



Policy

Securities Dealing Policy

A2B Australia Limited (Company)

ACN 001 958 390

Adopted by the Board on 19 June 2017



1 About this Policy

1.1 What is the purpose of this Policy?

The purpose of this Policy is to:

- ensure that public confidence is maintained in the reputation of the Company and its related bodies corporate (together, **the Group**), the directors and employees of the Group and in the trading of the Company's securities;
- explain the Company's policy and procedures for the buying and selling of securities to assist the Group's directors and employees; and
- recognise that some types of dealing in securities are prohibited by law.

1.2 Who does this Policy apply to?

This Policy applies to all directors and employees of the Group and their "Connected Persons" (see section 1.3 below). However, some parts of this Policy only apply to senior members of management and the directors.

Set out below is an overview of the key requirements in this Policy and details of who they apply to:

Relevant dealing restriction...	Who is covered by the relevant restriction?	Are Connected Persons covered?	For further details, see...
Insider trading	All employees and directors	Yes	Section 2
Additional dealing restrictions (and approval process)	Restricted Persons, being: <ul style="list-style-type: none"> • Senior Executives;¹ • Nominated Employees;¹ and • all directors 	Yes	Section 3
Short term dealing	All employees and directors	Yes	Section 4.1
Margin lending arrangements	All employees and directors	Yes	Section 4.2
Hedging of securities	All employees and directors	Yes	Section 4.3

1.3 Who are Connected Persons?

As stated above, certain aspects of this Policy also apply to Connected Persons of employees and directors. "**Connected Persons**" means, for each employee and director:

- a family member who may be expected to influence, or be influenced by, the employee or director in his or her dealings with the Company or Company securities (this may include the employee's or director's spouse, partner and

¹ These terms are defined and explained in section 3.1 of this Policy.



children, the children of the employee's or director's partner, or dependants of the employee or director or the employee's or director's partner); and

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

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

2 Prohibition on insider trading

2.1 What is the insider trading restriction?

(a) No dealing while in possession of Inside Information

Employees, directors, and Connected Persons must not deal in the Company's securities if:

- they are aware of Inside Information; or
- the Company has notified employees 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).

(b) What is Inside Information?

"**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. Examples include information in relation to the Group's accounts or about proposed dividends, possible transactions or a change in the Company's strategy.

(c) The Front Page Test

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 employees 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, directors and employees should ask themselves:

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?

If the director or employee 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' above.



2.2 What are the legal requirements regarding insider trading?

Broadly speaking, the *Corporations Act 2001* (Cth) (**Corporations Act**) provides that a person who has Inside Information about a company must not:

- (a) buy or sell securities in a company, or enter into an agreement to buy or sell securities, or exercise options over securities, or otherwise apply for, acquire or dispose of securities (**deal**);
- (b) encourage someone else to deal in securities in that company; or
- (c) directly or indirectly provide that information to another person where they know, or ought to know, that the person is likely to deal in securities or encourage someone else to deal in securities of that company (**tipping**).

2.3 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's securities but also in those of other listed companies.

Employees, directors, and their Connected Persons must not deal in the securities of another company if they are aware of Inside Information in relation to that company.

Employees, 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.

If you are in any doubt, consult with the Company Secretary.

3 Additional dealing restrictions

3.1 Who has additional trading restrictions under this Policy?

Additional trading restrictions (set out below) apply to:

- directors of the Company;
- officers and other direct reports of the Chief Executive Officer (**Senior Executives**); and/or
- 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 Employees**),

collectively defined as "**Restricted Persons**" in this Policy.

3.2 When can Restricted Persons deal in the Company's securities?

- (a) Subject to the notification and approval process set out in section 3.3, Restricted Persons and their Connected Persons may deal in the Company's securities during the following "**trading windows**":
 - the 1 month period commencing at 10.00am on the next trading day after the announcement to ASX of half-yearly results;
 - the 1 month period commencing at 10.00am on the next trading day after the announcement to ASX of the preliminary final statement or full year results; and



- any other period the Board determines, from time to time.
- (b) The Board may determine at any time that a trading window is closed and that Restricted Persons and their Connected Persons will not be permitted to deal in the Company's securities.

