the full board rather than being confined to the committee.

Other committee matters

The board is small, and all directors have been engaged to date in decisions about prospective new directors, so we no longer have a Nominations committee. We make appropriate pre-appointment checks on the background and suitability of all directors. We're conscious of the need for diversity of thought and engage external consultants to help with director search, to identify a broad range of candidates for any vacancies which arise on the board.

From time to time we 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.

We have put in place a set of takeover protocols, which would apply in the event we received notice of a takeover offer. That includes the establishment of a committee of independent directors to oversee the offer, take specialist advice and ensure compliance with all the company's obligations under the Takeovers Code or under a scheme of arrangement.

Board and Committee meetings

Between 1 July 2017 and 30 June 2018 we held 10 board meetings (8 in person and 2 by audio conference). Committee meetings are held on the same day as Board meetings wherever possible, to minimise travel. Details of attendance are set out below.

Attendance

Director	Board 10 meetings	Audit & Risk Management Committee 6 meetings	HR & Compensation Committee 1 meeting*
David Kirk	10	6	1
Katrina Johnson	9 + 1 in part	6	–
Paul McCarney	9 + 1 in part	–	1
Joanna Perry	9 + 1 in part	6	1
Simon West	10	–	1

*The full board considered a number of matters which would usually be dealt with by the HR & Compensation Committee.

Role of the board

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

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

We delegate the leadership and management of the Company to the CEO. The delegations are contained in the board Charter and in a Delegated Authority framework, in which we have detailed the authority levels for types of commitments that the Company's management can make.

Diversity Policy

Trade Me aims to foster an inclusive working environment that promotes employment equity and workforce diversity at all levels, including within the board.

Technology companies have historically tended to employ more men than women, particularly as developers and in infrastructure roles. To address that imbalance Trade Me's diversity targets to date have been gender-focussed, which was a deliberate decision to maintain attention on the issue and to get measurable results. We have not ignored other issues of diversity – culture, ethnicity, and accessibility in particular – but initiatives have been less formal and largely employee-driven to date, because the company's diversity work is still centred on gender.

We reset gender targets in November 2017 to be 50/50 men and women, at all levels of the organisation (noting that there are also employees who are gender diverse). We acknowledged that it was likely to take more than one year to reach this target, but we are confident that it can be achieved. We set no specific timeline for achievement, however greater diversity and inclusion is a priority under Trade Me's overarching objective of improving organisational effectiveness.

When we reset the gender targets we asked that Trade Me continue to support employee-led diversity initiatives, with a focus on gender, but that management also remain open to exploring other diversity measures.

The breakdown of employees and the board by gender in F18 is set out below.

	F18 Women/ Wahine	F18 Men/ Tāne	Gender diverse/ Ira tāngata	F18 Total	F18 % women	F17 Women	F17 Men	F17 Total	F17 % women
Board	2	3	–	5	40%	2	3	5	40%
Executive (“officers” for this table)	2	7	–	9	22%	3	6	9	33%
Senior Management*	22	25	–	47	47%	15	22	37	40%
Exec and SM together	24	32	–	56	43%	18	28	46	39%
All employees and board	243	355	1	599	41%	218	330	548	39%

*Senior Management is defined as direct reports to the Executive.

We have made good progress this year at all levels other than at the Executive level. Particularly pleasing is the increased percentage of women in the Senior Management group, who are direct reports to Executive, up from 40% to 47%. This is a key group for movement into Executive roles over time.

We’ve reported the gender split in recruitment for different kinds of roles in our last three Annual Reports, noting that rates tended to differ for internal employee movements versus external hires.

In the year to 30 June 2018 there was no material gender discrepancy between the employees we hired from outside Trade Me and those who moved internally in the business. There was a decrease in the percentage of women hired for technology roles overall but we still attribute that to the greater number of men with tertiary technology qualifications in the job market.

We have now signed up to NZTalent, an initiative by businesses which recognise that the skills we are looking for in prospective employees can now be developed through a range of pathways. Traditional tertiary education is one of many pathways to employment. Internships, apprenticeships, new micro-credentials, on the job training, online courses and badging are all effective ways to learn.

Trade Me has confirmed that for a range of specific, skilled-based roles, we will not require tertiary qualifications. These may be roles in technology, sales, marketing, customer service, management, and operations to name a few. We hope this recruitment policy will attract a more diverse workforce with wide-ranging experience. Trade Me Jobs has also supported NZTalent by developing an indicator on jobs where no tertiary qualification is required for an application.

