

## Attachment 6

### Securities Dealing Policy

---



# Securities Dealing Policy



## Policy Overview

### Purpose

To ensure compliance with the insider trading laws under the *Corporations Act 2001* (Cth), protect the reputation of Coles Group Limited (the **Company**), its directors and employees (referred to as team members), maintain confidence in the trading of the Company securities, and prohibit specific types of transactions by certain officers of the Company and its subsidiaries (the **Group**) which are not in accordance with market expectations or may otherwise give rise to reputational risk.

### Policy Application

This Policy applies to all directors and team members of the Group. It also applies to certain family members and companies connected with the Group's directors and team members.

### Key Terms of Policy

All directors and team members of the Group (and their Connected Persons) are prohibited from:

- (1) dealing in any securities where the person dealing in the securities has Inside Information in relation to those securities; and
- (2) passing on Inside Information to others who may deal in securities.

The prohibition on dealing in securities while in possession of Inside Information also applies to the securities of other companies.

Additional restrictions are imposed on directors, Executive Committee Members, other executives and certain other nominated team members of the Group, including requiring them to obtain prior written approval to deal in the Company securities.

From time to time, additional restrictions on dealing in the Company securities may also be imposed on directors and team members within the Group due to their knowledge of a potential project or transaction.

This Policy also addresses restrictions on short term dealing, hedging and margin lending transactions.

### Breaches

All directors and team members of the Group must strictly comply with this Policy and the insider trading laws. Breach of the insider trading laws has serious consequences for the persons concerned as well as the Company. Breaches of this Policy or the insider trading laws will result in disciplinary action, which may include termination of employment.

The requirements of this Policy are separate from, and in addition to, the legal prohibitions in the *Corporations Act 2001* (Cth) on insider trading.

## 1. Who does the Policy apply to?

This Policy applies to all directors and team members of the Group.

Certain aspects of this Policy also apply to "**Connected Persons**" of team members and directors, meaning, for each team member and director:

- (a) a family member who may be expected to influence, or be influenced by, the team member or director in his or her dealings with the Group or Company securities (this may include the team member's or director's spouse, partner and children, the children of the team member's or director's partner, or dependents of the team member or director or the team member's or director's partner); and

- (b) a company or any other entity which the team member or director has an ability to control.

Team members and directors must take appropriate steps to ensure that their Connected Persons do not breach this Policy.

## **2. What is the insider trading restriction?**

### **2.1 No dealing while in possession of Inside Information**

- (a) Team members, directors, and Connected Persons must not:
- (1) deal in Company securities if:
    - (A) they are aware of Inside Information; or
    - (B) the Company has notified team members or directors that they (or their Connected Persons) must not deal in securities (either for a specified period, or until the Company gives further notice), or
  - (2) pass on Inside Information to others who may deal in the Company securities.

For the purpose of this Policy:

**Inside Information** is information that:

- is not generally available to the market; and
- if it were generally available to the market, a reasonable person would expect it to have a material effect (upwards or downwards) on the price or value of a security.

Inside Information may include matters of supposition, matters that are not yet certain and matters relating to a person's intentions.

**Dealing** includes:

- buying or otherwise applying for securities (including applying to participate in a company share plan), whether on or off market;
- selling or otherwise disposing of securities, whether on or off market;
- exercising options over securities;
- creating a hedge, security interest, margin loan or other financial interest over or in relation to securities;
- issuing, underwriting or varying the terms of securities;
- transferring legal ownership of securities, even where beneficial ownership does not change;
- any other transfer or creation of an interest in securities, whether directly, or by arranging for someone else to undertake the dealing on your behalf; and
- agreeing or applying to do any of the above.

**Securities** includes:

- shares;
- options;
- notes, bonds and other debentures;
- interests in managed investment schemes, trusts and other financial products; and
- any derivatives of those securities, including equity swaps, futures, hedges and exchange-traded or over-the-counter options, whether settled by cash or otherwise.

