

Securities Trading Policy

Brisbane, 7 May 2020 – COSOL Limited (**COSOL, ASX:COS**), as required by ASX Listing Rule 12.10, provides a copy of its new Securities Trading Policy.

This announcement was authorised for release by Ben Secrett, Company Secretary of COSOL Limited.

About COSOL

COSOL is a global, professional consultancy providing strategic advice and practical delivery to streamline enterprise asset management business processes and technology systems. Our Company offers industry specific expertise in the definition, analysis, design, implementation, optimisation and support of production and commercial systems within a tailored and flexible delivery framework. COSOL's knowledge of systems and business processes coupled with the ability to interact from the shop floor to the boardroom enables streamlined sustainable business process transformations.

We have maintained a strong Ellipse practice since inception, providing both business improvement and tier II functional and technical support. Importantly, COSOL also maintains an SAP practice with a range of technical and functional SAP specialists. The company maintains networks and relationships with industry recognised solution providers and we sell our own integration, data migration and reporting solutions (BPConnect®, RPConnect®). COSOL has realised business benefits for our clients through the planning and deployment of these solutions.

COSOL differentiates itself through high quality asset intensive industry consultants for both Ellipse and SAP and the significant development of both the product RPConnect® and IP retention for enterprise resource planning data migration projects.

We have delivered data migration, cleansing and retention within multiple versions of Ellipse, in most cases under tight deadlines and in an environment with sensitivities relating to the M&A activity. We have an implicit understanding of both Ellipse and SAP data structures and environment. One of our differentiators is the ability to cross the SAP/Ellipse and industry knowledge bridge, reducing the risk and increasing the likelihood of success under tight timeframes.

Securities Trading Policy

As adopted by the COSOL Limited Board of Directors effective on 1 May 2020.

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1. Introduction and Policy Statement

COSOL Limited (“COSOL”) has shares listed on ASX. COSOL aims to achieve the highest possible standards of corporate conduct and governance. The purpose of this security trading policy is to:

- ensure compliance with the ASX Listing Rules and Australian Corporations law;
- to ensure that COSOL Personnel (as defined in Section 2) and their Associates are aware of the legal restrictions in dealing in COSOL’s shares, options and other Securities while such a person is in possession of unpublished price sensitive information (‘inside information’) concerning COSOL; and
- assist in maintaining market confidence in the integrity of dealings in COSOL Securities.

COSOL Personnel and their Associates must not trade in COSOL Securities when in possession of ‘inside information’ or give ‘inside information’ to any other person who is likely to use it to trade in COSOL Securities or pass the information onto others to trade in COSOL Securities.

This Policy recognises that it is illegal for a person or entity to deal in COSOL Securities when they are in possession of unpublished price sensitive information concerning COSOL. This is regardless of whether that person or entity has complied with the terms of this Policy.

COSOL Key Management Personnel must receive written approval prior to any dealing in COSOL Securities.

This Policy shall be distributed to all COSOL Personnel when commencing with COSOL, or whenever this Policy is amended, and it is the responsibility of each person to comply with this Policy. This Policy is also available on the COSOL website. Any non-compliance with this Policy will be considered as serious misconduct, and may result in possible termination of employment.

The trading restrictions set out in this Policy are additional to any provisions governing or restricting the trading of Securities set out in any agreement between COSOL and COSOL Personnel. Where the provisions of an agreement between COSOL and COSOL Personnel conflict with the provisions of this Policy, the most restrictive provisions will prevail.

Definitions to assist in the interpretation of this Policy are set out in Section 12 of this Policy.

If you do not understand any part of this Policy or how it applies to you, you must discuss the matter with the Company Secretary or Chairman of COSOL before dealing in any COSOL Securities.

2. Application

This Policy applies to all:

- Key Management Personnel, including executive and non-executive directors, and Executive Management Team members;
- full-time, part-time and casual employees; and
- contractors and consultants,

of COSOL and its subsidiaries (collectively “COSOL Personnel” and each individually a “COSOL Person”).