Type of recruitment in F18	Women/Wahine		Men/Tāne		Gender diverse/ Ira tāngata		Total
Tech Hires	19	22%	66	77%	1	1%	86
Tech Hires (internal)	2	22%	6	67%	1	11%	9
Non Tech Hires	77	60%	51	40%	0	0%	128
Non Tech Hires (internal)	10	59%	7	41%	0	0%	17
Customer Support Hires	14	58%	10	42%	0	0%	24
Customer Support Hires (internal)	2	67%	1	33%	0	0%	3
Non Tech/Non CS Hire	63	61%	41	39%	0	0%	104
Non Tech/Non CS Hires (internal)	8	57%	6	43%	0	0%	14
Total Placements	96	45%	117	55%	1	0.5%	214
Total External Placements	84	45%	104	55%	0	0%	188
Total Internal Placements	12	46%	13	50%	1	4%	26

The company has continued to use an initial screening and selection tool for Customer Support roles that tests applicants online before their CVs are viewed. When headhunting for hard to fill roles, the Recruitment Team proactively map the market for female talent. We've maintained and embedded staff training around unconscious bias.

Trade Me management has worked hard to encourage New Zealand girls and women to consider STEM (science, technology, engineering and maths) subjects at school and in tertiary qualifications to develop the pool of women technologists for the future. We've partnered with GirlBoss founder Alexia Hilbertidou to create the GirlBoss Awards – we talk about this on page 43.

Pay equity

Trade Me management undertook a significant remuneration benchmarking project in the F18 year. Before changes were effected (from 1 July 2018) we identified an average 3% pay equity gap. The adjustments that arose from the benchmarking should significantly close that gap, and we will review again in the current financial year to ensure there is no discrepancy between pay for women and men in the same roles.

Director training

We each undertake appropriate education to stay current in our duties as directors and in technologies and market developments that may affect Trade Me. We maintain membership of relevant bodies and receive information from management and external consultants on specific issues relevant to Trade Me or to listed companies generally.

Board performance

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

Generally, we annually review how the board is performing as a group. The most recent review was undertaken over the period September to December 2017. Our review process to date has comprised individual interviews between directors and the chairman, with directors and the executive team also completing an evaluation questionnaire relating to board and committee composition and performance. Responses are anonymised, reported back to directors and discussed at a board meeting.

The review process has led to more regular strategy discussions, improvement in our process for evaluating acquisition opportunities, and revisions to the format of the board papers. We are a small board and to date haven't engaged an external facilitator for a performance review – but intend to do so in the current year.

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 overall 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 its Charter). The committee makes enquiries of management and external auditors (including requiring management representations) so 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 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 over a number of years to ensure clarity and readability in its financial statements, while continuing to maintain all the requirements of the financial reporting standards.

Non-financial reporting

We haven't adopted a formal environmental, social and governance (ESG) reporting framework at this time, although we have been considering which of the more commonly-used frameworks may be most suitable for the company.

Our assessment of exposure to material ESG risks is woven into the Comprehensive and Key Risk assessments that we refer to under Principle 6.

Disclosure to the market

We have a Market Disclosure Policy, found on our investor relations site. It sets out requirements for 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 did not need to make an urgent announcement in F18, 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 the timely release of information to NZX (and then to the ASX, as Trade Me is listed as foreign exempt on the ASX).

We also specifically discuss 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 includes the Company's presentations, reports, announcements, and media releases, as well as the Charters and guidelines referred to in this section. That specifically includes the presentation material and video recording of the Company's 2018 Investor Day, held in Auckland in May 2018, where Trade Me's strategy was outlined and executives were introduced to discuss their business units.

Our annual shareholder meeting will be held in November 2018 in Wellington. A Notice of Meeting will be sent well in advance.

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.

Directors (other than the Chairman of the board) receive fees for membership of each committee.

Directors fees for the year to 30 June 2018:

Director	Base fee	Audit & Risk Management committee fee	HR & Compensation committee fee	Total
David Kirk (Chairman)	\$215,000*	\$0*	\$0 (Chair)*	\$215,000
Katrina Johnson	\$95,000	\$10,000		\$105,000
Joanna Perry	\$95,000	\$25,000 (Chair)	\$10,000	\$130,000
Paul McCarney	\$95,000		\$10,000	\$105,000
Simon West	\$95,000		\$10,000	\$105,000

* Fee includes all committee responsibilities including Chair of HR & Compensation committee.

The last increase in directors' fees was made with effect from 1 July 2016. We are considering fees at present.

No retirement fees have been paid by Trade Me to directors at any time.

Employee Remuneration

Trade Me aims to have a remuneration framework and policies to attract and retain talented and motivated people. In the year to 30 June 2018 we undertook a significant piece of work around Trade Me's culture, leadership and key capabilities to improve organisational effectiveness. Part of that work was the development of a new reward and recognition structure, which is expected to properly motivate and retain good people in the company. It will be in place from 1 July 2018.

