

ASX MARKET ANNOUNCEMENT

Tuesday, 11 April 2017

ASX Codes : KBC; KBCPA

SECURITIES TRADING POLICY

Keybridge Capital Limited (ASX:[KBC](#)) is pleased to attach its updated Securities Trading Policy.

FOR FURTHER INFORMATION:

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ABOUT [KEYBRIDGE CAPITAL LIMITED](#) (ASX: [KBC](#))

KBC is an investment and financial services group with a diversified portfolio of listed and unlisted investments/loan assets including in the solar (Spain), private equity (US), life insurance (New Zealand), property and funds management sectors and strategic holdings in [HHY Fund](#) (ASX:[HHY](#)), [Molopo Energy](#) Limited (ASX:[MPO](#)), [Metgasco](#) Limited (ASX: [MEL](#)) and [PTB Group](#) Limited (ASX:[PTB](#)).

Securities Trading Policy

WARNING: It is a criminal offence to buy, sell or otherwise acquire or dispose of securities if you have knowledge which gives you an advantage over other investors in the share market. This offence is called “insider trading”. You can be sent to gaol or fined for “insider trading”. This Policy does not displace obligations to comply with the “insider trading” laws. Please seek legal or professional advice if you have any questions in relation to compliance with such laws.

Policy Summary

What this Policy covers

- Buying and selling securities, especially Keybridge securities.
- Ensuring that trading in Keybridge securities does not occur until the market has absorbed and factored in the effect of Company information released to it.

Who this Policy applies to

- All Directors and employees of Keybridge and its subsidiaries (**Keybridge Group**); and
- Contractors to **Keybridge Group** who have agreed to be bound by this Policy.

What this Policy requires of you

- You may not buy or sell securities in Keybridge if you have Keybridge Inside Information; and
- In addition, Directors, direct reports to the Executive Chairman/Managing Director (as applicable, as the case may be) and other staff may only do the above things at other times with written permission.

In summary, “Keybridge Inside Information” is information which you have (and which is not generally known) which suggests that Keybridge securities are worth significantly more (or less) than the market price. Inside Information is explained in detail on pages 2 and 3.

The Compliance Table in Schedule 1 on page 3 contains a summary of what you need to do to be able to buy or sell Keybridge securities.

This is only a summary of this Policy. You are required to read and comply with the full Policy.

Questions about this Policy

If you have any questions about this Policy, contact the Company Secretary on (08) 9214 9767 or cosec@keybridge.com.au.

WARNING: A breach of this Policy is a serious matter and is likely to result in immediate termination of your employment/engagement.

Policy Background - Insider Trading

What is Insider Trading?

Insider Trading in relation to securities and other financial products (including Keybridge securities) is prohibited by [section 1043A](#) of the Corporations Act 2001. This Policy operates against the background of that prohibition.

The main kind of Insider Trading

In summary, "Insider Trading" means acquiring or disposing of securities or other financial products when you have Inside Information relating to those financial products.

What is Inside Information?

"Inside Information" means information which:

- (a) is not widely available to financial market (e.g. the Australian Securities Exchange or ASX) investors; and
- (b) a reasonable person would expect to have a significant effect on the price or value of the financial product, if that information was widely available.

What else is "Insider Trading"?

The law against Insider Trading also prohibits:

- (a) you encouraging another person to acquire or dispose of financial products if you have Inside Information relating to those financial products; and
- (b) you telling Inside Information to another person where you should reasonably know that they are likely to acquire or dispose of relevant financial products or persuade another person to do so.

When does information stop being Inside Information?

After Inside Information has been disclosed publicly (e.g. by being released to ASX) it is still Inside Information until investors have had a reasonable time to consider it.

Inside Information Examples - Keybridge

The following are examples of Inside Information relating to Keybridge:

- (a) Keybridge Group is considering a major investment acquisition.
- (b) A material change in the value of Keybridge Group assets.
- (c) Keybridge Group's financial results materially exceeding (or falling short of) of the market's expectations.
- (d) A management or business restructuring proposal.
- (e) Another company makes a confidential approach to Keybridge proposing a take-over or merger.
- (f) A Keybridge capital raising or share buy-back proposal.
- (g) The threat of major litigation against the Keybridge Group.