## 2.2 Examples of Inside Information

The following list is illustrative only and is not exhaustive. Inside Information could include:

- a possible acquisition or sale of any assets or business by the Group;
- the financial performance of the Group against its budget or forecasts;
- senior management or board changes;
- a proposed dividend;
- a possible change in the Company's capital structure; or
- a possible claim against the Group or other unexpected liability.

## 2.3 The Front Page Test – reputation considerations

It is important that public confidence in the Group is maintained. It would be damaging to the Group's reputation if the market or the general public perceived that directors and team members might be taking advantage of their position in the Group to make financial gains (by dealing in securities on the basis of Inside Information).

As a guiding principle, you should ask yourself:

*If the market was aware of all the current circumstances, could the proposed dealing be perceived by the market as taking advantage of my position in an inappropriate way? How would it look if the transaction were reported on the front page of the newspaper? (The Front Page Test)*

If the director or team member is unsure, he or she should consult the Company Secretary.

Where any approval is required for a dealing under this Policy, approval will not be granted where the dealing would not satisfy the Front Page Test.

## 3. Who has additional trading restrictions under this Policy?

### 3.1 Directors and certain team members – “Restricted Persons”

Additional trading restrictions (set out in section 4 below) apply to:

- directors of the Company, including the Chief Executive Officer and Managing Director (**CEO**);
- members of the Executive Committee;
- other team members at the General Manager level and above (**other executives**);
- other persons who regularly possess Inside Information and who have been advised by the Company Secretary that they are subject to special restrictions under this Policy (**nominated team members**),

collectively defined as “**Restricted Persons**” in this Policy.

### 3.2 Project-related restrictions

From time to time, additional restrictions on dealing in Company securities may also be imposed on directors and team members within the Group due to their knowledge of a potential project or transaction (**Project Restrictions**).

## 4. When can Restricted Persons deal in Company securities?

### 4.1 No dealing in blackout periods

Blackout periods are times when Restricted Persons and their Connected Persons must not deal in Company securities (unless permitted to do so under this Policy).

Restricted Persons and their Connected Persons must not deal in securities during any of the following blackout periods:

Start	End of Blackout Period
<i>Financial Results</i>	
20 June	One trading day following the announcement of the full-year results
20 December	One trading day following the announcement of the half-year results
<i>Other Reporting</i>	
1 April	One trading day following the release of quarterly retail sales results
1 October	One trading day following the release of quarterly retail sales results
<i>Ad hoc</i>	
Specified by Board	Any other period that the Board specifies from time to time

### 4.2 Dealing during Blackout Periods in exceptional circumstances

- (a) If a Restricted Person or their Connected Person needs to deal in securities during a blackout period due to exceptional circumstances and is not in possession of any Inside Information, then, the Restricted Person may apply for approval to deal in securities in writing to the Chair of the Board (or, in the case of the Chair of the Board or his/her Connected Persons, the Chair of the Audit and Risk Committee).
- (b) Exceptional circumstances are likely to include severe financial hardship or compulsion by court order.
- (c) Approval to deal will only be granted if the Restricted Person's or their Connected Person's application is accompanied by sufficient evidence (in the opinion of the person providing clearance) that the dealing is the most reasonable course of action available in the circumstances. The person providing clearance should consult with members of management where appropriate to determine if there is any reason (legal or reputational) why approval to deal should not be granted.
- (d) Where approval is obtained under this section 4.2, the Restricted Person will be notified in writing (which may include notification via email) and the duration of the approval will be [two] clear trading days. The person providing approval may withdraw the approval if new information comes to light or there is a change in circumstances.
- (e) Unless otherwise specified in the notice, any dealing permitted under this section 4.2 must comply with the other sections of this Policy.

