

# Securities Trading Policy

## 1. Introduction

### 1.1 Background and purpose

Australasian Wealth Investments Limited (**AWI**) is committed to complying with the Corporations Act and the ASX Listing Rules.

ASX Listing Rule 12.9 requires AWI, as a listed entity, to have a trading policy that restricts its restricted personnel from trading in its securities outside certain trading windows. AWI has determined that its restricted persons are all Directors, officers and all employees (whether full-time, part-time or casual) of AWI and of each of AWI's subsidiaries, (together **Restricted Persons**).

The purpose of this Policy is to make Restricted Persons aware of the legal restrictions on trading securities, while such a Restricted Person is in possession of unpublished price sensitive information concerning AWI.

In addition, the objectives of this Policy are to:

- (a) minimise the risk of Restricted Persons contravening the laws against insider trading;
- (b) allow AWI to meet its reporting obligations under the ASX Listing Rules; and
- (c) increase transparency with respect to trading in AWI's securities by Restricted Persons.

### 1.2 Who does this Policy apply to?

This Policy applies to all Restricted Persons.

## 2. What securities are covered by this Policy?

This Policy applies to both the issue of new securities of AWI and its subsidiaries and the sale and purchase of any securities of AWI and its subsidiaries from time to time.

The definition of "securities" in the Corporations Act is very broad. Securities are defined to include:

- (a) shares in, or debentures of, a body; and
- (b) units of such shares.

For the purposes of this Policy, the term "securities" also extends to financial products issued or created over or in respect of securities issued by AWI (for example, warrants and other derivative products), whether the financial products are created by AWI or by third parties.

## 3. Standards

All Restricted Persons should ensure that all trading in AWI's securities complies with:

- (a) the Corporations Act and Corporations Regulations (including, without limitation, the insider trading provisions); and
- (b) the ASX Listing Rules (including, without limitation, the continuous disclosure requirements in ASX Listing Rule 3.1 and the disclosure of the Director's interests in accordance with ASX Listing Rule 3.19A).

#### 4. Prohibition on insider trading

##### 4.1 Insider trading prohibition

- (a) Section 1043A (of Part 7.10, Division 3) of the Corporations Act makes it an offence for a person in possession of information that is not generally available but which, if generally available, a reasonable person would expect it to have a material effect on the price or value of AWI's securities to:
  - (i) trade in (i.e. apply for, acquire or dispose of, or enter into an agreement to do any of these things) AWI's securities; or
  - (ii) procure another person to trade in AWI's securities, **(trade in AWI's securities)**.
- (b) The insider trading prohibition in section 1043A of the Corporations Act is **mandatory** and not a matter of guidance. Activity which breaches section 1043A is insider trading.
- (c) It does not matter how the person comes to have the price sensitive information – for example, whether the person learns it in the course of carrying out that person's responsibilities, in passing in the corridor, in the lift or at a social occasion.
- (d) It is an offence to tip the information to another person with the knowledge that the person could deal in AWI's securities. Accordingly, the prohibition on insider trading cannot be avoided by a person procuring or arranging for another person to deal on his or her behalf.

##### 4.2 What is *price sensitive information*?

Price-sensitive information is information relating to AWI or AWI's subsidiaries that would, if the information were publicly known, be likely to:

- (a) have a material effect on the price or value of AWI's securities; or
- (b) influence persons who commonly invest in securities in deciding whether or not to buy or sell AWI's securities.

Examples of possible price-sensitive information include, but are not limited to, the following:

- (a) a material acquisition, joint venture, realization or disposal of assets;
- (b) a threat of material litigation against AWI;
- (c) AWI's sales and profit 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 i.e., a new product or technology;
- (f) the granting or loss of a major contract;
- (g) a management or business restructuring proposal;
- (h) a change in the capital structure, such as a capital return or the buy back of a financial product;
- (i) a payment of dividends or a share issue;
- (j) a change to the Board or significant changes in senior management;
- (k) the entering into of an agreement or option to acquire an interest in an asset or business, or to enter into a joint venture or other arrangement in relation to an asset or business; and

- (l) any information required to be announced to the market pursuant to ASX Listing Rule 3.1 (the Continuous Disclosure rule) which is yet to be released to the market.

