

# Securities dealing policy

## 1 Introduction

- 1.1 This policy imposes constraints on directors, employees and consultants of the group dealing in securities of the Company.
- 1.2 This policy has been adopted by the board of directors of the Company (**Board**).

## 2 Objectives

- 2.1 The objectives of this policy are to:
  - (1) minimise the risk of directors, employees and consultants of the group contravening the laws against insider trading;
  - (2) ensure the Company is able to meet its reporting obligations under the ASX Listing Rules; and
  - (3) increase transparency with respect to dealing in securities of the Company by its key management personnel.
- 2.2 To achieve these objectives, directors, employees and consultants of the group should consider this policy to be binding on them in the absence of specific exemption by the Board.

## 3 What is insider trading?

- 3.1 The *Corporations Act 2001* (Cth) prohibits persons who are in possession of information that is not generally available to the public and which a reasonable person would expect to have a material effect on the price or value of securities in the Company (**Price Sensitive Information**) from:
  - (1) dealing in the securities; or
  - (2) communicating the Price Sensitive Information to others who might deal in the securities.
- 3.2 Information is generally available to the public if, amongst other things, it consists of readily observable matters or it has been brought to the attention of investors by an announcement with ASX Limited (**ASX**) and a reasonable period for its dissemination has elapsed since the announcement.
- 3.3 Directors, employees and consultants of the group will from time to time be in a situation where they are in possession of Price Sensitive Information. Examples include the period prior to release of annual or half-yearly results to ASX and the period during which a major transaction is being negotiated.
- 3.4 For these reasons, the advice of the designated officers should be sought prior to any dealings taking place, and steps should be taken to ensure that those acting as designated officers are appraised of all relevant considerations by the person appointed by the Company.

## **4 No dealing in securities of the Company when in possession of Price Sensitive Information**

4.1 Directors, employees and consultants of the group in possession of Price Sensitive Information must not at any time:

- (1) deal in securities of the Company;
- (2) advise, procure, encourage or suggest another person deal in securities of the Company; or
- (3) communicate the Price Sensitive Information, or cause the Price Sensitive Information to be communicated, to a person who may deal in securities of the Company or may procure another person to deal in securities of the Company.

4.2 A contravention of the insider trading prohibitions is an offence and exposes a person to criminal and civil liability, including liability under civil damages actions and compensation orders. The penalty for a breach of the insider trading prohibition for a natural person is a fine of up to the greater of \$765,000 and 3 times the profit gained or loss avoided or 10 years imprisonment, or both. The penalty for a body corporate is a fine of up to the greater of \$7,650,000, 3 times the profit gained or loss avoided or 10% of the corporation's annual turnover in the relevant period.

4.3 Key management personnel must ensure that external advisors who receive Price Sensitive Information are bound by a confidentiality agreement or other enforceable confidentiality obligations.

4.4 From time to time, the Company may publish a list of companies whose securities directors and employees of the group are prohibited from dealing in due to the Company being in possession of Price Sensitive Information in respect of those companies (**Restricted Securities List**). Directors and employees of the group must not deal in securities of companies on the Restricted Securities List at any time.

## **5 No short-term dealing in securities of the Company**

5.1 Key management personnel must not at any time engage in short-term dealing in securities of the Company.

5.2 Short-term dealing is considered to be dealing where the acquisition and disposal of securities occurs within 6 months of each other.

## **6 Key management personnel not to deal in securities of the Company during Restricted Periods**

6.1 In addition to the restrictions in clauses 4 and 5, key management personnel must not deal in securities of the Company during the following periods:

- (1) within 24 hours following the release of Price Sensitive Information to ASX;
- (2) within the period 1 month prior to the issue of a prospectus;
- (3) from the applicable balance date (ie 30 June or 31 December) until 24 hours after the release of the Company's annual or half-yearly results to ASX; and

(4) any other period designated by the Board,

**(Restricted Periods).**

## **7 Trading in exceptional circumstances during Restricted Periods**

7.1 Key management personnel who are not in possession of Price Sensitive Information may deal in securities of the Company during Restricted Periods or may engage in short-term dealing if there are exceptional circumstances and he or she receives prior written clearance from the designated officer.

7.2 Exceptional circumstances are:

(1) financial hardship which cannot be satisfied otherwise than by dealing in securities of the Company; or

(2) a court order directing the dealing in securities of the Company.

7.3 Key management personnel wishing to deal in securities of the Company during a Restricted Period or engage in short-term dealing based on exceptional circumstances must apply in writing (email is acceptable) to the designated officer for prior written clearance to deal in those securities. The application must include the following information:

(1) details of the exceptional circumstances;

(2) the number of securities of the Company that he or she wishes to deal in;

(3) the way in which he or she wishes to deal in those securities;

(4) a request for clearance to deal in those securities; and

(5) confirmation that he or she is not in possession of any Price Sensitive Information.

7.4 The designated officer must consider the objectives of this policy and the purpose of the ASX Listing Rules in making a determination as to whether to provide consent to deal in securities of the Company during a Restricted Period or engage in short-term dealing.

7.5 Any consent provided by the designated officer under this policy must:

(1) be in writing (email is acceptable); and

(2) outline the duration of the clearance (no more than 5 trading days).

