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## **SCHEDULE 8 – SHARE TRADING POLICY**

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### **1. Introduction**

These guidelines set out the policy on the sale and purchase of securities in the Company by its Restricted Persons and all other employees (together, **Employees**).

Securities include any type of shares (including ordinary and preference), options, debentures, Derivates and other financial products covered by section 1042A of the *Corporations Act 2001* (Cth).

Restricted Persons are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity.

The Company has determined that its Restricted Persons are its Directors, executives and those employees directly reporting to the Chief Executive Officer/Managing Director.

Restricted Persons are encouraged to be long-term holders of the Company's securities. However, it is important that care is taken in the timing of any purchase or sale of such securities.

The purpose of these guidelines is to assist employees to avoid conduct known as 'insider trading'. In some respects, the Company's policy extends beyond the strict requirements of the *Corporations Act 2001* (Cth).

### **2. What types of transactions are covered by this policy?**

This policy applies to both the sale and purchase of any securities of the Company and its subsidiaries on issue from time to time.

### **3. Who does this Policy apply to?**

This Policy applies to all Employees, as indicated in the Policy.

In accordance with the *Corporations Act 2001* (Cth), the insider trading prohibitions apply to all persons (including family members of Employees). As such, it is the Company's expectation that Employees will obtain legal advice prior to family members of Employees trading in securities when this Policy would prevent that Employee from undertaking the trade themselves.

Any questions about this Policy should be referred to the Company Secretary before trading.

### **4. What is insider trading?**

#### **4.1 Prohibition**

Insider trading is a criminal offence. It may also result in civil liability. In broad terms, a person will be guilty of insider trading if:

- (a) that person possesses information, which is not generally available to the market and if it were generally available to the market, would be likely to have a material effect on the price or value of the Company's securities (ie information that is 'price sensitive'); and
- (b) that person:
  - (i) buys or sells securities in the Company; or

- (ii) procures someone else to buy or sell securities in the Company; or
- (iii) 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 buy or sell the securities or procure someone else to buy or sell the securities of the Company.

In addition to the specific prohibition on insider trading described above, Restricted Persons and employees are prohibited from dealing in the Company's securities in the following circumstances, each called a **Closed Period**:

- (a) In the period commencing immediately after the end of the Company's half year and ending on the day after the lodgement of the Company's half year financial results with the ASX
- (b) In the period commencing immediately after the end of the Company's full financial year and ending on the day after the lodgement of Company's full year financial results with ASX;
- (c) In the period commencing one-week period prior to the lodgement of Company's quarterly reports with the ASX and ending on the day after each lodgement with ASX;
- (d) Where the dealing would be regarded as 'short term dealing';
- (e) Where the Chief Executive Officer in consultation with the Company Secretary has imposed a prohibition on dealing in Company securities due to certain activity or knowledge within the Company at a certain time. The lifting of the prohibition will also be determined by the Chief Executive Officer in consultation with the Company Secretary. The prohibition may not be generally advised to protect confidentiality so a Restricted Person or employee wanting to deal in Company securities may not be told why or for how long the prohibition will last;
- (f) Entering into transactions which limit the economic risk of participating in unvested entitlements, such as unvested options or vested entitlements that remain subject to a holding lock, under a Company equity based executive or employee incentive plan.

## 4.2 Examples

To illustrate the prohibition described above, the following are possible examples of price sensitive information which, if made available to the market, may be likely to materially affect the price of the Company's securities:

- (a) the Company considering a major acquisition;
- (b) the threat of major litigation against the Company;
- (c) the Company's revenue and profit or loss results materially exceeding (or falling short of) the market's expectations;
- (d) a material change in debt, liquidity or cash flow;
- (e) a significant new development proposal (e.g. new product or technology);
- (f) the grant or loss of a major contract;
- (g) a management or business restructuring proposal; and
- (h) a payment of dividends or a share issue proposal;

### **4.3 Dealing through third parties**

The insider trading prohibition extends to dealings by individuals through nominees, agents or other associates, such as family members, family trusts and family companies (referred to as “**Associates**” in these guidelines).

### **4.4 Information however obtained**

It does not matter how or where the person obtains the information – it does not have to be obtained from the Company to constitute inside information.

### **4.5 Employee Share or Option Schemes**

The prohibition does not apply to acquisitions of shares or options by Employees made under Employee Share or Option Schemes, nor does it apply to the acquisition of shares as a result of the exercise of options under an Employee Option Scheme. However, the prohibition does apply to the sale of shares acquired under an Employee Share Scheme and also to the sale of shares acquired following the exercise of an option granted under an Employee Option Scheme.