Inside Information Examples – Other Companies

The following are examples of Inside Information that you may have relating to a listed company other than Keybridge:

- (a) Keybridge is considering a major transaction with another listed company - the fact that the transaction will, or may, occur may have a *material effect* on the price or value of the securities in that other company.
- (b) You become aware, through a close relationship with an executive of another listed company, unrelated to Keybridge, that it is considering entering into a major transaction - similarly, the potential for that transaction to occur may *materially affect* the price or value of that other company's securities.

Reputational Damage

Insider Trading by Keybridge personnel may damage Keybridge's reputation. Keybridge's reputation may also be damaged if a reasonable person may suspect that Insider Trading has occurred, even if it has not occurred.

Example: an employee who was not aware that Keybridge was about to announce the undertaking of a major new investment buys Keybridge securities shortly before the announcement. A reasonable person may suspect that the employee was aware of the subject of the announcement before it was made.

Enforcement of Insider Trading Laws

The ASX and Government regulators take an active interest in whether Keybridge and its personnel are complying with the law on Insider Trading and this Policy. Regulators may investigate securities transactions which occur before significant ASX announcements to find out whether the buyer or seller acted on Inside Information. Keybridge considers that for a director, employee or contractor of Keybridge to engage in Insider Trading is a serious matter that may adversely affect Keybridge. Keybridge expressly states that for such a person to do so will be a breach of the person's obligations to Keybridge and may result in termination of contracts (including an employment contract) between Keybridge and such person.

Securities Trading Policy

of Keybridge Capital Limited A.B.N. 16 088 267 190 (Keybridge)

1 Introduction

1.1 Purpose

The main purposes of this Policy are to assist:

- (a) Keybridge **Personnel** to comply with the law on **Insider Trading**; and
- (b) Keybridge to protect its reputation by preventing **Insider Trading** by **Personnel** and avoiding suspicion of **Insider Trading** by **Personnel**.

1.2 Who this Policy applies to

- (a) This Policy applies to all Directors and employees of Keybridge and of its subsidiaries, and contractors who have agreed to comply (**Personnel**).
- (b) This Policy extends to a **Trade** undertaken by **Personnel** through nominees, agents or **Associates**.

1.3 This Policy is in addition to the Statutory regime concerning Insider Trading generally

Personnel must not engage in conduct that involves a breach by them of the laws relating to insider trading generally (whether in relation to **Company Securities** or other financial products), including [section 1043A](#) of the Corporations Act 2001. Failure to comply with those laws constitutes a breach of this Policy.

1.4 Definitions

Words and phrases defined below have those meanings in this Policy:

“Associate” means your spouse or other domestic partner, your dependent children under 18, any company (including a corporate trustee) which you control and any self-managed superannuation or pension fund you are a member of.

“Company Security” means:

- (a) a share in Keybridge;
- (b) a convertible, redeemable preference note in Keybridge;
- (c) an option in Keybridge;
- (d) an executive or employee share plan share in Keybridge;
- (e) any other listed or unlisted security issued by Keybridge (from time to time).

*(Note: the law against **Insider Trading** includes other kinds of securities which Keybridge does not currently have on issue. This definition is expanded to include any other kind of securities Keybridge issues in the future.)*

“Executive Personnel” means:

- (a) a Director of Keybridge or of any subsidiary;
- (b) an executive who reports directly to the Executive Chairman/Managing Director (as applicable, as the case may be);
- (c) an employee of Keybridge or of any subsidiary or who is on secondment to any other company;

- (d) other “Key Management Personnel” as defined under the ASX Listing Rules, which adopts the meaning in Accounting Standard AASB 124 (Related Party Disclosure), being “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”; and
- (e) any other **Personnel** whom the **Trading Officer** has notified is included in this definition.

“**Financial Hardship**” and “**Exceptional Circumstances**” are defined in Clause 8.

“**Insider Dealing**” means doing any of the following when you have **Keybridge Inside Information**:

- (a) **Trading** in **Company Securities**;
- (b) encouraging another person to **Trade** in **Company Securities**; or
- (c) telling the **Keybridge Inside Information** to another person where you should reasonably know that they are likely to **Trade** in **Company Securities** or persuade another person to do so.