#### **4.3 When is the information *generally available*?**

Information is generally available if:

- (a) it consists of a readily observable matter;
- (b) it has been made known in a manner likely to bring the information to the attention of people who commonly invest in securities of a kind whose price or value might be affected by the information, and, since it was made known, a reasonable period for it to be disseminated among such persons has elapsed;
- (c) it is derived from information which has been made public; or
- (d) it consists of observations, deductions, conclusions or inferences made or drawn from other generally available information.

#### **4.4 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.

#### **4.5 Consequences for breach of the insider trading prohibition**

- (a) Breach of the insider trading prohibition by a Restricted Person or a Restricted Person's family member could expose the Restricted Person to criminal and civil liability, including fines and imprisonment.
- (b) Significantly, a breach of the insider trading prohibition could result in a Restricted Person or a Restricted Person's family member being sued by another party or AWI for any loss suffered as a result of insider trading.
- (c) Breach of insider trading laws or this Policy will also be regarded by AWI as serious misconduct, which may lead to disciplinary action and/or dismissal.

#### **4.6 Source of information is irrelevant**

- (a) Trading is prohibited at any time if the person possesses inside information.
- (b) It does not matter how or where the person obtains the information and it does not have to be obtained from AWI to constitute inside information. This means that section 1043A of the Corporations Act will apply to any Restricted Person who acquires inside information in relation to AWI's securities, regardless of capacity. In such circumstances, the Restricted Person is prohibited from dealing in AWI's securities.

#### **4.7 Employee incentive scheme**

- (a) The prohibition on trading in AWI's securities does not apply to acquisitions of shares or options by employees of AWI made under an employee share or option scheme, nor does it apply to the acquisition of shares as a result of the exercise of options under an employee option scheme.
- (b) The prohibition does, however, 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.

#### **4.8 Trading in shares of other companies**

- (a) If a Restricted Person has price sensitive information relating to a company other than

AWI which is not generally available, the same insider trading rules outlined above apply to buying and selling securities in that company.

- (b) In the course of performing duties as an employee of AWI, Restricted Persons may obtain price sensitive information relating to another company in a variety of circumstances. Examples include, but are not limited to the following:
  - (i) another company may provide price sensitive information about itself to AWI in the course of a proposed transaction;
  - (ii) another company with whom AWI is dealing may provide price sensitive information about a third company; or
  - (iii) information concerning AWI or actions which may be taken by AWI (i.e. a planned transaction or strategic change) could reasonably have an effect on a third party company.
- (c) Apart from the application of the insider trading rules to securities in other companies, Restricted Persons are also bound by a duty of confidentiality in relation to information obtained in the course of their duties in respect of third parties.

## **5. Guidelines for trading in securities**

### **5.1 General rule**

When in possession of price sensitive information relating to AWI which is generally not available, Restricted Persons are prohibited from:

- (a) trading in AWI's securities; or
- (b) arranging or encouraging another person to trade in AWI's securities; or
- (c) directly or indirectly, giving price sensitive information to another person if that person knows, or could reasonably be expected to know, that the person would be likely to trade in AWI's securities.

### **5.2 Trading Windows**

Subject to paragraph 5.3, a Restricted Person may only trade in AWI's securities with the Chairman's prior written consent during:

- (a) the 4 week period commencing on the first Trading Day after the date of AWI's annual general meeting;
- (b) the 4 week period commencing on the first Trading Day after the release of a disclosure document offering securities in AWI;
- (c) the 4 week period commencing on the first Trading Day after the release by AWI of its half-year result; or
- (d) the 4 week period commencing on the first Trading Day after the release by AWI of its full-year result, and
- (e) any other period designated by the Directors in their discretion,

provided the Restricted Person is not in possession of any price sensitive information regarding AWI. Each of these periods is a **Trading Window** in this policy.

