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# SECURITIES TRADING POLICY

## 1. INTRODUCTION

This document sets out the Company's policy on dealing by Directors, employees and contractors in:

- (a) the Company's securities; and
- (b) securities of other entities.

If you do not understand any part of this policy, the summary of the law, or how it applies to you, you should raise the matter with the Company Secretary before dealing with any securities covered by this policy.

## 2. RATIONALE FOR THE POLICY

Under Australian corporations legislation, the insider trading laws operate to prohibit people in possession of non-public price-sensitive information from dealing in securities or passing on the information to other people who may deal in securities.

Given the restrictions imposed by law, this policy is relevant to all Directors, employees and contractors of the Company. This policy imposes restrictions (described below) on:

- (a) all Directors of the Company;
- (b) all employees of the Company;
- (c) any entities controlled by a Director or employee; and
- (d) contractors.

## 3. MEANING OF SECURITIES

For the purposes of this policy, "securities" means shares, debentures, options to subscribe for new shares and options over existing shares, warrant contracts and other derivatives relating to the shares.

## 4. INSIDER TRADING LAWS

### 4.1 Prohibition

If you have any **inside information** about the Company (or another relevant entity, such as a company with which the Company is considering a transaction) which is not publicly known, it is a criminal offence for you to:

- (a) trade in the Company's securities (or securities of the other relevant entity);
- (b) advise or procure another person to trade in the Company's securities (or securities of the other relevant entity); or
- (c) pass on **inside information** to someone else (including colleagues, family or friends) knowing (or where you should have reasonably known) that the other person will, or is likely to, use that information to trade in, or procure someone else to trade in, the Company's securities (or securities of the other relevant entity).

### 4.2 Consequences of insider trading

This offence, called "insider trading", can subject you to:

- (a) criminal liability including large fines and/or imprisonment;

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- (b) a civil penalty of up to \$200,000; and
  - (c) civil liability, which may include being sued by another party or the Company, for any loss suffered as a result of illegal trading.

#### **4.3 Inside information**

"Inside information" is information that:

- (a) is not generally available; and
- (b) if it were generally available, it would – or would be likely to – influence investors in deciding whether to buy or sell particular securities.

The financial impact of the information is important, but strategic and other implications can be equally important in determining whether information is **inside information**. The definition of information is broad enough to include rumours, matters of supposition, intentions of a person (including the Company) and information which is insufficiently definite to warrant disclosure to the public.

Importantly, you need not be an "insider" to come across inside information. That is, it does not matter how you come to know the **inside information** (for example, you could learn it in the course of carrying out your responsibilities or in passing in the corridor or in a lift or at a dinner party).

#### **4.4 Examples of insider trading**

The following list is illustrative only. Inside information could include:

- (a) the financial performance of the Company against its budget;
- (b) a possible acquisition or sale of any assets by the Company;
- (c) a possible change in the Company's capital structure;
- (d) a proposed dividend;
- (e) senior management changes;
- (f) a significant discovery; or
- (g) any possible claim against the Company or other unexpected liability.

#### **4.5 Insider trading is prohibited at all times**

If you possess **inside information**, you must not buy or sell the Company's securities, advise or get others to do so or pass on the **inside information** to others. This prohibition applies regardless of how you learn the information.

The prohibition on insider trading applies not only to information concerning the Company's securities. If a person has **inside information** in relation to securities of another company, that person must not deal in those securities.

### **5. CONFIDENTIAL INFORMATION**

Related to the above, Directors, employees and contractors also have a duty of confidentiality to the Company. You must not reveal any confidential information concerning the Company, use that information in any way which may injure or cause loss to the Company, or use that confidential information to gain an advantage for yourself.

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## 6. TRADING RESTRICTIONS IMPOSED BY THIS POLICY

### 6.1 Additional restrictions

Additional restrictions (described below) on trading the Company's securities apply to the following people in the Company and their related bodies corporate (**Restricted Persons**):

- (a) all Directors and the Company Secretary;
- (b) the Chief Executive Officer, the Chief Operating Officer and Chief Financial Officer, and their direct reports; and
- (c) all employees responsible for preparing the Company's internal financial reports.

The additional restrictions in this policy do not prohibit Restricted Persons from acquiring securities under the Company's dividend reinvestment plans or employee share or rights plans (however, the additional restrictions will apply to any subsequent trading of the Company's securities acquired under those plans).

### 6.2 Reasons for additional restrictions

Restricted Persons are in positions where it may be assumed that they may come into possession of **inside information** and, as a result, any trading by Restricted Persons may embarrass or reflect badly on them or on the Company (even if a Restricted Person has no actual **inside information** at the time).

This policy is designed to avoid the possibility that misconceptions, misunderstandings or suspicions might arise.

### 6.3 Trading restrictions

Restricted Persons are not permitted to trade the Company's securities during the specific "black-out periods" detailed below.

The black-out periods are the period of four weeks immediately leading up to and including each of the following days:

- (a) the day half year results are announced;
- (b) the day full year results are announced; and
- (c) the day of the annual general meeting.

The Board may also declare a black-out period for a specified period at other times (such as prior to the announcement to ASX of a significant event).

### 6.4 Requirements before trading

Before trading in the Company's securities, Restricted Persons must:

- (d) advise the Managing Director (or if the Restricted Person is the Managing Director, the Board through the Company Secretary), or his or her delegate, of their intention to trade in Company securities;
- (e) confirm that they do not hold any **inside information**; and
- (f) have been advised that there is no known reason to preclude the trading in Company's securities.

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## **6.5 Requirements after trading**

Once a Restricted Person has completed a trade in the Company's securities, the Managing Director (or if the Restricted Person notifying is the Managing Director, the Company Secretary), or his or her delegate, must be:

- (a) advised that the trade has been completed; and
- (b) in the case of Directors, provided with sufficient information to enable the Company to comply with the requirements to notify a change of interests to ASX.

## **6.6 Application to employee share and option plans**

The additional restrictions in this policy do not affect a Restricted Person's participation in the Company's employee share, option or rights plans or the exercise of options/rights under those plans.

However the additional restrictions in this policy will apply to any subsequent trade of any the Company's securities issued to (or for the benefit of) a Restricted Person on the exercise of any options or right granted under an employee share, option or rights plan.

## **6.7 Trading inside the black-out periods**

Restricted Persons are prohibited from trading in the Company securities at times within the black-out periods, however if a genuine and pressing need arises, then exceptions may be considered.

A Restricted Person must not trade within a black-out period unless they submit a written request to the Managing Director, or his or her delegate, in advance of the proposed trade and have received written clearance to trade.

The Managing Director is responsible for approving applications to permit trading within black-out periods.

In the case of any proposed trading by the Managing Director, notification of any request must be made to the Board through the Company Secretary.

Any request must include confirmation that the Restricted Person does not hold any inside information.

## **7. BREACHES OF THE POLICY**

Strict compliance with this policy is a condition of employment. Breaches of this policy will be subject to disciplinary action, which may include termination of employment.