“**Insider Trading**” means both **Insider Dealing** and conduct contrary to the laws relating to insider trading referred to in clause 1.3.

“**Keybridge Inside Information**” means information relating to Keybridge which:

- (a) is not widely available to ASX investors; and
- (b) a reasonable person would expect to have a significant effect on the price of **Company Securities** if it was widely available.

“**Personnel**” or “you” means a Director or employee of Keybridge or of any subsidiary and a contractor who has agreed to be bound by this Policy.

“**Prohibited Period**” is defined in Clause 4.

“**Short-Term Trading**” means:

- (a) buying **Company Securities** with the intention of selling that kind of **Company Securities** within 3 months; or
- (b) selling **Company Securities** with the intention of buying the same kind of **Company Securities** within 3 months.

“**Trade**” means:

- (a) buy or sell; and
- (b) otherwise acquire or dispose of.

“**Trading Approval**” means a written approval to **Trade** in **Company Securities** from the **Trading Officer**.

“**Trading Officer**” means the Company Secretary except that in relation to:

- (a) the Chairman of the Board, the **Trading Officer** is the Audit, Risk and Finance Committee Chairman; and
- (b) any other Director or the Company Secretary, the **Trading Officer** is the Chairman of the Board.

“**You**” or “**Personnel**” means a Director or employee of Keybridge or of any subsidiary and a contractor to Keybridge Group who has agreed to be bound by this Policy.

Where a word or phrase is defined, other grammatical forms of the word or phrase have corresponding meanings. A reference to the singular includes the plural and vice versa. A reference to any gender includes all other genders.

1.5 Compliance Table

Schedule 1 is a compliance table to assist you in determining how this Policy may affect you in a particular circumstance. It may not cover all situations and is not a substitute for the terms of the Policy itself.

2 Trading by All Personnel

- 2.1 You must not **Trade** in **Company Securities** when you have **Keybridge Inside Information**, even if you have a **Trading Approval**.
- 2.2 If you have **Keybridge Inside Information** which is then announced on ASX, you must not **Trade** in **Company Securities** before the start of the second (2nd) full ASX trading day after the day of the announcement, even if you have a **Trading Approval**. That is, if the **Keybridge Inside Information** was announced on ASX on trading day one, you may **Trade** in **Company Securities** only on trading day three (assuming this is not otherwise prohibited under this Policy).
- 2.3 You must not **Trade** in **Company Securities** if the **Trading Officer** directs you not to.

3 Additional Procedures for Executive Personnel

- 3.1 If you are **Executive Personnel** you may only **Trade** in **Company Securities** if clause 4 does not prevent you from **Trading**, you do not have **Keybridge Inside Information** and:
 - (a) you have a **Trading Approval**; or
 - (b) you do not need a **Trading Approval** because of clause 4.
- 3.2 A request for a **Trading Approval** must be in writing and state:
 - (a) the identity of the person proposing to **Trade** (i.e. is it you or your **Associate**);
 - (b) the type and number of **Company Securities** and the type of **Trading** proposed (example: *buy or sell*); and
 - (c) that you are not in possession of **Keybridge Inside Information**.

A form of a request for a **Trading Approval** is in Schedule 2.
- 3.3 If **Trading Approval** is granted by the **Trading Officer**, you must complete the proposed **Trade** within 14 days of receiving such **Trading Approval**, or such shorter period as determined by the **Trading Officer** based on the circumstances of your request.
- 3.4 The **Trading Officer** may cancel or suspend a **Trading Approval** by notice to you.
- 3.5 A **Trading Approval** will not be issued to operate in a **Prohibited Period** but you may apply to be exempt from a **Prohibited Period** under clause 4.
- 3.6 You *do not* need a **Trading Approval** (but you must still inform the **Trading Officer**) to:
 - (a) transfer **Company Securities** between you and your **Associates**; or
 - (b) transfer **Company Securities** where there is no change in beneficial interest in the **Company Securities**.

(Note: You must not do either of these things if you have **Keybridge Inside Information**.)

