

## 1 Definitions

In this policy:

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|--------------------------------|--|
| <b>ASX</b>                     | means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).  |
| <b>Board</b>                   | means the board of the Company.  |
| <b>Chair</b>                   | means the Director of the Company appointed as the chair of the Board from time to time.   |
| <b>Closed Periods</b>          | means: <ul style="list-style-type: none"> <li>(a) 1 July up to and including the day of release of the Appendix 4E Full Year Report to ASX;</li> <li>(b) 1 January up to and including the day of release of the Appendix 4D Half Year Report to ASX;</li> <li>(c) while the Company is a listed investment company, the period from the month-end at which the net tangible asset backing of the Company's securities for that month are compiled up to and including the day of release of the net tangible asset backing for that month; and</li> <li>(d) any other period specified by the Board from time to time.</li> </ul> |
| <b>Company</b>                 | means Benjamin Hornigold Limited ACN 614 854 045.  |
| <b>Company Secretary</b>       | means the person appointed as the company secretary of the Company from time to time.  |
| <b>Corporations Act</b>        | means the Corporations Act 2001 (Cth).   |
| <b>Director</b>                | means a director of the Company.   |
| <b>Inside Information</b>      | has the meaning given to it by section 1042A of the Corporations Act.  |
| <b>Listing Rules</b>           | means the listing rules of ASX.  |
| <b>Managing Director / CEO</b> | means the managing director (or if there is no managing director, the chief executive officer) or equivalent officer (by whatever title known) of the Company.   |

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Employee.

**Restricted Person**

means:

- (a) the Board and company secretary of the Company;
- (b) the directors and company secretary of any wholly or majority owned subsidiary of the Company;
- (c) any person who is entitled to receive equity performance rights and/or options as part of any equity incentive based scheme of the Company; and
- (d) any senior executive with authority and responsibility for planning directing and controlling the Company's activities.

**Securities**

has the meaning given to it by section 92 of the Corporations Act but also extends to financial products issued or created over or in respect of securities issued by the Company (for example, warrants and other derivative products), whether or not the financial products are created by the Company or by third parties.

**Shareholders**

means the shareholders of the Company.

## 2 Introduction and executive summary

- (a) This policy applies to each Restricted Person. Each Restricted Person has a personal responsibility to ensure that his or her 'associated parties' (being immediate family including a spouse or equivalent, minor children or dependent, family company or family trust that the Restricted Person or their close family members control) comply with the same respective restrictions as apply to Restricted Persons.
- (b) The purpose of this policy is to:
  - (i) alert Restricted Persons to the types of conduct in relation to the Company's Securities that are prohibited by the Corporations Act;
  - (ii) establish best practice guidelines in relation to dealings in the Company's Securities, including during the Closed Periods; and
  - (iii) protect the Company and its reputation in the marketplace.
- (c) The Company aims to achieve the highest possible standards of corporate conduct and governance. The Board considers that compliance with this policy is necessary to ensure that the highest standards of conduct are met by each Restricted Person.
- (d) Non-compliance with this policy will be regarded as serious misconduct by the Company and may attract disciplinary action, including termination of any Contractor or Employee.

### **3 Overview of insider trading and tipping**

#### **3.1 Prohibited conduct**

Under the Corporations Act, if a person has Inside Information in relation to a company and knows, or ought reasonably to know, that the information is Inside Information, that person must not:

- (a) trade in that company's securities;
- (b) procure another person to trade in that company's securities; or
- (c) communicate the information, directly or indirectly, to another person who the person knows, or ought reasonably to know, is likely to trade in those securities or procure another person to trade in those securities.

Insider trading is prohibited at all times.

#### **3.2 Subsidiaries and associated entities**

The prohibition against insider trading:

- (a) extends to trading in the securities of a subsidiary of a company about which a person has Inside Information;
- (b) may extend to trading in securities of other companies that deal with or are associated with the company about which a person has Inside Information.

#### **3.3 Consequences of insider trading**

- (a) Insider trading is a criminal offence.
- (b) Persons trading with Inside Information risk prosecution, punishable by substantial fines or imprisonment or both, under the Corporations Act.
- (c) The Company may also be liable if Restricted Persons engage in insider trading.
- (d) Insider trading is subject to the civil penalty provisions under the Corporations Act which empower a court to impose substantial pecuniary penalties, order payment of compensation to persons who suffer loss or damage as a result of the insider trading and make a disqualification order.
- (e) In addition to any consequence under the Corporations Act, insider trading breaches this policy. Breaches will be treated seriously by the Company and may attract disciplinary action, including termination of any Contractor or Employee involved.

