

# Securities Trading Policy

OptiComm Ltd ACN 117 414 776

adopted on 15 July 2019

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## 1. Introduction

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### 1.1 General

Staff of OptiComm Ltd ACN 117 414 776 (**Company**) are subject to certain restrictions on trading in securities (which includes buying and selling) and to the Insider Trading prohibitions.

### 1.2 Purpose

This document records the Board's trading policy.

### 1.3 Policy overview

This document outlines:

- (a) when the Company's employees and contractors and other persons nominated by the Board may Trade;
- (b) how to apply for approval to Trade during a Prohibited Period;
- (c) sanctions for a breach of the Policy; and
- (d) potential sanctions for a breach of the Insider Trading provisions.

## 2. Definitions and interpretation

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### 2.1 Definitions

In this document:

Term	Definition
<b>ASIC</b>	means Australian Securities and Investments Commission.
<b>Associate</b>	in relation to a Staff Member, includes their closely connected persons and entities, and may include their family members, trusts, companies, nominees and other persons over whom a Staff Member has, or may be expected to have, investment control or influence.
<b>ASX</b>	means ASX Limited ACN 008 624 691 and the exchange operated by it.
<b>Authorising Officer</b>	has the meaning in paragraph 6.2.
<b>Board</b>	means the Company's board of directors.
<b>Chair</b>	means the chair of the Board.
<b>Company</b>	means OptiComm Ltd ACN 117 414 776 and, as the context requires, its controlled entities.
<b>Corporations Act</b>	means <i>Corporations Act 2001</i> (Cth).
<b>Director</b>	means a director of the Company.
<b>Excluded Trade or Excluded Trading</b>	means Trading in circumstances set out in paragraph 8.1.

Term	Definition
<b>Inside Information</b>	has the meaning given to that term in section 1042A Corporations Act (as summarised in paragraph 3.5).
<b>Insider Trading</b>	has the meaning given to that term under Part 7.10, Division 3 Corporations Act (as summarised in paragraph 3.1).
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Policy</b>	means the policy contained in this document or in any amending or replacement document.
<b>Prohibited Period</b>	has the meaning given in paragraph 4.1.
<b>Secretary</b>	means the secretary of the Company.
<b>Securities</b>	means all securities issued by the Company of any kind including ordinary shares, preference shares, debentures, convertible notes, options and hedging mechanisms or derivatives instruments.
<b>Security Holder</b>	means a registered holder of Securities.
<b>Staff</b>	has the meaning in paragraph 9.1.
<b>Staff Trader</b>	means a Staff Member who Trades.
<b>Trade</b>	means to apply for, acquire or dispose of Securities or to enter into an agreement to apply for, acquire or dispose of Securities or to grant, accept, acquire, dispose, exercise or discharge an option or other right or obligation to acquire or dispose of Securities and <b>Trading</b> has a corresponding meaning.
<b>Trading Windows</b>	has the meaning given in paragraph 4.1.
<b>Written Clearance</b>	means the authority to Trade in written or electronic format given under paragraph 6.2.

## 2.2 Interpretation

Concepts not defined in this document but which have a meaning in the Corporations Act or the Listing Rules have that same meaning in this document.

## 3. Insider Trading

### 3.1 Prohibited conduct

If a person has Inside Information in relation to the Company and knows, or ought reasonably to know that the information is Inside Information, that person must not:

- (a) Trade in the Company's Securities (or enter into an agreement to do so);
- (b) procure another person to Trade in the Company's Securities (or enter into an agreement to do so); or

- (c) communicate the information, directly or indirectly, to another person who the person knows, or ought reasonably to know, is likely to Trade in the Company's Securities or procure another person to Trade in the Company's Securities.

### 3.2 **Subsidiaries and associated entities**

The prohibition against Insider Trading:

- (a) extends to Trading in the securities of a subsidiary of a company about which a person has Inside Information; and
- (b) may extend to Trading in securities of other companies that deal with or are associated with the company about which a person has Inside Information.

### 3.3 **Consequences of Insider Trading**

- (a) Insider Trading is a criminal offence.
- (b) Persons Trading with Inside Information risk prosecution, punishable by substantial fines or imprisonment or both, under the Corporations Act.
- (c) The Company may also be liable if staff engage in Insider Trading.
- (d) Insider Trading is subject to the civil penalty provisions under the Corporations Act which empower a court to impose substantial pecuniary penalties, order payment of compensation to persons who suffer loss or damage as a result of the Insider Trading and make a disqualification order.
- (e) In addition to any consequence under the Corporations Act, Insider Trading breaches this Policy. Breaches will be treated seriously by the Company and may attract disciplinary action, including termination of employment for any Staff member involved.