4 Prohibited Periods

(Note: you do not need to consider whether a **Prohibited Period** exists before **Trading**. A **Trading Approval** will not be issued to operate in a **Prohibited Period**.)

- 4.1 **Prohibited Periods** start when stated in the table below and finish at the beginning of the second (2nd) ASX trading day after the release of the relevant results or announcement. That is, if the results or announcement was released on ASX on trading day one, you may **Trade** in **Company Securities** only on trading day three (assuming this is not otherwise prohibited under this Policy).

Event	Start of Period
Release of full-year results on ASX.	30 days before the due date for release.
Release of half-year results on ASX.	30 days before the due date for release.

- 4.2 The **Trading Officer** may declare that any other period is a **Prohibited Period**. Such a period may have a fixed end date or may last until further notice.
- 4.3 If you are suffering from **Severe Financial Hardship** or there are **Exceptional Circumstances**, the **Trading Officer** has the discretion to exempt you from a **Prohibited Period** in relation to a proposed sale of **Company Securities**.
- 4.4 A request for an exemption must be in the form - and attach the information - specified by the **Trading Officer**. A form of a request for a **Trading Approval** during a **Prohibited Period** is in Schedule 3.
- 4.5 If exemption is granted by the **Trading Officer**, you must complete the proposed **Trade** within 14 days of receiving such exemption, or such shorter period as determined by the **Trading Officer** based on the circumstances of your request.

5 Issues to Directors and Employees

- 5.1 This Policy does not apply to the issue of any **Company Securities** to you as an **Executive Personnel** under an executive/employee equity scheme or otherwise, nor does it apply to the acquisition of shares as a result of the exercise of options issued to you.
- 5.2 However, this Policy does apply to the sale of **Company Securities** acquired under an executive/employee equity scheme or otherwise and also to the sale of **Company Securities** acquired following the exercise of an option issued to you under an executive/employee equity scheme or otherwise.

6 Other Prohibited and Restricted Practices

- 6.1 You must not:
- (a) hedge or limit your exposure to risk in any unvested options which were issued to you or your **Associate** by Keybridge in connection with your Directorship or employment/engagement;
 - (b) use any **Company Securities** held by you as security for borrowing or other obligations (including in a margin lending facility) without the written consent of the **Trading Officer**, or
 - (c) engage in **Short-Term Trading**.
- 6.2 You must not **Trade** in financial products issued or created over or in respect of **Company Securities** during **Prohibited Periods**.

- 6.3 An application for the **Trading Officer's** consent under Clause 6.1(b) must state all of the facts and be accompanied by copies of relevant supporting documentation and contact details of your financing institution (where applicable). If consent is granted by the **Trading Officer**, you must complete the proposed financing transaction within 14 days of receiving such consent, or such shorter or longer period as determined by the **Trading Officer** based on the circumstances of your request.

7 Relations with Security Analysts, Institutions and Journalists

- 7.1 In the course of your duties you may deal with external parties like investment analysts, stock-brokers, institutional investors and journalists. You must not disclose **Keybridge Inside Information** to any external person without permission.
- 7.2 If you are aware that **Keybridge Inside Information** has been disclosed without permission you must notify the Company Secretary or the Executive Chairman/Managing Director (as applicable, as the case may be) immediately. They will inform the recipient that the information is **Keybridge Inside Information** and warn them against improper use of that information.
- 7.3 You must not make public comments regarding any undisclosed operating results or other operational developments without permission.

