



METHVEN LIMITED

CODE FOR TRANSACTIONS INVOLVING METHVEN SECURITIES

Insider trading is illegal and carries heavy penalties, including imprisonment, heavy fines, management banning orders, and requirements to pay compensation. Methven has adopted this Code as a means to reduce as much as possible the risk of insider trading by directors, senior management, independent contractors and employees. This Code is effective from 29 February 2008.

If the Code applies to you, you must comply with it. Failure to comply may lead to disciplinary action and, in serious cases, dismissal. Any such disciplinary action is separate from any liability that may arise for insider trading under applicable legislation.

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If you do not understand any part of this Code or are unsure whether you are able to trade Methven Securities, please contact the Group CFO for further assistance.

PART 1

INTRODUCTION TO THE CODE

1. PURPOSE

The purpose of this Code is to:

- explain the type of trading in securities issued by Methven (**Methven Securities**) by directors, senior management, independent contractors, and employees of any company in the Methven Group (**Methven Employees**) that is prohibited by New Zealand's insider trading laws (set out in Part 2); and
- explain further restrictions that apply to trading in Methven Securities by Methven Employees (set out in Schedule 1).

Personnel should be aware also that the Code will continue to apply to all Methven Employees, independent contractors and directors for 6 months after their employment, contract or directorship with Methven has ended.

2. WHO DOES THE CODE APPLY TO?

This Code applies to all Methven Group Employees.

- **All Methven Group Employees** are subject to New Zealand's insider trading laws (summarised in Part 2) and
- **All Methven Group Employees** must comply with the mandatory additional restrictions (set out in Schedule 1).

IF YOU HOLD "MATERIAL INFORMATION" YOU MUST NOT TRADE METHVEN SECURITIES REGARDLESS OF THIS CODE.

PART 2

SUMMARY OF INSIDER TRADING RULES

New Zealand's insider trading laws apply to any person who holds information about Methven that is not generally available to the market and that if disclosed would have a material effect on the price of Methven Securities. What follows is a summary of those laws. Following these rules will reduce the possibility of you facing liability for insider trading.

This is a summary only, provided for your information and does not provide all the details of the relevant rules. If you have any concerns about how these rules apply, you should seek your own legal advice.

3. SUMMARY OF INSIDER TRADING RULES

3.1 Holding Material Information not Generally Available to the Market

If you hold "material information" (explained below at paragraph 3.2) you must not:

- buy or sell Methven Securities;
- advise or encourage another person to buy, sell or hold Methven Securities;
- advise or encourage another person to advise or encourage another person to buy, sell or hold Methven Securities;
- communicate the information, or cause the information to be disclosed, to another person knowing (or where you ought to know) that the other person will buy or sell Methven Securities, continue to hold Methven Securities, or advise or encourage another person to buy, sell or hold Methven Securities; or
- otherwise deal in Methven Securities (eg enter into an agreement to sell or buy Methven Securities).

3.2 Material Information

"Material information" is information in relation to Methven:

- which is not generally available to the market; and
- which would have a material effect on the price of Methven Securities if it was generally available to the market.

Information is "generally available to the market" if it has been released as an NZX announcement, or investors who commonly invest in Methven Securities can readily obtain the information (whether by observation, use of expertise, purchase from another person, or any other means).

It does not matter how you came to know or hold the "Material Information" if you are an "information insider", you must not trade Methven Securities.

Types of information which are likely to be "Material Information" that is not generally available to the market could include (but is not limited to):

- financial results that have not yet been released;
- the proposed launch of a new product,
- entry into arrangements with a high profile licensee and/or the sale or purchase of a major asset of Methven.

If you are in any doubt as to whether you hold any "Material Information", you should consult the Group CFO.

3.3 Applies to trading in all Listed Methven Securities

The restrictions referred to above (in paragraph 3.1), and all other restrictions in this Code, apply to any transactions involving any of Methven's listed securities (presently only its ordinary shares).