## **5. Guidelines for trading in the Company’s securities**

### **5.1 General rule**

Prior to dealing in the Company's securities, Employees other than Restricted Persons, may deal in the Company's securities:

- (a) if as the prohibitions in section 4.1 do not apply to them at the time of dealing;
- (b) they have notified the CEO and Company Secretary in writing of the type of dealing they intend undertaking; and
- (c) confirmed that there is no prohibition that applies to them, before the dealing takes place.

The Company has determined that Restricted Persons are more likely to be in possession of price-sensitive information regarding the Company. As a result, further restrictions on dealing in the Company's securities apply to Restricted Persons.

### **5.2 Short-term trading and short selling**

Restricted Persons must not engage in short-term trading of any of the Company's securities. An example of this would be to purchase the Company's shares with an intention to sell them within a 12 month period.

Restricted Persons must not engage in short selling of the Company's securities.

### **5.3 Hedging transactions**

Employees must not enter into an arrangement that would have the effect of limiting their exposure to risk relating to either unvested remuneration, or vested remuneration which remains subject to terms and conditions (**Hedging Transaction**).

If the Company has an equity-based remuneration scheme, Restricted Persons participating in the scheme must not enter into a Hedging Transaction without obtaining written approval.

## **5.4 Trading in derivatives**

Restricted Persons must not trade in any derivative products issued by the Company. Derivative products issued by the Company over its securities include warrants, exchange-traded and over the counter options and contracts for difference.

## **5.5 Margin lending and other secured financing arrangements**

Restricted Persons must not enter into any margin lending or other secured financing arrangements in respect of the Company's securities.

## **5.6 Securities in other companies**

Buying and selling securities of other companies with which the Company may be dealing is prohibited where an individual possesses information which is not generally available to the market and is 'price sensitive'. For example, where an individual is aware that the Company is about to sign a major agreement with another company, they should not buy securities in either the Company or the other company.

## **5.7 Exceptions**

- (a) Restricted Persons may at any time:
- (i) acquire ordinary shares in the Company by conversion of securities giving a right of conversion to ordinary shares;
  - (ii) acquire Company securities under a bonus issue made to all holders of securities of the same class;
  - (iii) acquire Company securities under a dividend reinvestment, or top-up plan that is available to all holders of securities of the same class;
  - (iv) acquire, or agree to acquire or exercise options under an employee incentive scheme (as that term is defined in the ASX Listing Rules);
  - (v) withdraw ordinary shares in the Company held on behalf of the Restricted Person in an employee incentive scheme (as that term is defined in the ASX Listing Rules) where the withdrawal is permitted by the rules of that scheme;
  - (vi) acquire ordinary shares in the Company as a result of the exercise of options held under an employee option scheme;
  - (vii) transfer securities of the Company already held into a superannuation fund or other saving scheme in which the restricted person is a beneficiary;
  - (viii) make an investment in, or trade in units of, a fund or other scheme (other than a scheme only investing in the securities of the Company) where the assets of the fund or other scheme are invested at the discretion of a third party;
  - (ix) where a restricted person is a trustee, trade in the securities of the Company by that trust, provided the restricted person is not a beneficiary of the trust and any decision to trade during a Closed period is taken by the other trustees or by the investment managers independently of the restricted person;
  - (x) undertake to accept, or accept, a takeover offer;

- (xi) trade 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 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;
  - (xii) dispose of securities of the Company resulting from a secured lender exercising their rights under a margin lending or other secured financing arrangement permitted by this Policy;
  - (xiii) exercise (but not sell securities following exercise) an option or a right under an employee incentive scheme, or convert a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a Closed period or the Company has had a number of consecutive prohibited periods and the restricted person could not reasonably have been expected to exercise it at a time when free to do so; or
  - (xiv) trade under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this Policy.
- (b) In respect of any share or option plans adopted by the Company, it should be noted that it is not permissible to provide the exercise price of options by selling the shares acquired on the exercise of these options unless the sale of those shares occurs outside the Closed periods. Were this is to occur at a time when the person possessed inside information, then the sale of Company securities would be a breach of insider trading laws, even though the person's decision to sell was not influenced by the inside information that the person possessed and the person may not have made a profit on the sale.
- (c) Where Company securities are provided to a lender as security by way of mortgage or charge, a sale that occurs under that mortgage or charge as a consequence of default would not breach insider trading laws.

