



**CAQ HOLDINGS LIMITED  
("COMPANY")  
(ACN 091 687 740)  
SECURITY TRADING POLICY ("POLICY")**

**1. Introduction**

- 1.1 This document sets out the Company's policy on the sale and purchase of its securities by its Directors, employees and contractors.
- 1.2 The purpose of this Policy is to:
- (a) impose closed trading periods at various times during the year, particularly in periods leading up to an announcement of results, during which trading of the Company's securities by Directors is prohibited; and
  - (b) set out procedures to reduce the risk of insider trading.
- 1.3 A basic explanation on insider trading is provided together with the steps taken by the Company to prevent the practice, including:
- (a) a description of what conduct may constitute insider trading;
  - (b) the fixed periods that Directors, employees and key personnel are prohibited from trading in the Company's securities; and
  - (c) the steps to take when buying or selling securities in the Company.

**2. Definitions**

- 2.1 "**Chairman**" means the director appointed as Chairman at the time.
- 2.2 "**Company**" means CAQ Holdings Limited (ACN 091 687 740);
- 2.3 "**deal in securities**" means:
- (a) buy or sell shares, options or other securities in the Company; or
  - (b) enter into transactions in relation to shares, options or other securities in the Company; and
  - (c) procuring another person to do (a) or (b) above.
- 2.4 "**Employees**" means:
- (a) Directors, officers, senior executives, consultants and other staff;
  - (b) the spouse or children of an employee;
  - (c) partners or fellow directors of family partnerships and companies;

(d) a trust for which the employer acts as a trustee or as a director of its trustee company; and

(e) an investment fund which effectively acts at the direct of the employee.

2.5 **“Policy”** means this Securities Trading Policy.

2.6 **“Price sensitive information”** has the meaning as provided for **“inside information”** in section 1042A of the *Corporations Act 2001*. That is, information concerning a company that a reasonable person would expect to have a material effect on the price or value of securities in the Company.

### **3. Guidelines for Trading in the Company’s Securities**

3.1 Directors, employees and contractors can deal in securities of the Company in the following circumstances:

(a) they have satisfied themselves that they are not in possession of any price sensitive information that is not generally available to the public; and

(b) they have contacted the Chairman or in his absence, the Managing Director and notified them of their intention to do so and the Chairman or Managing Director indicates that there is no impediment to them doing so.

3.2 Where the Chairman wishes to deal in securities, he has contacted the Managing Director, or in his absence, the Company Secretary and notified them of their intention to do so and the Managing Director or Company Secretary indicates that there is no impediment to them doing so.

### **4. Closed Periods**

4.1 The Chairman will generally not allow directors, employees and contractors to deal in securities or in financial products issued or created over or in respect of the Company’s securities in the following periods:

(a) within the period of 14 days prior to the release of annual, half yearly or quarterly results;

(b) within the period of 14 days prior to the Annual General Meeting; and

(c) if there is in existence price sensitive information that has not been disclosed because of an ASX Listing Rule exception.

4.2 Directors and executives are also excluded from dealing in securities within the period from receipt of the Board Pack and the Directors’ Meeting.

4.3 Directors, employees and contractors should wait at least 2 days after the relevant release before dealing in securities so that the market has had time to absorb the information.

4.4 This notification obligation operates at all times and applies to dealings in the Company’s securities by family members and other associates of Directors, employees and contractors as well as to personal dealings by Directors and

employees. It does not apply to any issue of securities by the Company pursuant to a prospectus or like disclosure under the Corporations Law, or under employee share and option plans.

- 4.5 Directors, employees and contractors must not at any time engage in short-term trading in securities of the Company.
- 4.6 Directors, employees and contractors must not communicate price sensitive information to a person who may deal in securities of the Company. In addition, Directors, employees and contractors should not recommend or otherwise suggest to any person (including a spouse, relative, friend, trustee of a family trust or directors of a family company) the buying or selling of securities in the Company.
- 4.7 This Policy does not apply to trading which does not result in a change in beneficial control of the Company's shares (eg. transferring a personal holding of the Company's shares to a superannuation fund).

## **5. Dealing with the Company's Securities**

- 5.1 Any employee or director wishing to deal in the Company's securities must advise the Company Secretary in writing of their intention to do so before dealing in the securities. The employee or director providing notification of their intent to deal in securities must also provide a written statement to the Company Secretary confirming that they are not in possession of any information which is price sensitive and which would have a material effect on the price or value of the securities. This notification obligation operates at all times. Directors and employees must not deal in the Company's Securities until this notification has taken place.

## **6. Definition of Insider Trading**

### **6.1 Prohibition**

Insider trading is a criminal offence. A person will be guilty of insider trading if:

- (a) that person possesses information in relation to a company which is not generally available to the market, and if it were generally available to the market, would be likely to affect the price or value of that company's securities (i.e. information that is "price sensitive"); and
- (b) buys or sells securities in the company;
- (c) procures someone else to buy or sell securities in the company; or
- (d) passes on that information to a third party where that person knows, or ought reasonably to know, that the third party would be likely to deal in the securities or procure someone else to deal in the securities of the company.