Trade Me employee remuneration

We benchmarked roles in F18 against market data to determine competitive salary and total remuneration levels for all staff, but guidance for hiring managers allows for variation from the median for individual performance, experience, scarcity of skills, internal relativities and specific business needs.

All employees at Trade Me have fixed remuneration plus the potential to earn a Short Term Incentive (STI). Senior employees may also be invited to participate in the Long Term Incentive (LTI) scheme described below.

We expect this year to combine the STI and LTI components for senior employees into a single scheme, One Incentive Plan.

CEO remuneration

Jon Macdonald's employment agreement for his role as CEO commenced on 26 February 2008. His agreement reflects appropriate standard conditions for a chief executive of a listed company. The Human Resources & Compensation committee considers his remuneration annually, after reviewing Trade Me's performance.

Jon's remuneration is a combination of fixed salary, KiwiSaver and incentive arrangements. He is currently allocated restricted shares under the Long Term Incentive scheme (LTI) to a value of 45% of his fixed annual remuneration. The performance measures applicable to those LTI shares are the same as for other LTI participants, and are detailed in the "Description of CEO's STI, LTI schemes" table below.

CEO remuneration for the year to 30 June 2018:

Base salary	Taxable benefits	STI	LTI Restricted shares issued October 2014 and vested October 2017	Total
\$763,000	\$121,551*	\$292,374**	\$89,359 25,405 shares @\$3.52***	\$1,266,284

*Settlement of tax liability for 2017 vested LTI shares + KiwiSaver employer contributions + dividends on all LTI shares.

** STI for the year to 30 June 2018 has not yet been determined. This is STI paid in F17 for the F17 performance year.

*** 20 day Volume Weighted Average market price at date of issue.

Description of CEO's STI, LTI schemes for performance period ending 30 June 2017

(STI and LTI payments for F17 were paid in F18)

Scheme	Description	Performance measures	Percentage awarded
STI	Set at 30% of base for on-target performance and up to 45% of base for the highest levels of achievement.	70% on Company performance (EBITDA) 30% on personal targets	39.5% of base
LTI	Vesting of restricted shares issued in October 2014 to a value equivalent to 45% of 2014 base, divided into two equal tranches.	Tranche 1: Relative TSR performance against NZX50 with 50% available at 50th percentile and 100% available at 75th percentile; Tranche 2: Compound annual growth rate of earnings per share with 50% available at 8% and 100% available at 12%.	61.1% of Tranche 1 0% of Tranche 2 [so overall 30.55% of shares vested]

Grants of LTI restricted shares made but not yet vested

CEO Jon Macdonald had 215,300 restricted shares in the LTI Scheme at 30 June 2018. He has announced his resignation and his employment is expected to end in December 2018, so a maximum of 81,075 of those shares will vest and become unrestricted (in October 2018) and the balance will be cancelled. Vesting of up to 81,075 shares is dependent on the company meeting its performance hurdles for the prior three year period.

Other executive remuneration

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

Employee performance reviews are undertaken in a comprehensive process at quarterly intervals. Managers evaluate performance with the assistance of feedback from peers, direct reports and other reviewers.

The CEO reviews each executive's performance – most recently in July 2018 – against specific objectives set the previous year.

Short Term Incentive (STI) plan

All STI payments, not just at executive level, have had a component dependent on the EBITDA performance of the Company and an element attributable to the achievement of specific team or individual objectives.

STI allocation varies depending on the seniority and role of employees. In general:

	STI % of fixed annual remuneration, at target	Percentage of STI attributable to company's EBITDA performance	Percentage of 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

There has been some variation for employees in business development, account management and revenue generating roles, where there is generally additional at risk remuneration related to agreed revenue targets.

Payment is made in late August after finalisation of the Company's results for the previous financial year.

Long Term Incentive (LTI) scheme

We have given a great deal of consideration to the LTI scheme, which we expect to replace with a new scheme shortly.

The current scheme was established in 2012 and applied for the year ended 30 June 2018.

Under it, the board makes offers of shares to senior employees and establishes the performance-based hurdles for the vesting of the shares. A wholly-owned subsidiary (TMG Trustee Limited) acts as trustee to administer the LTI Scheme.

The scheme is a "loan and bonus" type. Shares have been issued annually since October 2012. They are issued to TMG Trustee at the 20-day volume weighted average market price for Trade Me shares on NZX. The trustee holds the shares for each beneficial holder, until performance hurdles are tested, usually three years from issue date. The performance hurdles are separate measures of the Company's Total Shareholder Return and its earnings per share over three years from issue date.