### 3.4 **Prohibition**

Insider Trading is prohibited at all times.

### 3.5 **What is Inside Information**

- (a) Inside Information is information relating to the Company that:
  - (i) is not generally available; and
  - (ii) if it were generally available:
    - (A) a reasonable person would expect it would have a material effect on the price or value of the Company's Securities; or
    - (B) would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's Securities.
- (b) Information is generally available if it:
  - (i) is readily observable;

- (ii) has been made known in a manner likely to bring it to the attention of persons who commonly invest in securities of the relevant type and a reasonable period for that information to be disseminated has elapsed since it was made known; or
  - (iii) consists of deductions, conclusions or inferences made or drawn from information falling under paragraphs 3.5(b)(i) or 3.5(b)(ii).
- (c) Inside Information can include matters of speculation or supposition and matters relating to intentions or likely intentions of a person.
- (d) Examples of what may constitute Inside Information include:
  - (i) the financial performance of the Company against its budget;
  - (ii) changes in the Company's actual or anticipated financial condition or investment performance;
  - (iii) proposed changes in capital structure of the Company, including proposals to raise additional equity or increase debt;
  - (iv) information to be disclosed by the Company under the Corporations Act or the Listing Rules;
  - (v) proposed changes in the general character or nature of the Company's business;
  - (vi) information regarding changes in the holdings of substantial Security Holders;
  - (vii) changes to the Board or significant changes in the Company's key management personnel;
  - (viii) proposed significant changes in the holdings of any Director;
  - (ix) appointment of a receiver, manager, liquidator or administrator in respect of any loan, trade credit, trade debt, borrowing or Securities held by it or any of its subsidiaries;
  - (x) a recommendation or declaration of a dividend or distribution;
  - (xi) likely or actual entry into, or loss of, a material contract;
  - (xii) a transaction for which the consideration payable or receivable is a significant proportion of the written down value of the Company's consolidated assets;
  - (xiii) material acquisitions or sales of assets by the Company;
  - (xiv) a claim against the Company for which the excess or damages (or both) payable by it is a significant proportion of the written down value of the Company's consolidated assets;
  - (xv) giving or receiving a notice of intention to make a takeover; or
  - (xvi) an agreement between the Company (or a related party or subsidiary) and a Director (or a related party of the Director).

### 3.6 **Any capacity**

It does not matter how or in what capacity a person becomes aware of the Inside Information. It does not have to be obtained from the Company to constitute Inside Information.

### 3.7 **No giving “tips”**

The prohibition on Insider Trading cannot be avoided by arranging for a family member or friend of a person to deal in Securities, nor may “tips” concerning Inside Information relating to the Company be given to others.

## 4. **Securities Trading**

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### 4.1 **Trading windows and Prohibited Periods**

For the purposes of this policy, the following periods will be ‘**Trading Windows**’ during which Staff may Trade, subject at all times to this policy, in particular clause 4.2:

- (a) the 4 week period beginning on the first trading day after the Company’s half yearly results are announced to ASX;
- (b) the 4 week period beginning on the first trading day after the Company’s annual results are announced to ASX;
- (c) the 2 week period beginning on the first trading day after the Company’s annual general meeting;
- (d) by exception at any other times as the Board permits.

All other periods are **Prohibited Periods**, when Trading or dealing in Securities is prohibited, unless otherwise allowed by this policy.

### 4.2 **Permitted Trading**

Subject to the requirements of this policy, Staff may only Trade during a Trading Window:

- (a) if they do not have Inside Information; and
- (b) if the Trade is not for short term or speculative gain.

## 5. **Further restrictions**

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### 5.1 **No margin lending**

- (a) Staff are not permitted to enter into margin lending arrangements in relation to Securities. The grounds for this include that the terms may require Securities to be sold during a Prohibited Period or when the Staff possesses Inside Information.
- (b) This restriction does not extend to other funding arrangements where Securities may be included as security. Staff should consult the Company Secretary if they are uncertain as to whether an arrangement should be classified as a margin lending arrangement.

### 5.2 **No short term or speculative trading or short selling**

- (a) Staff must not engage in short term or speculative trading in Securities or in derivative or other financial products issued over or in respect of Securities. Short term means in less than a 6 month period. Staff must not engage in short selling of Securities.

### 5.3 No hedging

Subject to the law, Staff and their closely related parties (as defined in the Corporations Act) must not:

- (a) enter into transactions or arrangements with anyone which could have the effect of limiting the exposure of the member to risk relating to an element of the member's remuneration that:
  - (i) has not vested in the member; or
  - (ii) has vested in the member but remains subject to a holding lock; or
- (b) deal at any time in financial products over or in respect of Securities, except for the type of dealing permitted by law or under this policy.