8 Severe Financial Hardship and Exceptional Circumstances

- 8.1 The determination of whether you are in **Severe Financial Hardship** or whether a particular set of circumstances falls within the range of **Exceptional Circumstances** under this Policy (for the purpose of obtaining prior written clearance to sell or otherwise dispose of **Company Securities** during a **Prohibited Period**) may only be made by the **Trading Officer**.
- 8.2 A **Severe Financial Hardship** or **Exceptional Circumstances** determination may only be made by examining all of the facts and if necessary obtaining independent verification of the facts from banks, accountants or legal advisors.
- 8.3 You may be in **Severe Financial Hardship** if you have a pressing financial commitment that cannot be satisfied otherwise than by selling the proposed **Company Securities**.
- 8.4 There may be **Exceptional Circumstances** if you are required by a court order, or there are court enforceable undertakings, including, in a *bona fide* family settlement, to transfer or sell the proposed **Company Securities** or there is some other overriding legal or regulatory requirement for you to do so
- 8.5 Your tax liability would not normally constitute a **Severe Financial Hardship** unless you have no other means of satisfying the liability. A tax liability relating to **Company Securities** granted to you in respect of your employment (under an executive/employee equity scheme or at the discretion of the Board) would also not normally constitute **Severe Financial Hardship** or otherwise be considered an **Exceptional Circumstance**.
- 8.6 In recognition of the case that **Exceptional Circumstances**, by their nature, cannot always be specified in advance, it is envisaged that there may be other circumstances which have not been identified in this Policy, that may be deemed exceptional by the **Trading Officer**.
- 8.7 You, in seeking clearance to **Trade**, must satisfy the **Trading Officer** that you are in **Severe Financial Hardship** or that your circumstances are otherwise exceptional (that is, there are **Exceptional Circumstances**) and that the proposed sale or disposal of the relevant **Company Securities** is the only reasonable course of action available. Your application must be made in writing stating all of the facts and be accompanied by copies of relevant supporting documentation and contact details of your accountant, bank or legal advisor (where applicable).

9 Other Exclusions from this Policy

9.1 This Policy does not apply to the following Trades:

- (a) transfers of **Company Securities** which you already hold into a superannuation fund or other saving scheme in which you are a beneficiary;
- (b) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in **Company Securities**) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (c) where you are a trustee of a trust, trading in **Company Securities** by the trust, provided you are not a beneficiary of the trust and any decision to **Trade** during a **Prohibited Period** is taken by other trustees or by investment managers independently of you;
- (d) undertakings to accept, or the acceptance of, a takeover offer;
- (e) trading under an offer or invitation made to all or most of the security holders of Keybridge, such as a rights issue, a share 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) a disposal of **Company Securities** that is the result of a secured lender exercising their rights, including, under a margin lending arrangement; and
- (g) trading under a non-discretionary trading plan for which prior written clearance has been provided by the **Trading Officer** and where:
 - (i) you did not enter into the plan or amend the plan during a **Prohibited Period**;
 - (ii) the trading plan does not permit you to exercise any influence or discretion over how, when, or whether to trade; and
 - (iii) the trading plan may not be cancelled during a **Prohibited Period** other than in **Exceptional Circumstances**.

10 Administrative and Miscellaneous Provisions

- 10.1 You must give the **Trading Officer** any information he reasonably requests about **Company Securities** held or **Traded** by you or on your behalf by nominees, agents or **Associates**.
- 10.2 The **Trading Officer** will use reasonable efforts to give notices in writing but may give notices orally for good reason.
- 10.3 Neither Keybridge nor the **Trading Officer** is liable to you or your nominee, agent or **Associate** for not giving a **Trading Approval**, for imposing conditions on a **Trading Approval**, for cancelling or suspending a **Trading Approval** or for any other decision made or not made under this Policy.
- 10.4 The **Trading Officer** does not have to issue a **Trading Approval** and may include conditions in a **Trading Approval**. A **Trading Approval** will state its validity period, which will not exceed 14 calendar days.
- 10.5 You must notify the **Trading Officer** promptly in writing upon placing any order to **Trade** in the **Company Securities** under a **Trading Approval** or (without excusing any breach of this Policy) otherwise than under a **Trading Approval**.
- 10.6 The Company Secretary must keep a register of **Trading Approvals** given and of **Trades** in **Company Securities** which are notified to him under clause 10.5.

- 10.7 Directors should note that the Company is required under the ASX Listing Rules to notify the ASX:
- (a) of each Director's initial holdings of **Company Securities** upon appointment and any subsequent changes in such holdings within five business days of the change; and
 - (b) whether the **Trade** which results in the change occurred during a **Prohibited Period** and, if so, whether and on what date a **Trading Approval** was obtained.
- 10.8 To enable the Company to comply with the requirements in clause 10.7, each Director must:
- (a) enter into an agreement with the Company in a form consistent with the *pro forma* agreement in Attachment 1 to Guidance Note 22 of the ASX Listing Rules; and
 - (b) give the Company Secretary the relevant information as soon as reasonably possible and in any event no later than two business days after the date of appointment or the change in the relevant information. Notifications given to the Company Secretary under this clause 10.8(b) will also be tabled before the Board.