While 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 not met for a round of shares, or the beneficial holders leave Trade Me employment before the shares become unrestricted, the applicable shares are forfeited and cancelled.

The shares issued in October 2014 were tested against the performance hurdles in October 2017, resulting in 30.55% of the total shares in that round vesting and becoming unrestricted:

Performance hurdle, LTI round 3	Achieved	LTI Shares vested	LTI Shares cancelled
Tranche 1: Relative TSR performance against NZX50, with 50% available at 50th percentile and 100% available at 75th percentile.	61.1%	88,796	56,535
Tranche 2: Compound annual growth rate of earnings per share with 50% available at 8% and 100% available at 12%.	0%	0	145,331

The LTI shares on issue (all of which are still restricted) at 30 June 2018 were:

Round	Issue date	Hurdle date	Number of shares	Number of holders
LTI 4	19 November 2015	30 September 2018	316,034	37
LTI 5	18 October 2016	30 September 2019	261,101	45
LTI 6	15 November 2017	30 September 2020	359,275	45

Note, we expect to replacing the current STI and LTI schemes from October 2018 with a single scheme – One Incentive Plan.

Principle 6

Risk management: Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks.

We have a Risk Management Policy which expresses our risk appetite. We regularly review key risks and under our policy we review structures and processes for risk management, reporting and monitoring.

The board:

- approves the policy and the risk management framework (the latter on the recommendation of the Audit & Risk Management committee);
- sets the risk attitude;
- considers relevant key risks and controls on those risks in any transaction or venture brought to the board; and
- discusses strategic risks as an integral part of its deliberations at each meeting.

We are also provided with specific and detailed presentations from management in particular risk areas, on a regular basis.

The Audit & Risk Management committee:

- keeps the risk management framework under review, and the process for identification, management, monitoring and review of risks and;
- considers and reviews the key non-strategic risks and the controls on them, at six-monthly intervals.

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, and undertakes specific quality review projects – the scope of which are approved in advance by the Audit & Risk Management committee.

Non-financial risk management

The business faces few non-financial or ESG risks that are material to it – in the sense that they are not anticipated to have an immediate or foreseeable impact on earnings, an impact on the company's balance sheet, or an impact on the sustainability of operations.

However there are still ESG elements that we consider are important and relevant to report:

- Privacy and data security risks
- Labour management factors
- Community contribution
- GHG emissions (scope 1 and 2) and energy consumption.

Trade Me is fundamentally a venue and maintains a high degree of neutrality on the products and services offered on its sites, which means our measurement and reporting is confined to Trade Me as a corporate. While the original premise of the Trade Me site was giving used goods an extended life, we have not attempted to quantify either the positive or negative environmental effects of the products and services on Trade Me sites. We know our Marketplace provides an important venue for sale and purchase of goods

that are not at the end of their lives, but that is only one part of our business, and it is our customers who are choosing to buy or sell (and therefore to recycle) goods, on Trade Me.

Privacy and data security issues

Trade Me is dependent on the technology systems, servers, networks, hardware and software, including cloud services, that it has in place. The systems could be vulnerable to unauthorised access, viruses, human error, natural disasters, communications failure, sabotage or terrorism. To defend against those risks we have implemented extensive security measures, disaster recovery, systems redundancy, and backup procedures.

Reputational issues around the care and treatment of customers' personal data are important to Trade Me and we have developed a set of principles in relation to customer data:

- We will respect customer privacy – our brand is built on trust and integrity.
- We're committed to being transparent and honest, so customers know what we do with their personal information (including if something goes wrong).
- We use personal information to add value to customers' lives.
- We avoid getting involved in anything creepy that could breach customer trust.

Policies and practices relating to collection, usage, and retention of customers' information and personally identifiable information

Trade Me's privacy policies, posted on all Trade Me sites, were consolidated in June 2018 into one policy explaining, in straightforward language, how customers' personal information and data generated by their use is collected, used, and disclosed by the Company, its subsidiaries, and trusted third parties. Management discussed that policy, and the communication of it, in detail with the Office of the Privacy Commissioner in New Zealand before implementation.

The policy provides an opt out for members, covering data for relevant advertisements; the sharing of tailored personal information between Trade Me and trusted third parties; and sharing data with named entities either fully owned or part-owned by Trade Me. The opt out can be applied at any time by members who don't want their data shared, and is simply managed through their privacy options. Those who have used other Trade Me-owned sites but aren't Trade Me members are opted out automatically (because they don't have an account to manage their privacy options). Inactive members and members who have previously opted out of customised advertising are also opted out. Information can be shared amongst the Trade Me Group, but certain sensitive information such as card payment information or dating profile data is not shared at all.