## 6. Clearance procedures

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### 6.1 Authorised trading with Written Clearance

Staff may only Trade during a Prohibited Period if:

- (a) they do not have Inside Information;
- (b) it is not for short term or speculative gain; and
- (c) they have a Written Clearance to do so (having been obtained following the process set out in this paragraph 6).

### 6.2 Written Clearance procedure

- (a) If a Staff Member proposes to Trade during a Prohibited Period (including entering into an agreement to Trade) at any time during a Prohibited Period they must first provide (using the appropriate form) both:
  - (i) written notice (which may be by email) of their intention and request for Written Clearance to the Authorising Officer listed below (unless otherwise notified to the relevant Staff Member):

Staff Member	Authorising Officer(s)
Chair of the Board	At least two other Directors, one of whom must be a non-executive Director.
Other Directors (including the Managing Director and alternate Directors)	<ul style="list-style-type: none"> <li>• the Chair of the Board; or</li> <li>• in the absence of the Chair, a non-executive Director nominated by the Chair for the purpose.</li> </ul>
All other Staff	<ul style="list-style-type: none"> <li>• The Managing Director; or</li> <li>• in the absence of the Managing Director, a non-executive Director nominated by the</li> </ul>



	Managing Director for the purpose.
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### 6.3 Confirmation

- (a) Before Trading, the Staff Trader must receive a confirmation from the Authorising Officer(s). That confirmation may be by email or electronic confirmation, or verbal if supported by email confirmation in the following 24 hours.
- (b) Any Written Clearance must state the period for which the authority for Trading is given. If no period is stated, a Written Clearance expires 10 business days from its date of issue.
- (c) A Written Clearance confirms that the proposed Trade by the Staff Trader is within the terms of this trading policy but does not otherwise constitute approval or endorsement by the Company or the Authorising Officer for the proposed Trade.
- (d) Despite any authority given under this Policy, the responsibility for Trading rests with the individual Staff Trader, including assessing whether the prohibition on Insider Trading referred to elsewhere in this policy applies to them.

### 6.4 Guidance for Authorising Officers

An Authorising Officers' powers under this Policy must be exercised in accordance with the law and in a responsible and sensible manner having regard to the purpose of this Policy and having regard to desirable protocols to be followed to prevent Trading inside Prohibited Periods (except in exceptional circumstances) and protocols regarding Inside Information or the public perception that Insider Trading may have occurred by reason of this Policy not being adhered to.

## 7. Notification of Trades

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### 7.1 Trading by Directors

- (a) Without limiting any other clause of this policy, each Director must notify the Secretary of any Trading by that Director (whether or not occurring within or outside a Trading Window and whether or not Written Clearance was required) as soon as possible after the Trade has occurred so as to facilitate the timely lodgement with ASX of an Appendix 3Y or other prescribed form notifying ASX of the initial acquisition, change of interests or cessation of Directors' interests as required by the Listing Rules.
- (b) Each Director's disclosure obligations in relation to their notifiable interests are set out in a Director's letter of appointment (required by Listing Rule 3.19B).

### 7.2 Informing the Company of Trades

- (a) Staff Traders must notify the Secretary of the details of completed Trades (including the number of Securities affected and the relevant parties to the Trade) as soon as practicable but no later than three business days after each Trade. Notification is necessary whether or not the Trade occurred within or outside a Trading Window and whether or not Written Clearance was required.
- (b) The Secretary must maintain a register of Securities transactions under this Policy.

## 8. Exceptions

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### 8.1 Permitted dealings

Certain types of Trades are excluded from the operation of paragraph 4 of this policy and may be undertaken at any time (subject at all times to the prohibition on Insider Trading (see paragraph 3) (**Excluded Trades**)). They are listed in Schedule 2 and are permitted primarily on the basis that the trading is passive, restrictive, outside of the individual's control or there is no underlying change in beneficial owner.

### 8.2 Exceptional circumstances

If there are exceptional circumstances of the kind listed in Schedule 3, a Staff Member may request, and the Authorising Officer may give, prior confirmation for the Staff Member to:

- (a) Trade in Securities during a Prohibited Period; or
  - (b) dispose of Securities even if otherwise prohibited under paragraph 4
- except if this would breach the prohibition on Insider Trading (see paragraph 3).

## 9. Persons covered by this Policy

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### 9.1 Staff

This policy applies to all employees and contractors of the Company (**Staff**) and any other persons who the Board may nominate from time to time to be included as Staff, and each such person is a **Staff Member** for the purposes of this policy. Those persons must be informed of their nomination and be listed in a schedule maintained by the Secretary (or such other person nominated by the Board).