### **5.3 Blackout Periods**

Certain Blackout Periods operate during which Restricted Persons must not trade in AWI's securities regardless of whether a Trading Window would otherwise be open. Those

Blackout Periods are:

- (a) the period commencing the first Trading Day after the end of a financial reporting period and concluding on the day of the release by AWI of its half-year or full-year result (as the case may be); and
- (b) any other period designated by the Directors, at their discretion.

#### **5.4 Short term trading**

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

#### **5.5 Exceptions**

- (a) A Restricted Person may trade in AWI's securities other than in a trading window, if that trading falls within one of the following categories:
  - (i) an acquisition of ordinary shares in AWI which results from conversion of securities which carry a right of conversion to ordinary shares;
  - (ii) an acquisition of AWI's securities under a bonus issue made to all holders of securities of the same class;
  - (iii) an acquisition of AWI's securities under a dividend reinvestment, or top-up plan that is available to all holders or securities of the same class;
  - (iv) a transfer of AWI's securities between that Restricted Person and someone closely related to that Restricted Person (such as a spouse, minor child, family company or family trust) or by that Restricted Person to his or her superannuation fund, in respect of which prior written clearance has been provided in accordance with the procedures set out in this Policy;
  - (v) a disposal of securities arising from the acceptance of a takeover offer, scheme of arrangement or equal access buy-back;
  - (vi) a disposal of rights acquired under a pro-rata issue;
  - (vii) an acquisition of securities under a pro-rata issue;
  - (viii) an investment in or trading in units of, a fund or other scheme (other than a scheme only investing in AWI's securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
  - (ix) where the Restricted Person is a trustee, trading in AWI's securities by that trust provided that the Restricted Person is not a beneficiary of the trust and any decision to trade is taken by the other trustees or by the investment managers independently of the Restricted Person;
  - (x) an undertaking to accept, or the acceptance of, a takeover offer;
  - (xi) trading under an offer or invitation made to all or most of AWI's members, such as a rights issue, a security purchase plan, a dividend or distribution reinvestment plan or 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, the take-up by any underwriter under a renounceable or non-renounceable pro rata issue and the sale of entitlements required to provide for the take up of the balance of entitlement under a renounceable pro rata issue;

- (xii) a disposal of AWI's securities that is the result of a secured lender or financier exercising their rights under a margin lending or other secured financing arrangement;
  - (xiii) an acquisition of securities under an employee incentive scheme; or
  - (xiv) an exercise (but not the sale of AWI's securities following exercise) of an option or a right granted under an employee incentive plan, or the conversion of a convertible security.
- (b) Notwithstanding the above, under insider trading laws, a Restricted Person who possesses inside information may be prohibited from trading even where the trading falls within any of the exceptions in paragraph 5.5(a) of this Policy.

## 5.6 Procedure for obtaining written consent to trade

- (a) A Restricted Person who is required to obtain consent to trade under this Policy (**Applicant**) must obtain the prior written consent (which may be provided by way of an email) of:
- (i) the Chairman or the Chairman's delegate; or
  - (ii) where the Chairman is the Applicant, the Chairman of the Audit Committee,
- (each, the **Decision Maker**).
- (b) As part of an application, an Applicant must give the Decision Maker(s) a written undertaking that the Applicant complies with paragraph 3 of this Policy.
- (c) The Decision Maker may only provide written permission to trade in AWI's securities outside a Trading Window where:
- (i) the Restricted Person is in severe financial hardship or where other exceptional circumstances exist; and
  - (ii) the Decision Maker is satisfied that there is no inside information which has not been disclosed to the ASX.
- (d) A Restricted Person may be in severe financial hardship if he or she has a pressing financial commitment that cannot be satisfied other than by selling his or her securities in AWI.
- (e) In the interests of an expedient and informed determination by the Decision Maker, any application for an exemption allowing the sale of AWI's securities outside a Trading Window based on financial hardship must be made in writing and be accompanied by copies of relevant supporting documentation, including contact details of the person's accountant, bank and other such independent institutions. Any exemption, if issued, will be in writing and will contain a specified time period during which the sale of securities can be made.
- (f) Exceptional circumstances may apply to the disposal of AWI's securities by a Restricted Person if the person is required by a court order, a court enforceable undertaking (for example in a bona fide family settlement, to transfer or sell securities of AWI) or there is some other overriding legal or regulatory requirement to do so. Any application for an exemption allowing the sale of AWI's securities outside a Trading Window based on exceptional circumstances must be made in writing and be accompanied by relevant court and/or supporting legal documentation. Any exemption, if issued, will be in writing and will contain a specified time period during which the sale of securities can be made.
- (g) An Applicant seeking clearance to trade outside a Trading Window must satisfy the Decision Maker that he or she is in severe financial hardship or that their circumstances