## **8 Key management personnel to obtain prior written clearance for dealings in securities of the Company**

8.1 Key management personnel must obtain prior approval for any intended dealing in securities of the Company from the designated officer. The request for approval must include the following information:

(1) the number of securities of the Company that he or she wishes to deal in;

(2) the way in which he or she wishes to deal in those securities; and

(3) confirmation that he or she is not in possession of any Price Sensitive Information.

- 8.2 Key management personnel may only proceed with the dealing in securities of the Company after having first obtained approval from the designated officer.
- 8.3 Approval is intended as a compliance monitoring function only and is not an endorsement of the proposed dealing. Key management personnel remain responsible for their own investment decisions and compliance with the law.

## **9 Notification of dealings in securities of the Company**

- 9.1 The ASX Listing Rules require the Company to notify ASX of dealings in notifiable interests in securities of the Company by directors within 3 business days.
- 9.2 Directors must notify the Company secretary immediately after dealing in any securities of the Company and provide the Company with the requisite details of the dealing for the Company to comply with the ASX Listing Rules.
- 9.3 Key management personnel (other than directors, who must comply with clause 9.2) must notify the Company secretary immediately after acquiring or disposing of a relevant interest in any securities of the Company.

## **10 No hedging**

- 10.1 Notwithstanding any other part of this policy, key management personnel must not at any time enter into transactions in associated products which operate to limit the economic risk of security holdings in the Company.

## **11 Margin lending**

- 11.1 ASX, in its Companies Update dated 29 February 2008, highlighted that in certain circumstances, the Company may be required to disclose details of the margin lending arrangements of key management personnel in respect of their securities of the Company (if any), if that information would be material information under ASX Listing Rule 3.1. To enable the Company to comply with ASX Listing Rule 3.1, any director or key management personnel of the Company who enters into margin lending arrangements or otherwise encumbers their securities of the Company (**Security Arrangements**) is required to provide details of those Security Arrangements to the designated officer upon entering into, and on any change (other than a trivial or minor change) occurring to, the Security Arrangements. Security Arrangements may be subject to prohibitions on dealing in securities of the Company contained in this policy.
- 11.2 The details of the Security Arrangements which must be provided pursuant to clause 11.1 must include the number of securities of the Company involved, any trigger points, the right of the lender or security holder to sell the securities unilaterally and any other material details.

## **12 Penalties**

- 12.1 A contravention of this policy by an executive director, key management personnel other employee or consultant of any member of the group may result in summary dismissal.

## **13 Application**

- 13.1 This policy applies to all directors, employees and consultants of any member of the group.

13.2 For the purposes of this policy, directors, employees and consultants dealing in securities of the Company includes associates of directors, employees and consultants of the group dealing in securities of the Company. It is incumbent on each director, employee and consultant of the group to take reasonable steps to ensure that an associate does not deal in securities of the Company in contravention of this policy where the dealing could be attributed to the director, employee or consultant concerned. Associates include your relatives, entities which you control and entities you are acting in concert with.

13.3 The following types of dealing are excluded from the operation of this policy:

- (1) transfers of securities of the Company already held in a superannuation fund or other saving scheme in which the restricted person is a beneficiary and where the investments are made at the discretion of a third party;
- (2) an investment in, or dealing in units of, a fund or other scheme (other than a scheme only investing in securities of the Company) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (3) where a restricted person is a trustee, trading in securities of the Company by that trust provided the restricted person is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by the other trustees or by the investment managers independently of the restricted person;
- (4) undertakings to accept, or the acceptance of, a takeover offer;
- (5) dealing under an offer or invitation made to all or most of the security holders, such as a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of the entitlements under a renounceable pro rata issue;
- (6) a disposal of securities of the Company that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement; and
- (7) the exercise (but not the sale of securities of the Company following exercise) of an option or a right under an employee incentive scheme, or the conversion of a convertible security.

## 14 Explanation of terms

14.1 For the purposes of this policy:

- (1) **dealing in securities** includes:
  - (a) applying for, acquiring or disposing of, securities;
  - (b) entering into an agreement to apply for, acquire or dispose of, securities;
  - (c) granting, accepting, exercising or discharging an option or other right or obligation to acquire or dispose of securities;
  - (d) trading in financial products issued or created over securities of the Company; and
  - (e) entering into transactions in financial products which operate to limit the economic risk of security holdings;

- (2) **designated officer** means:
  - (a) in the case of the Company secretary, the Chair; and
  - (b) in the case of key management personnel of the group other than the Company secretary, the Company secretary;
- (3) **group** means the Company and each of its subsidiaries (as that term is defined in the *Corporations Act 2001* (Cth));
- (4) **key management personnel** has the meaning given to it in the ASX Listing Rules and includes the directors, the Chief Executive Officer, the Company secretary and all employees having authority and responsibility for planning, directing and controlling the activities of the group;
- (5) **securities** includes shares in the Company, options over those shares and any other financial products of the Company traded on ASX; and
- (6) **trading day** means any day that the ASX is open for trading.

## 15 Contact

- 15.1 If you have any questions about any of the issues raised in this policy you should contact the designated officer.

Adopted 8 December 2015