As at 30 June 2018, 9.15% of members had opted out of data sharing. Of those, half had opted out before the change to our policy.

We encrypt databases that contain personal information, with very limited staff access rights based on roles/requirements, and tokenise data and fields that are particularly sensitive personal information (which may for example be a requirement for Payment Card Industry compliance).

There are controls on the sharing of Trade Me member data outside Trade Me. Our usual process is that where we do allow another system access (e.g. the marketing engine for email marketing), information is shared via API in a secure hashed form with a private key arrangement.

A Data Governance Council, comprising Trade Me's key Legal, Analytics and Trust & Safety staff, is in place to ensure that our privacy principles are upheld and processes for sharing data are customer-centric and robust.

Trade Me has a dedicated Privacy Operations Officer who is responsible for ongoing staff privacy training and to handle requests for information under the Privacy Act (NZ).

Government and law enforcement requests for customer information

Buying and selling on Trade Me is restricted to members located in New Zealand and Australia, except where a member has been specifically accepted as an 'international' seller by Trade Me. Sellers based in Australia must have a New Zealand bank account, and may not sell vehicles or property located in Australia.

The Company regularly receives requests from New Zealand government agencies and the Police for user data in support of law enforcement activities and from insurers. We publish a Transparency Report annually which sets out the number and types of those access requests.

In the period year to 30 June 2018, 1,795 requests were made by government agencies. Of those, 22 were rejected by Trade Me as too broad or disclosing no relevant reason for the request.

The New Zealand Privacy Commissioner awarded Trade Me one of two inaugural Privacy Trust Marks in New Zealand, in 2018. The award recognises excellence in privacy-friendly products or services and in this instance acknowledged the work of the Company in its transparency reporting.

As we have customers from New Zealand and Australia, we are not subject to government-required monitoring, blocking, content filtering, or censoring. We have no reason to believe there is a risk to Trade Me of any government blocking or limiting access to Trade Me's sites.

Data security breaches

There have been no data breaches caused by vulnerability or security breach in F18.

There were 38 occasions in the year where personal information was inadvertently disclosed, but none were to more than one person, and none reached the threshold of possibly resulting in harm. The affected individuals were informed in each instance.

Despite our precautions and significant ongoing investments to protect against security risks, cyber-attacks and other intentional disruptions of our products and offerings, we may be the target of attacks specifically designed to impede the performance of our products.

Similarly, third parties may attempt to penetrate our network security or the security of our sites and misappropriate proprietary information. Techniques used change rapidly and we may be unable to anticipate them. The theft or unauthorised use or publication of personal information and confidential business information as a result of such an event could adversely affect our competitive position, and reputation, particularly if customers are affected. Our business could be subject to disruption, and we could suffer monetary and other losses and reputational harm, in the event of such incidents.

The Company continues to evaluate and implement enhancements in security technology and practices.

Labour management factors

In F18 we prioritised culture as part of our strategy.

Trade Me employs close to 600 people in a range of roles. Those roles include technical product and application development, design, sales and account management; commercial roles in evaluating business performance and potential acquisitions, as well as customer support and trust & safety staff who respond to a range of questions about member accounts and listings. Trade Me is strictly an online venue – we don't have any warehousing or fulfilment operations.

In F18 we focussed on improving organisational effectiveness, which included the development of a new pay framework which was easier for leaders to administer, a streamlined performance review process, and fresh consideration by the board of the short term and long term incentive plans. Trade Me concentrated on creating a set of new leadership development programmes geared towards an employee's role, competencies and likely career progression, and an information hub with resources and tools accessible to leaders as they review performance and remuneration, and set objectives. The premise is that supporting and coaching leaders enhances efficiency and productivity in their teams, and the leaders grow in skills.

In addition to the in-house programmes we continued to encourage participation in subject-matter training in person and online. For that purpose we allocate a percentage of the overall remuneration budget to training in each business unit, and hold a central budget for conference attendees and one-off training.

We've historically had a high level of engagement by all employees, which we measured in the annual IBM Kenexa Best Workplaces survey. We have been a finalist in our category for six consecutive years through F17. In F18 we decided to move from an annual engagement survey to a new tool for measuring engagement, which when rolled out will take the employee engagement pulse at least monthly.

Our turnover of staff in F18 was 20.62% (of a total number of employees over the year of 737). This equates to an average tenure of five years.

The current turnover rate is within the average range for peers, and also reflects the competition in our employment markets at present.