Note that the restriction will apply to any transaction involving Methven shares (explained in paragraph 3.1), including any Methven shares in which you have a beneficial interest or other right (eg through a trust or company you control).

(The restrictions in paragraph 3.1 also apply to securities of other listed companies if you hold "material information" about that company.)

3.4 Employee Share and Options Plans

Strictly, the insider trading rules no longer apply to those exercising Methven share options, as the shares issued on such exercise are new shares issued by Methven, and not shares which are already issued. However, all staff holding Methven share options are strongly encouraged to comply with the Additional Requirements.

4. SHORT TERM DEALING

You should not engage in short-term speculative dealing. Engaging in transactions involving Methven Securities within 6 months of any previous transaction or dealings will be regarded as a breach of this restriction. The Board may determine (and will notify) the period which, in any given circumstance, constitutes a "short term".

SCHEDULE 1

ADDITIONAL TRADING RESTRICTIONS FOR METHVEN EMPLOYEES

Persons covered by Restricted Securities Trading Restrictions

The additional trading restrictions set out below apply to all persons who are Methven Employees.

Persons covered by these additional restrictions will be considered responsible for the actions of trusts and companies controlled by them. In this respect, "control" is not to be construed in a technical way but by looking at how decisions are made in practice.

Additional trading restrictions for Methven Employees (trading windows)

Methven Employees are prohibited from trading in any Methven Securities except in:

- the period starting on the day after the annual announcement of Methven's results is made on the NZX and ending on the day that is 5 months after the end of the financial year 31 March;
- the period starting on the day after the half year announcement of Methven's results is made on the NZX and ending on the day that is 4 months after the end of the financial half-year 30 September; or
- the 60 days commencing on the first trading day after the release of a prospectus for a general public offer of the same class of Methven Securities .

Methven Employees are not permitted to trade any Methven Securities during any other period unless Methven's Board provides a specific exemption.

PLEASE NOTE THAT IF YOU HOLD MATERIAL INFORMATION YOU MUST NOT TRADE METHVEN SECURITIES AT ANY TIME – REGARDLESS OF THESE PERIODS.

Requirements before trading

Before trading Methven Securities, at any time, Methven Employees must, in writing:

- notify Methven's Group CFO of their intention to trade in securities, and seek consent to do so (using the Request for Consent to trade in Listed Securities form which is attached);
- confirm that they do not hold material information; and
- confirm that there is no known reason to prohibit trading in any Methven Securities.

A consent is only valid for a period of 10 trading days after notification. A consent is automatically deemed to be withdrawn if the person becomes aware of material information prior to trading.

Requirements after trading

All Methven Employees must advise the Group CFO promptly following completion of any trade.

SCHEDULE 2

REQUEST FOR CONSENT TO TRADE IN LISTED SECURITIES

To: The Group CFO, Methven

In accordance with Methven's trading Code, I request Methven's consent be given to the following proposed transaction to be undertaken either by me or persons associated with me, within 10 trading days of approval being given. I acknowledge Methven is not advising me or encouraging me to trade or hold securities and does not provide any securities recommendation.

Name:

Name of registered holder transacting (if different):

Address:

Position:

Description and number of securities:

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

To be transacted: On NZX/off-market trade/other (specify)

Likely date of transaction (on or about):

I declare that I do not hold information which:

- is not generally available to the market; and
- would have a material effect on the price of Methven's listed securities if it were generally available to the market.

I know of no reason to prohibit me from trading in Methven's listed securities and certify that the details given above are complete, true and correct.

.....
Signature Date

Methven hereby **consents/does not consent** to the proposed transaction described above. Any consent is conditional on the proposed transaction being completed within 10 trading days of the date of this consent, and in compliance with Methven's trading Code including the additional requirements for Methven Employees.

.....
Name Date
On behalf of Methven

SCHEDULE 3

INSIDER TRADING WINDOWS