### 4.3 Prior clearance required for dealings outside a blackout period

During any period that is not a blackout period in section 4.1, a Restricted Person must complete the following steps if they, or their Connected Persons, wish to deal in Company securities and are **not** in possession of any Inside Information:

- (a) advise the Company Secretary of:
  - (1) their intention to deal in Company securities; or
  - (2) the intention of one of their Connected Persons to deal in Company securities,including details of the type of dealing and the number of securities involved;
- (b) confirm to the Company Secretary that the person proposing to trade does not hold Inside Information, and the proposed dealing is not subject to any other restriction under this Policy;
- (c) await written approval from the Company Secretary or his/her delegate (which may be given by email);
- (d) following receipt of approval to deal, the approved dealing must occur within two clear trading days following approval under section 4.3(c); and
- (e) for the purpose of paragraph (d), if the approval is given during or after trading on one day, the order for the dealing must be lodged or otherwise authorised before the close of trading on the second trading day after the approval is given. If the approval is given prior to the commencement of trading on a particular day, the order for the dealing must be lodged or otherwise authorised before the close of trading on the following trading day.

### 4.4 Conditions of clearance

- (a) With respect to any clearance to deal in Company securities requested under section 4.3 above:
  - (1) clearance can be given or refused at the discretion of the Company Secretary, without giving reasons;
  - (2) clearance can be withdrawn by the relevant approver at any time prior to the order for dealing being lodged or otherwise authorised, if new information comes to light or there is a change in circumstances;
  - (3) subject to (2), the decision of the relevant approver to provide clearance for a dealing is final and binding on the Restricted Persons seeking approval, whether on behalf of themselves or a Connected Person; and
  - (4) if clearance to deal is refused, the Restricted Persons seeking the clearance must keep that information confidential and not disclose it to anyone (other than the Connected Persons where relevant, and the Restricted Persons must ensure that the information is kept confidential).
- (b) Before the Company Secretary grants clearance to deal in Company securities under section 4.4(a) above, the Company Secretary must confirm the clearance with:
  - (1) at least two members of the Company's Disclosure Committee, which is established under the Company's Market Disclosure Policy; and
  - (2) the Chair of the Board, where the dealing involves a Company director or their Connected Persons, (or with the Chair of the Audit and Risk Committee where the Chair of the Board or his/her Connected Persons are seeking to deal in the Company securities).
- (c) Even if approval has been obtained under this section 4.4, any Restricted Person who subsequently comes into possession of Inside Information prior to dealing must not deal in Company securities, and must take all reasonable steps to ensure that their Connected Persons do not deal in Company securities.

#### **4.5 Confirmation of trade required**

Following any dealing in Company securities, Restricted Persons must promptly notify the Company Secretary, ideally by close of business on the day of the trade, to assist the Company to comply with its disclosure obligations under the ASX Listing Rules.

### **5. What other restrictions on dealing apply to Restricted Persons?**

#### **5.1 No short term dealing**

Restricted Persons and their Connected Persons must not deal in Company securities on a short-term trading basis. Short-term trading includes buying and selling securities on market within a 3 month period, and entering into other short-term dealings (for example, forward contracts or short selling).

This prohibition does not apply to disposals of Company securities within a short period of time after vesting or issuance of those securities under a share plan.

#### **5.2 Margin lending arrangements**

- (a) Restricted Persons and their Connected Persons must obtain approval in accordance with the procedure set out in section 4 for any proposed dealing in the Company securities in connection with a margin lending arrangement.
- (b) Examples of such dealings include:
  - (1) entering into a margin lending arrangement in respect of the Company securities;
  - (2) transferring securities in the Company into an existing margin loan account; and
  - (3) selling securities in the Company to satisfy a call pursuant to a margin loan.
- (c) The Company may, at its discretion, make any approval granted in accordance with section 5.2(a) conditional upon such terms and conditions as the Company sees fit (for example, with regard to the circumstances in which the Company securities may be sold to satisfy a margin call).

#### **5.3 Hedging of Company securities prohibited**

Hedging includes entering into transactions in financial products that operate to limit the economic risk associated with holding Company securities.