This Policy extends to dealing in the Securities of COSOL by any Associate or Related Party of any COSOL Personnel and any company, trust or other entity in which any COSOL Personnel have a relevant interest. Accordingly, references to dealings in Securities by a COSOL Person in this Policy apply equally to dealings by any Associate or Related Party of that COSOL Person and any company, trust or other entity in which that COSOL Person has a relevant interest.

3. Insider Trading

A person (including an entity) engages in insider trading if that person deals in securities of a relevant entity while possessing information that:

- (a) is not *Generally available*; and**
- (b) if it were available, may have a *material effect* on the price or value of the relevant entity’s securities, and the person knows, or ought reasonably to know, that the information is not Generally Available and, if it were, it might have a *material effect* on the price or value of the entity’s securities.**

Information is considered to have a *material effect* (up or down) on the price or value of securities of an entity if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell those securities. This type of information is commonly referred to as ‘price sensitive information’.

The legal prohibition against insider trading applies to:

- direct trading in COSOL Securities;
- procuring another person to trade in COSOL Securities;
- communicating price sensitive information to another person who is likely to trade in COSOL Securities; and

- securities of other entities that may be affected by inside information, such as suppliers.

Insider trading is a criminal offence, punishable by substantial fines and/or imprisonment.

COSOL may in certain circumstances also be liable if a COSOL Person or their Associates engage in insider trading. Insider trading may also attract civil liability against a person, including liability to pay compensation to those who suffer loss or damage as a result of the insider trading.

Examples of inside information about COSOL include:

- information relating to marketing, including winning new or losing existing customers;
- winning new project work;
- a change of Directors or senior management;
- a possible acquisition or sale of businesses or other assets;
- information on changes in operations;
- a proposed takeover or merger;
- financial results exceeding or falling short of market expectation; and
- the COSOL Board declaring a Blackout Period.

The legal prohibition on insider trading applies even when this Policy does not, including where dealing in COSOL Securities occurs outside of a Closed Period or a Blackout Period, or with approval obtained under this Policy.

4. Exemptions from this Policy

This Policy does not apply to the following dealings.

- Transfers of COSOL Securities already held into a superannuation fund or other savings scheme in which the COSOL Person is a beneficiary.
- Where a COSOL Person is a trustee, trading in COSOL Securities by that trust provided the COSOL 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 COSOL Person.
- Undertakings to accept, or the acceptance of, a takeover offer.
- Trading under an offer or invitation made to all or most of the Securityholders, 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 entitlements under a renounceable pro rata issue.

- Exercising rights under an employee securities plan (but not the sale of Securities following exercise).
- A disposal of COSOL Securities that is the result of a secured lender exercising their rights under a loan agreement.

Notwithstanding the above, the legal prohibition on insider trading continues to apply even when this Policy does not.

5. Prohibited Periods

Unless otherwise approved by the Chairman in exceptional circumstances (for example, genuine and pressing need, see Section 7), Key Management Personnel are not permitted to deal in COSOL Securities during the following periods.

(a) Two (2) weeks prior to, and ending 48 hours after, the release to the ASX of:

- any COSOL quarterly reports;
- COSOL's half year results; and
- COSOL's year end results,

and two (2) prior to, and ending 24 hours after, COSOL's annual general meeting (collectively, the "Closed Periods").

(b) Any other blackout period that the Board declares from time to time when it is considering matters which are subject to the exceptions to the continuous disclosure requirements set out in ASX Listing Rule 3.1a ("Blackout Periods").

Notwithstanding the above, no dealing is permitted at any time a COSOL Person possesses (or is deemed to possess) any price sensitive information about COSOL which is not generally available.

6. Permitted Dealing Outside of Prohibited Periods

For all periods during which dealing is permitted, Key Management Personnel may deal in COSOL Securities if:

- (a) prior written approval from the Chairman has been obtained (refer to Schedule 1 – Form of Application to Deal During Permitted Periods);
- (b) the person does not possess inside information;

- (c) the dealing does not occur within a Prohibited Period (refer to Section 5);
- (d) the dealing is not for short term or speculative dealing; and
- (e) the dealing is not for the purpose of entering into a transaction that has the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of any unvested entitlements in COSOL Securities.