Health and safety risk

Trade Me is a relatively low-risk, office-based business – its most common risk is trips or falls in the office or during work team sports. Lost-time injury in the business has historically been a very rare occurrence. We're conscious though that stress may affect some employees and we provide access to a free, entirely confidential counselling service outside Trade Me.

The Human Resources & Compensation committee is responsible for reviewing, monitoring and making recommendations to the board on Trade Me's health and safety risk management generally. The committee ensures that the systems used to identify and manage health and safety risks are fit for purpose, are being effectively implemented, regularly reviewed and improved. The employee Health and Safety committee has reported to each board meeting on any incident or issue, and on the Company's ongoing actions to minimise health and safety risk.

The frequency of incidents has been very low so the HR & Compensation Committee has not required LTIFR or TRIFR reporting to date.

In the year to 30 June 2018, the company recorded 20 work-related accidents, of which only two required any time off work.

Community

We believe sponsorship and philanthropy is part of being a good Kiwi company. 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.

We support organisations or events that align with our vision and values, sync up with the demographics and mindset of our community, are quintessentially Kiwi, and that can be leveraged across multiple parts of the company.

A key strength when we work with charities and other organisations is using the Trade Me platform to help not-for-profits reach a wide audience and generate buzz and fundraising money.

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

In F18, we waived more than \$107,000 in success fees for charities and provided almost eight million ad impressions to deserving organisations pro bono. Trade Me Jobs also provided charities with a 33 per cent discount on 4,925 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. We also work closely to support actual feathered kiwis through national charity Kiwis for kiwi, 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 charities in F18.

We also support One Percent Collective (OPC) as a business partner. This organisation takes the hassle out of regular charitable giving by distributing donations amongst their six partner charities. Donors choose the amount and frequency of their donations to any or all of these charities. We support OPC by promoting their great work.

In F18, we teamed up with Alexia Hilbertidou from GirlBoss to launch the inaugural GirlBoss Awards. The purpose of the awards is to empower and celebrate the trailblazing young Kiwi girls (aged 11–18) who are driving change in science, technology, engineering and mathematics ('STEM') and in their communities. The GirlBoss Award winners will be announced in September 2018.

Trade Me also supports a multitude of other events and causes, and we are biased towards things where the overall equation is better than just writing a cheque. In F18 these included Wellington Zoo, DevMob, St John's Ambulance, Pink Shirt Day, Kaibosh, The Special Children's Christmas Party, Kiwi Foo, Startup Weekend, Wellington Free Ambulance,

Movember, Product Tank, Code Camp, Workchoice Day, Webstock, NetHui, nz.js(con) and Summer of Tech.

In F18 we were also involved in many community-related activities aside from sponsorship and promotion. For example we provide free, public WiFi along the Wellington waterfront.

We led a campaign aiming to have a kiwi added to the keyboards of emoji users around the world – this is a work in progress.

We were rapt to be nominated for a National Māori Language Award, after rebranding Trade Me as Tauhoko for a week and introducing te reo into some parts of our iOS app.

We were also proud to see Trade Me become a Shielded Site. The shield is an online initiative that allows victims of domestic abuse to get information and help without any trace showing in their search history.

In February we created a special celebration by shouting a wedding for a very deserving couple in Canterbury, with almost everything sourced via Trade Me or our Trade Me team.

GHG emissions and energy consumption

As a corporate entity, Trade Me has relatively low environmental impacts. We are not a carbon-intensive or energy-intensive business.

The majority of our impact arises from energy consumption in our offices and our data centres, and emissions from travel. As employee numbers have grown, our offices 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 maintain communication with key customers. We control travel requests to ensure we use video conferencing effectively rather than travelling, and overseas travel is very limited. As a technology business, we use very low amounts of paper and toner, we have been working with our landlords and energy consultants to improve the efficiency of our office power consumption, and we produce very little waste.

We do not expect to face significant increased costs if there are changes to carbon pricing or regulatory caps on emissions. In the medium term we may see reduced for sale inventory in Trade Me Motors as shared transport solutions begin to replace private vehicles, but we also have opportunities for the development of our business in relation to shared transport and renewable energy.

We have previously reported our greenhouse gas emissions by calendar year. We have now aligned our reporting with the financial year, and Ernst & Young prepared a GHG Emissions Profile for the period. Each year we buy carbon credits to fully offset carbon emissions.

Our total GHG inventory for the F18 year was 629 tonnes CO₂-e (split 407 tCO₂-e to travel, vehicles and landfill waste; and 222 tCO₂-e to power consumption).

Principle 7

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

We have 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 follow to maintain a framework for audit independence. We're 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 confirmation of independence formally from the auditor.

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 F18 a specialist group in the audit firm undertook measurement of our Greenhouse Gas emissions, approved by the Audit & Risk Management Committee at a cost of \$12,000.