3.3 Prior notification and approval required for dealing

- (a) During any period that is a trading window under section 3.2(a), Restricted Persons must, prior to any proposed dealing, notify the Company Secretary and obtain written approval for the proposed dealing in the Company's securities (including any proposed dealing by one of their Connected Persons).
- (b) The Company Secretary will seek approval on behalf of the Restricted Person as follows:
- (1) **For any Senior Executive or Nominated Employee:** approval must be obtained from the Chief Executive Officer before a dealing is undertaken;
 - (2) **For the Chairman of the Board:** approval must be obtained from the Chairman of the Audit and Risk Committee before a dealing is undertaken; and
 - (3) **For any other director:** approval must be obtained from the Chairman of the Board before a dealing is undertaken.
- (c) A written request for approval to deal will be answered as soon as practicable.
- (d) The relevant approver may direct the person who is proposing to deal in the Company's securities not to deal, or impose conditions on the dealing in their discretion, and is not obliged to provide reasons for any direction or condition.
- (e) Following receipt of written approval to deal, provided no direction is given or contrary condition is imposed, the approved dealing must occur within two business days following approval, otherwise the approval is no longer effective and fresh approval must be sought.
- (f) Written approval can be expressed by email or any other form determined by the person granting it as long as physical evidence of the approval can be provided.

3.4 No dealing in blackout periods

- (a) Restricted Persons and their Connected Persons must not deal in the Company's securities during a blackout period. A "**blackout period**" is any time outside a trading window as set out in this Policy.
- (b) The Company may declare a period of time to be a blackout period even if that period of time otherwise falls within a trading window. This would be most likely to occur to protect the reputation of the Company and the Group during a period when Restricted Persons may be at risk of insider trading.

3.5 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 in writing through the Company Secretary for approval to deal. Exceptional circumstances are likely to include severe financial hardship or compulsion by court order.



- (b) The Company Secretary will seek approval on behalf of the Restricted Person as follows:
 - (1) **For any Senior Executive or Nominated Employee:** approval must be obtained from the Chief Executive Officer before a dealing is undertaken;
 - (2) **For the Chairman of the Board:** approval must be obtained from the Chairman of the Audit and Risk Committee before a dealing is undertaken; and
 - (3) **For any other director:** approval must be obtained from the Chairman of the Board before a dealing is undertaken.
- (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.
- (d) 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.
- (e) If approval to deal is granted, the Restricted Person or Connected Person will be notified in writing (which may include notification via email) and in each circumstance the duration of the approval will be two business days.
- (f) Unless otherwise specified in the approval notice, any dealing permitted under this section 3.5 must comply with the other sections of this Policy.

3.6 Confirmation of trade required

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

4 What other restrictions on dealing apply?

4.1 No short-term dealing

Employees, directors and Connected Persons must not deal in the Company's 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).

4.2 Margin lending arrangements

- (a) Any dealings in the Company's securities by employees, directors and Connected Persons pursuant to a margin lending arrangement must be conducted in accordance with this Policy. Examples of such dealings include:
 - (1) entering into a margin lending arrangement in respect of the Company's 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.



- (b) Restricted Persons and their Connected Persons must obtain approval in accordance with the procedure set out in section 3.3 for any proposed dealing in the Company's securities in connection with a margin lending arrangement.
- (c) The Company may, at its discretion, make any approval granted in accordance with section 4.2(b) conditional upon such terms and conditions as the Company sees fit (for example, with regard to the circumstances in which the Company's securities may be sold to satisfy a margin call).

4.3 Hedging of Company securities

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

Under this Policy, hedging of the Company's securities is subject to the following rules:

- (a) any employee, director, or their Connected Persons 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 an employee, 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 an employee, 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 3.3 are made on that basis.

5 Are any dealings excluded from this policy?

Sections 3.2, 3.3, 3.4 and 4.1 of this Policy do not apply to:

- (a) participation in an employee, executive or director equity plan operated by the Company. However, where securities in the Company granted under an employee, 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;
- (b) the following categories of trades:
 - acquisition of Company securities through a dividend reinvestment plan;
 - acquisition of Company securities through a share purchase plan available to all retail shareholders;
 - acquisition of Company securities through a rights issue; and
 - the disposal of Company securities through the acceptance of a takeover offer, scheme of arrangement or equal access buy-back;
- (c) 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 employee, director or their Connected Person is a beneficiary);



- (d) trading under a pre-approved non-discretionary trading plan, where the employee, 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 employee, 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
- (e) a 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 Corporations Act and employees should still consider any legal or reputational issues (and discuss any concerns they have with the Company).

6 What happens if this policy is breached?

Breaches of the insider trading laws have serious consequences for the employee, director, or Connected Person concerned as well as the Company. Penalties under the Corporations Act include financial penalties and imprisonment.

Independently, breaches of this Policy will be regarded by the Company as serious and will be subject to appropriate sanctions.

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.

Any person who breaches this Policy could face disciplinary action (including forfeiture of securities and/or suspension or termination of employment).

The Company will take a substance over form approach and will have regard to the intent and spirit of this Policy when applying and enforcing it.

7 Who should I contact?

Employees 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's securities or other securities; or
- they have any other queries about this Policy.

You can reach the Company Secretary, Adrian Lucchese, on +61 2 9332 9259 or at adrian.lucchese@a2baustralia.com.