Hedging of the Company securities by a Restricted Person is subject to the following rules:

- (a) any Restricted Person must not enter into, renew, alter or close out a hedge transaction when they are in possession of Inside Information;
- (b) Company securities acquired under a team member, executive or director equity plan operated by the Company must never be hedged prior to vesting;
- (c) Company securities that are subject to a holding lock or restriction on dealing under the terms of a team member, executive or director equity plan operated by the Company must never be hedged; and
- (d) Restricted Persons and their Connected Persons are permitted to hedge their vested and unrestricted Company securities provided that the hedge transaction is treated as a dealing in Company securities for the purposes of this Policy, and the relevant approvals and notifications required under section 4 are made on that basis.



## 6. Are any dealings excluded from this Policy?

- (a) Section 4.1, 4.3 and 5.1 of this Policy do not apply to:
- (1) participation in a team member, executive or director equity plan operated by the Company. However, where securities in the Company granted under a team member, executive or director equity plan cease to be held under the terms of that plan, any dealings in those securities must only occur in accordance with this Policy;
  - (2) a disposal of Company securities arising from the acceptance of a takeover offer, scheme of arrangement or equal access buy-back;
  - (3) an acquisition of Company securities under a pro rata issue; or
  - (4) an acquisition of Company securities under a Company share purchase plan or dividend investment plan;
  - (5) dealings that result in no effective change to the beneficial interest in the securities (for example, transfers of Company securities already held into a superannuation fund or trust of which the team member, director or their Connected Person is a beneficiary);
  - (6) trading under a pre-approved non-discretionary trading plan, where the team member, director or their Connected Person did not enter into the plan or amend the plan during a blackout period, the plan does not permit the team member, director or their Connected Person to exercise any influence or discretion in relation to trading under the plan and the plan cannot be cancelled during a blackout period, other than in exceptional circumstances; and
  - (7) disposal of securities of the Company that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement.

However, such dealings **remain subject to the insider trading rules** in the *Corporation Act 2001* (Cth) and team members should still consider any legal or reputational issues (and discuss any concerns they have with the Company) before proceeding with the dealing.

## 7. What restrictions apply to dealing in securities in other companies?

The insider trading restriction in the Corporations Act prohibits dealings not only in the Company securities but also in those of other listed companies.

Team members, directors, and their Connected Persons must not deal with the securities in another company if they are aware of Inside Information in relation to that company and must not pass on such Inside Information to others who may deal in securities in that company.

Team members, directors, or their Connected Persons may come into possession of Inside Information where they are directly involved in client relationship management or negotiating contracts. For example, where a person is aware that the Company or Group is about to sign a major agreement with another company, that person should not buy or sell securities in either the Company or the other company or pass on Inside Information to others who may deal in securities in either the Company or the other company.

If you are in any doubt, you should (a) not trade; (b) not pass the Inside Information to another person; and (c) consult with the Company Secretary.

## 8. Training

All team members and directors must complete required training upon the request of a Group member, with respect to this Policy and its application.

## **9. What happens if this Policy is breached?**

Strict compliance with this Policy and the insider trading laws is a requirement under each employment contract within the Group. Breaches of the insider trading laws can expose the Company and individuals to penalties (including criminal penalties) and third party claims. Individuals may also be subject to heavy fines and imprisonment.

Any person who is suspected of breaching this Policy may be suspended from attending the workplace on full pay pending the outcome of investigations into the alleged breach.

Breaches of this policy or the insider trading laws will result in disciplinary action, which may include termination of employment.

The requirements of this Policy are separate from, and in addition to, the legal prohibitions in the *Corporations Act 2001* (Cth) on insider trading.

## **10. Who should I contact?**

It is essential that all team members and directors of the Group read, understand and comply with this Policy. Team members and directors should contact the Company Secretary if:

- they are unsure about whether it is acceptable to deal or communicate with others in relation to the Company securities or other securities; or
- they have any other queries about this Policy.

## **11. Policy amendment**

This Policy cannot be amended without approval from the Board.