The dealing must be completed within 14 days from the date of COSOL approval.

7. Dealing During Prohibited Periods in Exceptional Circumstances

Key Management Personnel may in exceptional circumstances apply to the Chairman for approval to deal in COSOL Securities during a Prohibited Period, provided that the Applicant is not in possession of inside information. The application must be in the form set out in Schedule 2 – Form of Application to Deal During Prohibited Periods and be submitted to the Chairman.

On receipt of the application, the Chairman shall consider the application. No dealing may be undertaken before the Applicant receives written approval from the Chairman.

The Chairman may grant the Applicant written approval to deal in securities during the Prohibited Period if satisfied that the Applicant's circumstances amount to exceptional circumstances, when taking into account the following factors.

- (a) Whether the Applicant is suffering severe financial hardship.
- (b) Whether the Applicant is bound by a court order, enforceable undertaking or other legal or regulatory requirement to deal in COSOL Securities.
- (c) Whether the Applicant's circumstances are otherwise exceptional and the proposed dealing is the only reasonable or commercial course of action available.

If approval is granted by the Chairman, the Applicant must complete the dealing within 14 days of receiving such written approval, or such earlier time as determined.

8. Margin Loans

Key Management Personnel intending to enter into a margin loan or other financing arrangement ("Margin Loan") where there is a risk that COSOL Securities may be traded pursuant to the terms of Margin Loan must obtain prior written approval from the Chairman. The Chairman must be informed of the following information about the Margin Loan.

- Number of COSOL Securities involved.
- Key terms and trigger points.

- Rights of the lender to sell securities.
- Any other material information.

9. Directors' Notification to ASX

Under Section 3.19A.2 of the ASX Listing Rules, notification to ASX of any change in a Director's relevant interest in COSOL Securities must be given within 5 business days after the change has occurred. Directors must notify the Company Secretary in writing, and the Company Secretary will lodge the necessary notification with ASX. The Company Secretary must circulate any notification received to other Directors at the next Board meeting. The ASX must also be notified of a substantial shareholding (more than 5%) being acquired by, or a 1% movement in the substantial shareholding of, a Director.

10. Chairman Trading and Alternative Approver

When the Chairman is unavailable to approve proposed dealing in COSOL Securities for Sections 6, 7 or 8, or where the Chairman is proposing to deal in securities, written approval to deal may be obtained from a non-executive member of the Board's Audit Committee, each of whom is authorised under such circumstances to exercise the powers of the Chairman under this Policy.

11. Further Assistance

Any COSOL Person who is unsure of the nature of the information that they have in their possession and whether they may properly and legally in COSOL Securities should contact the Chairman or the Company Secretary of COSOL for clarification.

12. Definitions

"Applicant" means a COSOL Key Management Person applying to deal securities in accordance with Sections 6 or 7.

"Associate" includes:

- (a) a related body corporate; and
- (b) a director or secretary of a related body corporate.

"ASX" means ASX Limited and the Australian Securities Exchange market operated by ASX.

"ASX Listing Rules" means the listing rules of ASX.

"Blackout Periods" has the meaning given to that term in Section 5.

"Board" means the board of directors of COSOL.

“Closed Periods” has the meaning given to that term in Section 5.

“COSOL” means COSOL Limited ABN 66 635 371 363.

“COSOL Person” and **“COSOL Personnel”** have the meaning given to those terms in Section 2.

“Dealing” includes:

- (a) any application for the acquisition or disposal of any Securities;
- (b) entering into an agreement to apply for, acquire or dispose of any Securities; and
- (c) the grant, acceptance, acquisition, disposal, exercise or discharge of any option or other right or obligation to acquire or dispose of Securities.

“Executive Management Team” means any COSOL senior executive or general manager.