Our policy requires the rotation of the senior audit partner and review partner at least every five years, and we are fully compliant.

Principle 8

Shareholder rights and relations: The board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer.

Our investor relations website is the key place for Trade Me's financial and operational information, and its important corporate governance documents. It's updated immediately on any announcement being made to the market.

In May 2018 Trade Me had its first investor event in New Zealand – this was intended to provide investors, particularly those with large holdings, with the opportunity to meet with CEO, CFO and other executives, to hear more on the company's strategy and the performance of its business units. The presentation material was made available to the market contemporaneously and a video of the presentations was put on the Company's investor relations site shortly afterward.

We keep shareholders informed through periodic reporting to NZX and ASX, through in person meetings and through our continuous disclosure. We also make a range of releases to media on Trade Me matters which we believe will interest shareholders, our members and the public.

We have so far held the Annual Meeting in Wellington, which is the company's base, with all directors and the executive team present. We have had physical rather than virtual Annual Meetings to date, recognising that for some shareholders this is the best opportunity to engage personally with the board, but in November 2018 we expect to hold a hybrid meeting so that shareholders who are unable to be present in person can participate online.

Disclosures

Shareholder information

As at 30 June 2018, the total number of shares on issue was 397,076,790 ordinary shares.

Twenty largest shareholders as at 30 June 2018

Rank	Investor Name	Total Units	% Issued Capital
1	New Zealand Central Securities Depository Limited*	119,062,907	29.98
2	HSBC Custody Nominees (Australia) Limited	80,470,277	20.27
3	J P Morgan Nominees Australia Limited	57,993,305	14.61
4	National Nominees Limited	28,500,490	7.18
5	Citicorp Nominees Pty Limited	26,049,426	6.56
6	Bnp Paribas Nominees Pty Ltd	9,875,048	2.49
7	Citicorp Nominees Pty Limited	9,671,536	2.44
8	UBS Nominees Pty Ltd	7,921,532	1.99
9	Bnp Paribas Noms Pty Ltd	6,276,607	1.58
10	New Zealand Depository Nominee Limited	3,524,010	0.89
11	Pt Booster Investments Nominees Limited	1,358,015	0.34
12	Custodial Services Limited	1,192,655	0.30
13	Powerwrap Limited	986,884	0.25
14	Tmg Trustee Limited	879,753	0.22
15	Investment Custodial Services Limited	861,199	0.22
16	JBWERE (Nz) Nominees Limited	742,728	0.19
17	Custodial Services Limited	646,365	0.16
18	UBS Nominees Pty Ltd	516,759	0.13
19	Custodial Services Limited	506,507	0.13
20	Bnp Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd Drp	476,726	0.12

*New Zealand Central Securities Depository provides a custodial depository service which allows electronic trading of securities by its members.

Distribution of ordinary shares and registered shareholders as at 30 June 2018

There is no current share buy-back taking place.

Shareholder range	No. of holders	No. of shares	% issued capital
1–1,000	2,872	1,718,033	0.43
1,001–5,000	4,558	11,762,919	2.96
5,001–10,000	1,063	7,945,674	2.00
10,001–50,000	548	10,142,262	2.55
50,001–100,000	29	1,992,001	0.50
Greater than 100,000	47	363,515,901	91.55
Total	9,117	397,076,790	

Substantial product holders

As at 30 June 2018, Trade Me had received notice that the following were substantial product holders in accordance with section 293 of the Financial Markets Conduct Act 2013.

	Date of last disclosure notice before 30 June 2018	Relevant interest in number of shares	% held as at the date of notice
Commonwealth Bank of Australia	29 January 2018	36,263,354	9.13%
Pinnacle Investment Management Group/Pinnacle Investment Management Limited (inc. Hyperion Investment Management)	9 March 2018	47,583,295	11.86%
Schroder Investment Management Australia Limited	4 October 2017	21,666,179	5.46%

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% or 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 and Overseas Investment Regulations 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 2017 to 30 June 2018 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.

Donations

The Company made donations totalling \$4,000 during the year to 30 June 2018.

Company Secretary

Trade Me's Company Secretary is Sarah Hard.

Director and employee remuneration

Employee remuneration

There were 208 Trade Me employees (or former employees) who received remuneration and other benefits in excess of \$100,000 in their capacity as employees in F18, as set out in the table below.

This includes salary, KiwiSaver contributions, STI payments, and the fair value of LTI shares at 30 June 2018. It also includes any settlement payments and payments in lieu of notice upon departure from the Company.