are otherwise exceptional and that the proposed sale or disposal of the relevant Company securities is the only reasonable course of action available.

- (h) Determination as to whether the Applicant is in severe financial hardship or whether a particular set of circumstances exist may only be made by the Decision Maker(s).
- (i) Any permission provided under this paragraph 5.6 must be obtained by the Applicant not less than two business days before the proposed trading.
- (j) Copies of written approvals must be forwarded to the Company Secretary prior to the approved purchase or sale transaction.

## **5.7 Sales of securities**

Restricted Persons need to be mindful of the market perception associated with any sale of AWI's 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 AWI's securities (i.e. 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 AWI on the ASX for the preceding 20 trading days) by a Restricted Person needs to be discussed with the Board 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. ASX notification by Directors**

- (a) Directors are required to notify the Chairman and the ASX of any dealing in AWI's securities (either personally or through a third party) which results in a change in the relevant interests of the director in their securities in AWI.
- (b) Whilst the Corporations Act requires Directors to notify the ASX of any changes to their holdings within 14 days (or if also a substantial shareholder as early as by 9.30am on the next trading day), AWI is required under the ASX Listing Rules to notify the ASX:
  - (i) of their initial holdings upon appointment and such subsequent dealings within five business days of the change; and
  - (ii) whether the dealing occurred during a Closed Period and if so, whether written clearance was obtained and on what date it was obtained.
- (c) To enable AWI to comply with these requirements, each Director must enter into a letter agreement with AWI in a form consistent with the pro forma agreement set out in Attachment 1 to Guidance Note 22 of the ASX Listing Rules. Directors must furnish the relevant information as soon as reasonably possible and in any event no later than three business days after the date of appointment or change, to the Company Secretary who will facilitate the transmission of these notifications to the ASX. Notifications will also be tabled before the Board.

## **7. Employment and monitoring**

- (a) To promote understanding of the insider trading prohibition and related Corporations Act provisions and this Policy, a copy of this Policy will be distributed to all Restricted Persons (present and future) and will be available on AWI's website.
- (b) The induction procedures for new Restricted Persons must require that a copy of this document be provided to each new Restricted Person.

## **8. Compliance**

- (a) Compliance with the rules set out in this Policy is mandatory and is a condition of the

employment of each Restricted Person by AWI. Infringement of the insider trading provisions can attract a substantial monetary penalty, imprisonment or both in addition to loss of employment.

- (b) Any Restricted Person who does not comply with this Policy will be considered to have engaged in serious misconduct, which may result in the termination of their engagement by AWI.
- (c) Ultimate discretion rests with the Chairman in respect of granting a waiver to the requirements of this Policy to allow Restricted Persons to trade in the shares of AWI, provided that to do so would not be illegal.

**9. Review**

The Board will review this Policy at least annually and it may be amended at any time by resolution of the Board.

**10. Policy responsibility**

- (a) Each Restricted Person is responsible for adhering to this Policy.
- (b) The Company Secretary has responsibility for administering and enforcing this Policy.

**11. Disclosure of Policy**

This Policy and any updates, is to be made available on AWI's website.

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