“Generally available”, in relation to information, means any such information which:

- (a) is readily observable;
- (b) has been made known in a manner which is likely to bring it to the attention of persons who commonly invest in securities, provided that a reasonable period for that information to be disseminated has elapsed since it was made known; or
- (c) consists of deductions, conclusions or inferences made or drawn from information falling under either paragraphs (a) or (b) above.

“Key Management Personnel” (singular use **“Key Management Person”**) has the meaning given to that term in the ASX Listing Rules by reference to the meaning in Australian Accounting Standard AASB 124 Related Party Disclosure, being those persons having authority and responsibility for planning, directing and controlling the activities of COSOL, directly or indirectly, including any director. For the purposes of this Policy, this includes any managing director of COSOL and any management personnel reporting directly to the managing director, including the Executive Management Team of COSOL and subsidiaries, and any individual specifically named in a list of Key Management Personnel maintained by the Company Secretary.

“Margin Loan” has the meaning given to that term in Section 8.

“Prohibited Period” comprises Blackout Periods and Closed Periods.

“Related party” includes:

- (a) a spouse or de facto spouse of a COSOL Person;
- (b) a parent, son or daughter of a COSOL Person; and

- (c) an entity over which a person, or two or more persons together, referred to above have control.

“Securities” includes:

- (a) ordinary shares;
- (b) other issued securities such as options, performance rights and convertible notes;
- (c) preference shares;
- (d) hybrid securities;
- (e) debentures;
- (f) any securities in subsidiaries;
- (g) any derivatives (such as exchange-traded options and warrants) and other financial products issued by third parties in relation to securities; and
- (h) securities of other entities that may be affected by inside information (such as contractor or partner, or another party to a corporate transaction).

“Securityholder” means a holder of COSOL Securities.

COSOL LIMITED ABN 66 635 371 363

SCHEDULE 1 – FORM OF APPLICATION TO DEAL DURING PERMITTED PERIODS

Name: _____

Residential Address: _____

Office or Position in COSOL: _____

Type of Proposed Transaction (circle): BUY / SELL / OTHER

Number of Securities the Subject of the Proposed Transaction: _____

Class of Securities the subject of the Proposed Transaction: _____

Will the Proposed Transaction take place on the ASX (circle): YES / NO / OTHER

Provide Details if Selected 'Other' Above: _____

Estimated Date of the Proposed Transaction: _____

I acknowledge that I have read the COSOL's Securities Trading Policy and my decision to deal in COSOL Securities has not been made on the basis of information that:

- (a) is not generally available, and
- (b) would be expected by a reasonable person to have a material effect on the price or value of securities of COSOL, if it was generally available.

I request approval to deal in COSOL Securities as described in this Application.

Signed

Date

COSOL Approval to Deal During Permitted Period

Signed by the Chairman or other authorised person (refer to Section 10)

I have reviewed the contents of this Application and approve the dealing in COSOL Securities as described in this Application.

Signed

Date

Name

Position

COSOL LIMITED ABN 66 635 371 363

SCHEDULE 2 – FORM OF APPLICATION TO DEAL DURING PROHIBITED PERIODS

Name: _____

Residential Address: _____

Office or Position in COSOL: _____

Type of Proposed Transaction (circle): BUY / SELL / OTHER

Number of Securities the Subject of the Proposed Transaction: _____

Class of Securities the subject of the Proposed Transaction: _____

Will the Proposed Transaction take place on the ASX (circle): YES / NO / OTHER

Provide Details if Selected 'Other' Above: _____

Provide Explanation of Exceptional Circumstances: _____

Estimated Date of the Proposed Transaction: _____

I acknowledge that I have read the COSOL's Securities Trading Policy and my decision to deal in COSOL Securities has not been made on the basis of information that:

- (a) is not generally available, and
- (b) would be expected by a reasonable person to have a material effect on the price or value of securities of COSOL, if it was generally available.

I request approval to deal in COSOL Securities as described in this Application.

Signed

Date

COSOL Approval to Deal During Prohibited Period

Signed by the Chairman or other authorised person (refer to Section 10)

I have reviewed the contents of this Application and approve the dealing in COSOL Securities as described in this Application.

Signed

Date

Name

Position