### **6.2 Examples**

Price sensitive information means information relating to the Company that would, if the information were publicly known, be likely to:

- (a) have a material effect on the price or value of the its shares; or

- (b) influence persons who invest in securities in deciding whether or not to buy or sell the company's shares.

The following are examples of price sensitive information which, if made available to the market, would be likely to affect the price of the Company's securities:

- (a) the financial performance of the Company against its budget;
- (b) entry into or termination of a material contract (such as a major joint venture);
- (c) a material acquisition or sale of assets by the Company;
- (d) an actual or proposed takeover or merger;
- (e) an actual or proposed change to the Company's capital structure;
- (f) a proposed dividend or a change in dividend policy; or
- (g) a material claim against the Company or other unexpected liability.

## **7. Dealing Through Third Parties**

- 7.1 A person does not need to be a Director, employee of Company to be guilty of insider trading in relation to securities in the Company. The prohibition extends to dealings by anyone, including Directors' and employees' nominees, agents or other associates, such as family members, family trusts and family companies, as well as customers and suppliers.

## **8. Contractors and External Advisors**

- 8.1 Contractors employed by the Company shall be informed of this Policy when they are appointed and are required to adhere to the Policy so long as they are contracted by the Company. Breach of the Policy may lead to termination of contract arrangements.
- 8.2 The Company's staff dealing with external advisers needs to ensure that the advisers are aware of the insider trading rules and where these dealings cover material matters, that the issue of insider trading is covered in confidentiality documents.

## **9. Meaning of Securities**

- 9.1 This Policy covers shares in the Company, derivatives related to the Company's shares, whether issued by the company or not and to any traded company options. It also applies to the exercise of options, including employee options.

## **10. Related Companies**

- 10.1 Directors, employees and contractors, where they possess inside information, should also not deal in securities of other companies with which the Company might have an association or be about to enter such association such as joint venture or farm in partners.

## 11. **Exclusions**

### 11.1 Employee Share Option Plans

Insider trading does not apply to applications for or exercise of options under employee or executive share plans. However, insider trading rules and this Policy do apply in relation to the subsequent disposal of any Securities acquired under an option. Where an employee or executive director exercises options while in the possession of price sensitive information, he/she will have to fund the exercise of the options without the financial assistance of a simultaneous sale of some or all shares just acquired. If the options expire during a closed period described in clause 4 of this Policy, then an employee or executive director may simultaneously exercise and sell any Securities subject always to compliance with insider trading laws.

### 11.2 Other Exclusions

The following is a list of trading that are excluded from the operation of this Policy:

- (a) transfers of securities of the Company already held into a superannuation fund or other saving scheme in which the restricted person is a beneficiary;
- (b) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the securities of the entity) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (c) where a restricted person is a trustee, trading in the securities of the entity 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;
- (d) undertakings to accept, or the acceptance of, a takeover offer;
- (e) trading 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 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 entitlements under a renounceable pro rata issue;
- (f) a disposal of securities of the entity that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement; and
- (g) trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in the trading policy and where:
  - (i) the restricted person did not enter into the plan or amend the plan during a prohibited period;
  - (ii) the trading plan does not permit the restricted person to exercise any influence or discretion over how, when, or whether to trade; and

- (iii) the entity's trading policy does not allow the restricted person to cancel the trading plan or cancel or otherwise vary the terms of his or her participation in the trading plan during a prohibited period other than in exceptional circumstances.

## **12. Dealing in Exceptional Circumstances**

- 12.1 In specific circumstances however, such as financial hardship, the Chairman may waive the requirement of a Directors, employees and contractors to deal in securities outside closed periods on the condition that the Directors, employees and contractors can demonstrate to him that they are not in possession of any price sensitive information that is not generally available to the public.

## **13. ASX Notification by Directors**

- 13.1 Directors must notify the Company Secretary within two business days after any dealings in the Company's securities (either personally or through a third party). This enables the Company to notify ASX of the change in the Director's or connected person's interests within the requisite time frame of no more than 5 business days after the change has occurred.
- 13.2 It is the individual responsibility of Directors to ensure they comply with this requirement.

## **14. Hedging unvested entitlements**

- 14.1 Entitlements under the Company's equity based incentive plans (if any) are subject to the satisfaction of various time and/or performance hurdles to ensure alignment of employee rewards with the Company's objectives and performance. Transactions which "hedge" the value of entitlements could distort the proper functioning of these hurdles and reduce the intended alignment with shareholder interests.
- 14.2 Directors, and executives participating in an equity-based executive incentive plan, are prohibited from entering into any transaction which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of any unvested entitlement in the Company's securities.
- 14.3 Notwithstanding the restriction imposed by paragraph (b) above, Directors may enter into hedging transactions in respect of the Company securities held by them outside any equity based performance plan or once the securities have been vested.
- 14.4 However, Directors should ensure that entry into any hedging transaction occurs outside the Company's closed periods and otherwise complies with this Policy.

## **15. Consequences of Breach of the Policy**

- 15.1 A breach of this Policy by any of the Company's Directors or employees or their family members may expose them to criminal and/or civil liability under the Corporations Act (Cth) 2001.
- 15.2 The Company will regard breach of this Policy as serious misconduct and is considered a cause for termination of employment or engagement.