11 Implementation and Review

- 11.1 The Company Secretary will inform **Personnel** of this Policy. All **Personnel** will be given an induction on this Policy at the start of their Directorship, employment or engagement.
- 11.2 The Company Secretary will periodically remind **Personnel** of the need to comply with this Policy.
- 11.3 The Board will review this Policy annually, or more often if required by a change in the law or other relevant circumstances. The Company Secretary will report to the Board on the operation of this Policy for the purpose of such reviews.
- 11.4 This Policy or a summary will be disclosed to ASX annually. Material amendments to this Policy will be disclosed to ASX when made.

Adopted: 5 April 2017

SCHEDULE 1

Compliance Table

This table is a summary of what you need to do under this Policy to be allowed to buy or sell **Company Securities**.

(Words written **Capitalised Bold Italics** are defined in Clause 1.4 on pages 4 and 5.)

Type of Personnel	
You: <ul style="list-style-type: none"> • are a Director, • are an Executive who reports directly to the Executive Chairman/Managing Director (as applicable, as the case may be), • an Employee; • a Contractor (who has agreed to comply with this Policy); or • have been told this Policy applies to you. 	
Action	When the Action is allowed
Buy Company Securities .	You must have: <ul style="list-style-type: none"> • no Keybridge Inside Information*; and • a Trading Approval.
Sell Company Securities .	You must have: <ul style="list-style-type: none"> • no Keybridge Inside Information*; and • a Trading Approval.
Transfer a Company Security to an Associate (such as your spouse or trustee of your family trust or superannuation fund).	You must: <ul style="list-style-type: none"> • have no Keybridge Inside Information*; and • advise the Trading Officer.

* If you have **Keybridge Inside Information** and the Company then announces it to ASX, you must not do any of the above things before the start of the second full ASX trading day after the day of the announcement.

*For Example: if **Keybridge Inside Information** is announced on ASX at 11:00 am (Sydney time) on Tuesday none of the above activities are permitted before the ASX market opens at 10:00 am (Sydney time) on Thursday.*

SCHEDULE 2

FORM OF REQUEST FOR A TRADING APPROVAL

(Words written **Capitalised Bold Italics** are defined in Keybridge Capital Limited's Securities Trading Policy)

Name	
Residential Address	
Office or Position in Keybridge Group	
Nature of the proposed Trade (e.g. on-market sale or purchase, off-market transfer etc.)	
Class of Company Securities the subject of the proposed Trade	
Number of Company Securities the subject of the proposed Trade	
Will the proposed Trade occur on ASX (Yes/No)	
Provide details of the proposed off-market Trade (where applicable)	
Likely date of proposed Trade	
If proposed Trade is likely to be completed over a number of days, provide range of proposed Trade days	

SCHEDULE 3

FORM OF REQUEST FOR A TRADING APPROVAL DURING A PROHIBITED PERIOD

(Words written ***Capitalised Bold Italics*** are defined in Keybridge Capital Limited's Securities Trading Policy)

Name	
Residential Address	
Office or Position in Keybridge Group	
Nature of the proposed <i>Trade</i> (e.g. on-market sale or purchase, off-market transfer etc.)	
Class of <i>Company Securities</i> the subject of the proposed <i>Trade</i>	
Number of <i>Company Securities</i> the subject of the proposed <i>Trade</i>	
Will the proposed <i>Trade</i> occur on ASX (Yes/No)	
Provide details of the proposed off-market <i>Trade</i> (where applicable)	
Likely date of proposed <i>Trade</i>	
If proposed <i>Trade</i> is likely to be completed over a number of days, provide range of proposed <i>Trade</i> days	
Provide details of <i>Severe Financial Hardship</i> and or <i>Exceptional Circumstances</i> and attach relevant supporting documentation and contact details of your bank, accountant and or legal advisor	