Salary band (\$)	Number
1.2m–1.3m	1
530,000–540,000	1
470,000–480,000	1
450,000–460,000	1
380,000–390,000	2
360,000–370,000	1
350,000–360,000	1
330,000–340,000	2
270,000–280,000	2
260,000–270,000	1
250,000–260,000	1
220,000–230,000	4
210,000–220,000	3
200,000–210,000	1
190,000–200,000	5
180,000–190,000	3
170,000–180,000	4
160,000–170,000	3
150,000–160,000	13
140,000–150,000	15
130,000–140,000	22
120,000–130,000	27
110,000–120,000	32
100,000–110,000	51
Total	208

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 2018. 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
Docscorp Pty Limited*	Director
Forsyth Barr Limited	Director
Instaclustr Pty Limited*	Alternate director
Kathmandu Holdings Limited	Chairman
NZ Performance Horses Limited	Director/shareholder
Online Ventures Pty Limited (trading as SiteMinder)*	Director/shareholder (ceased October 2017)
Rezdy Pty Limited*	Director
SMI Holding Company Pty Limited*	Director/shareholder
Sydney Festival Limited	Chairman
Viocorp International Pty Limited*	Director/shareholder

(*Companies in which Bailador has invested)

Katrina Johnson

eBay, Inc	Shareholder (restricted stock units)
PayPal Holdings, Inc	Shareholder (restricted stock units)
Straker Transactions Limited	Director (appointed 3 July 2018)

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
The Minerva Collective	Director

Joanna Perry

Genesis Energy Limited	Director
IFRS Advisory Council	Chair
JMGP Limited	Director/shareholder
Kiwi Property Group Limited	Director (ceased 30 September 2017)
Partners Group Holdings Limited	Director/shareholder
Partners Life Limited	Director
Regional Facilities Auckland	Director
Oyster Property Group Limited	Director (appointed 8 March 2018)

Simon West

West Holdings Limited	Director/shareholder
West Investment Holdings Limited	Director
Max Fashions Limited	Director/shareholder
Max Fashions Holdings Limited	Director
Onceit Limited	Director/shareholder
Rhombus Investments Limited	Director/shareholder

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 2018.

Directors' relevant interests in shares

Directors held the following relevant interests in voting securities of Trade Me as at 30 June 2018. There were no changes in directors' holdings in the year to 30 June 2018.

	Directly held	Held by associated persons
David Kirk	–	157,625
Katrina Johnson	–	–
Paul McCarney	–	30,000
Joanna Perry	26,000	–
Simon West	–	–

Subsidiary Company directors

The directors of the Company's New Zealand subsidiary companies during the F18 year were Jon Macdonald and Caroline Rawlinson.

In the case of Australian companies Kevin's Australian Investments Pty Limited, MotorWeb Australia Pty Limited, Trade Me Australia Pty Limited and Vehicle ID Australia Pty Limited, the directors were David Kirk and Caroline Rawlinson.

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
- Trade Me Australia Pty Limited
- Vehicle ID 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 80.

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.



Paul

“When we first bought the place money was really tight. We couldn’t afford to buy anything brand new so we jumped on Trade Me and fitted out the whole place with second hand stuff. Even our staff came from Trade Me Jobs.”

Paul is co-owner of the Karaka Cafe and Wharewaka function centre. When he and business partner Keri started out, everything came from Trade Me – from the tables and chairs to the oven in the kitchen. Karaka Cafe and Wharewaka is an award winning venue and they only use Trade Me Jobs to find their staff.

Craig

“I found this old Japanese library bus on Trade Me at 2am one morning. I rang Kei immediately and told her I had a crazy idea of building a kitchen inside the bus. That’s where it all started.”

Craig’s crazy late night idea was the beginning of a gourmet success story. Craig and Kei found their food truck, a place to park it and all their secondhand kitchenware on Trade Me. They spent a year renovating the bus until finally, Beat Kitchen was born.



Anthony

“I’ve always liked old things, but it was an auction for a megalodon tooth that started it snowballing. Trade Me is a great place to fuel and further a passion which is absolutely the case for me. I can’t just go down to the shops and buy fossils!”

Anthony caught the Trade Me bug about two years ago. Since then he finds it the perfect place for niche treasures – he’s got a table covered in fossils and his walls are riddled with ‘mantiques’.

Sam

“When I was 10 my Grandad passed away and my family and I inherited his model trains. I remember my parents put them all on Trade Me for \$1 reserve. Turns out that model trains are worth a lot of money – we made hundreds of dollars and after that I was hooked.”

Trade Me has been part of Sam’s life since she was young. From selling clothes and buying her first scooter to finding jobs and looking for property, Trade Me has been her go-to for almost everything over the years.