## **6. Approval and Notification Requirements**

### **6.1 Approval requirements**

- (a) Employees other than Restricted Persons must notify the Chief Executive Officer/Managing Director and Company Secretary in writing of the type of dealing they intend undertaking and confirm that there is no prohibition that applies to them before the dealing takes place.
- (b) Where the Restricted Person who is not a Director, they must notify the Chief Executive Officer/Managing Director and Company Secretary in writing and confirm that there is no prohibition that applies to them before the dealing takes place.
- (c) Where the Restricted Person who is a Director, they must notify the Chair and Company Secretary and if the Director is the Chair, then to a board member and Company Secretary and confirm that no prohibition in dealing applies.
- (d) All requests of dealing must include the intended volume of securities to be purchased or sold and an estimated time frame for the sale or purchase.
- (e) All Employees and Restricted Persons must receive permission for the dealing before dealing takes place.

- (f) Any dealing in the Company's securities must occur within 10 trading days after permission being granted and must be consistent with the notification.

## **6.2 Notification**

Subsequent to approval obtained in accordance with paragraphs 6.1, any Restricted Persons who (or through his or her Associates) buys, sells, or exercises rights in relation to Company securities **must** notify the Company Secretary in writing of the details of the transaction within two (2) business days of the transaction occurring. This notification obligation **operates at all times** and includes applications for acquisitions of shares or options by employees made under employee share or option schemes and also applies to the acquisition of shares as a result of the exercise of options under an employee option scheme.

## **6.3 Restricted Persons sales of securities**

Restricted Persons need to be mindful of the market perception associated with any sale of Company securities and possibly the ability of the market to absorb the volume of shares being sold. With this in mind, the management of the sale of any significant volume of Company securities (ie a volume that would represent a volume in excess of 10% of the total securities held by the seller prior to the sale, or a volume to be sold that would be in excess of 10% of the average daily traded volume of the shares of the Company on the ASX for the preceding 20 trading days) by a Restricted Person needs to be discussed with the Board and the Company's legal advisers prior to the execution of any sale. These discussions need to be documented in the form of a file note, to be retained by the Company Secretary.

## **6.4 Exemption from Closed Periods restrictions due to exceptional circumstance**

Restricted Persons who are not in possession of inside information in relation to the Company, may be given prior written clearance by the Chief Executive Officer/Managing Director (or in the case of the Chief Executive Officer/Managing Director, by all other members of the Board) to sell or otherwise dispose of Company securities in a Closed Period where the person is in severe financial hardship or where there are exceptional circumstances as set out in this policy.

## **6.5 Severe financial hardship or exceptional circumstances**

The determination of whether a Restricted Person is in severe financial hardship will be made by the Chief Executive Officer/Managing Director (or in the case of the Chief Executive Officer/Managing Director, by all other members of the Board).

A financial hardship or exceptional circumstances determination can only be made by examining all of the facts and if necessary obtaining independent verification of the facts from banks, accountants or other like institutions.

## **6.6 Financial hardship**

Restricted Persons may be in severe financial hardship if they have a pressing financial commitment that cannot be satisfied other than by selling the securities of the Company.

In the interests of an expedient and informed determination by the Chief Executive Officer/Managing Director (or all other members of the Board as the context requires), any application for an exemption allowing the sale of Company securities in a Closed Period based on financial hardship must be made in writing stating all of the facts and be accompanied by copies of relevant supporting documentation, including contact details of the person's accountant, bank and other such independent institutions (where applicable).

Any exemption, if issued, will be in writing and shall contain a specified time period during which the sale of securities can be made.

## **6.7 Exceptional circumstances**

Exceptional circumstances may apply to the disposal of Company securities by a Restricted Person if the person is required by a court order or a court enforceable undertaking (for example in a bona fide family settlement), to transfer or sell securities of the Company, or there is some other overriding legal or regulatory requirement to do so.

Any application for an exemption allowing the sale of Company securities in a Closed Period based on exceptional circumstances must be made in writing and be accompanied by relevant court and/or supporting legal documentation (where applicable).

Any exemption, if issued, will be in writing and shall contain a specified time period during which the sale of securities can be made.

## **7. ASX notification for Directors**

The ASX Listing Rules require the Company to notify the ASX within 5 business days after any dealing in securities of the Company (either personally or through an Associate) which results in a change in the relevant interests of a Director in the securities of the Company. The Company has made arrangements with each Director to ensure that the Director promptly discloses to the Company Secretary all the information required by the ASX.

## **8. Effect of Compliance with this Policy**

Compliance with these guidelines for trading in the Company's securities does not absolve that individual from complying with the law, which must be the overriding consideration when trading in the Company's securities.

## **9. Review**

The Board will review this Policy annually and this Policy may be amended by resolution of the Board.