### 9.2 Associates

This policy also applies to Associates of Staff Members, except that the clearance procedures in paragraph 6 apply as appropriate to the circumstances. If relevant, a Staff Member must:

- (a) inform their Associates about this policy; and
- (b) communicate on behalf of their Associates with the Authorisation Officer for the purposes of this policy.

If you are in doubt as to whether a person is an Associate and the application of this policy to them, you should contact the Secretary who will make a determination on the issue.

### 9.3 Families and trusts

Staff Members must not Trade through any member of their family, or through a trust or company over which they have influence or control, in circumstances where they would have been prohibited from Trading in their own name.

### 9.4 Trustees

A Staff Member who is a trustee of a deceased estate should inform any co-trustees or trust beneficiaries of his or her relationship with the Company and the restrictions on his or her ability to give advice in respect of Securities.

## 10. Securities covered by this Policy

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This Policy applies to all Securities.

## **11. Awareness and training**

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The highest standards of corporate conduct are critical to the Company's reputation. The Secretary will instigate induction and on-going training, and set up appropriate processes, to promote compliance with this policy. A copy of this policy will be available on the Company's website. It will be distributed to all Staff Members and made available to employees and other persons as relevant.

## **12. Obtaining further advice**

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If you do not understand any aspect of this trading policy, or are uncertain whether it applies to you or your family or other associates or relevant entities, please contact the Secretary. You may wish to obtain your own legal or financial advice before dealing in Securities.

## **13. Approval, review and changes**

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- 13.1 This Policy was approved and adopted by the Board on 15 July 2019.
- 13.2 The Board will review this Policy annually or as often as it considers necessary to ensure this Policy remains effective and relevant to the current needs of the Company.
- 13.3 The Board may amend this Policy from time to time by resolution.

## Schedule 1 - Permitted dealings

1. In accordance with paragraph 8.1 of the policy, the following types of Trades or dealings in Securities are excluded from the operation of paragraph 4 of this policy and may be undertaken at any time (except if this would breach the prohibition on Insider Trading (see paragraph 3)):
  - (a) **(superannuation)** transfers of Securities already held by a Staff Member into a superannuation fund or other saving scheme in which the Staff Member is a beneficiary;
  - (b) **(no change in beneficial interest)** a Trade where the Trading does not result in a change of beneficial interest in the Securities;
  - (c) **(other trustees)** where a Staff Member is a trustee, Trading by that trustee provided the Staff Member 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 Staff Member;
  - (d) **(takeover)** undertakings to accept, or the acceptance of, a takeover offer;
  - (e) **(rights offers, SPPs, DRPs and buy-backs)** Trading under an offer or invitation made to all or most of the Security Holders, such as a pro-rata 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 entitlements under a renounceable pro-rata issue;
  - (f) **(lender disposal)** a disposal of Securities by a secured lender exercising their rights, for example, under a margin lending arrangement approved under this policy;
  - (g) **(incentive scheme)** the exercise (but not the sale of Securities following exercise) of an option or a right under an employee incentive scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a Prohibited Period and the Company has been in an exceptionally long Prohibited Period or the Company has had a number of consecutive Prohibited Periods and the Staff Member could not reasonably have been expected to exercise it at a time when free to do so; or
  - (h) **(trading plan)** Trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with this Policy provided the Staff Member did not enter into the plan or amend the plan during a Prohibited Period and the trading plan does not permit the Staff Member:
    - (i) to exercise any influence or discretion over how, when, or whether to Trade; or
    - (ii) 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.

## Schedule 2 - Exceptional circumstances

1. In accordance with paragraph 8.2 of the Policy and using the relevant form, a Staff Member may request, and the Authorising Officer may give, prior confirmation for the Staff Member to:
  - (a) Trade in Securities during a Prohibited Period; or
  - (b) dispose of Securities even if otherwise prohibited under paragraph 4 of the policy,if there are exceptional circumstances (except if this would breach the prohibition on Insider Trading (see paragraph 3)).
2. Examples of **exceptional circumstances** are:
  - (a) severe financial hardship (e.g. a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant Securities);
  - (b) requirements under a court order or court enforceable undertakings or other legal or regulatory requirements (e.g. a family law settlement);
  - (c) other exceptional circumstances as determined by the Chair (or Board where the Chair is involved); and
  - (d) where delaying the Trade to the next permitted Trading Window, would:
    - (A) cause greater exceptional financial hardship;
    - (B) be exceptionally detrimental to the family's affairs; or
    - (C) be a breach of a Court order; or

A liability to pay tax does not normally constitute severe financial difficulty.
3. If the Authorising Officer has any doubt in making a determination of exceptional circumstances, they should exercise the discretion with caution.
4. The requirements of paragraphs 6 and 7 must be complied with regarding prior notification, confirmation and notification of Trade.