#### **3.4 What is Inside Information**

Inside Information is information that:

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- (a) is not generally available; and
- (b) if it were generally available:
  - (i) a reasonable person would expect it would have a material effect on the price or value of the securities in question; or
  - (ii) would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the securities in question.
- (c) Information is generally available if it:
  - (i) is readily observable;
  - (ii) has been made known in a manner likely to bring it to the attention of persons who commonly invest in securities of the relevant type and a reasonable period for that information to be disseminated has elapsed since it was made known; or
  - (iii) consists of deductions, conclusions or inferences made or drawn from information falling under the above paragraphs.
- (d) Examples of what may constitute Inside Information include:
  - (i) proposed changes in capital structure;
  - (ii) information to be disclosed under the Corporations Act or the Listing Rules;
  - (iii) proposed changes in the general character or nature of the business;
  - (iv) information regarding changes in the holdings of substantial security holders;
  - (v) proposed significant changes in the holdings of any Director;
  - (vi) appointment of a receiver, manager, liquidator or administrator in respect of any loan, trade credit, trade debt, borrowing or securities of the Company or any of its subsidiaries;
  - (vii) a recommendation or declaration of a dividend or distribution;
  - (viii) a transaction for which the consideration payable or receivable is a significant proportion of the written down value of the Company's consolidated assets;
  - (ix) a claim against the Company for which the excess or damages (or both) payable by it is a significant proportion of the written down value of the Company's consolidated assets;
  - (x) a possible acquisition or sale of any asset by the Company or its

subsidiaries;

- (xi) giving or receiving a notice of intention to make a takeover; or
- (xii) an agreement between the Company (or a related party or subsidiary of the Company) and a Director (or a related party of the Director).

## **4 General restrictions on dealing in Securities of the Company**

### **4.1 No dealing where in possession of Inside Information**

A Restricted Person must not deal in the Company's Securities at any time where:

- (a) the Restricted Person is in possession of Inside Information; or
- (b) the Company is in possession of Inside Information and has notified Restricted Persons that they must not deal in the Company's Securities (either for a specified period or until the Company gives further notice).

### **4.2 Short selling**

A Restricted Person must not engage in the short selling of the Company's Securities at any time.

## **5 Closed Periods**

### **5.1 No dealing**

A Restricted Person must not deal in the Company's Securities during the Closed Periods.

### **5.2 Exemption**

- (a) Despite clause 5.1, a Restricted Person seeking to sell (but not purchase) the Company's Securities may apply in writing to:
  - (i) the Chairman (in the case of a Director other than the Chairman);
  - (ii) the chairman of the Company's Audit and Risk Management Committee (in the case of the Chairman); or
  - (iii) the Managing Director/CEO (in all other cases),for a waiver from compliance with clause 5.1 of this policy.
- (b) An application for a waiver must set out the circumstances of the proposed dealing (including an explanation as to the Restricted Person's severe financial hardship or circumstances that are otherwise exceptional) and the reason the waiver is requested.
- (c) The Chairman, chairman of the Company's Audit and Risk Management Committee

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or Managing Director/CEO (as applicable) will only grant a waiver if satisfied that:

- (i) there are circumstances of severe financial hardship or other exceptional circumstances such as a pressing financial commitment that cannot otherwise be satisfied, a Court order or some overriding legal or regulatory requirement, to transfer or sell shares in the Company, or other circumstances that may be deemed exceptional by the Chairman;
  - (ii) the proposed dealing is the most reasonable course of action available in the circumstances;
  - (iii) the Restricted Person is not privy to any Inside Information; and
  - (iv) the proposed dealing will not expose the Company to any adverse criticism.
- (d) If a waiver is granted, the Restricted Person will be notified in writing (including by email or other means) and in each circumstance the duration of the waiver to deal in the Company's Securities will be 5 trading days.
- (e) Unless otherwise specified in the notice provided to the Restricted Person under clause 5.2(d), any dealing in the Company's Securities must comply with the other clauses of this policy (to the extent applicable).

## **6 Other permitted dealings**

### **6.1 Notification rules**

- (a) Restricted Persons are required to notify the Company of intended dealings in the Company's shares by themselves or their associated parties, prior to such intended dealings. This should be done by written notice to the Company Secretary outlining:
  - (i) Name of Shareholder;
  - (ii) Type of proposed transaction (purchase, sale, etc); and
  - (iii) Number of shares involved.
- (b) The Company Secretary will confirm with the Chairman in relation to any proposed dealing.
- (c) The Chairman and the Company Secretary must keep a written record of any information received from an employee including a Restricted Person in connection with the Securities Trading Policy and any clearance or refusal to grant clearance given under this Securities Trading Policy.
- (d) Upon receiving approval, Restricted Person must undertake the proposed dealing within 5 trading days. If the dealing is not undertaken within this time, the approval will no longer have effect and a new approval will be required.

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- (e) Upon receiving approval, the Restricted Persons may undertake the proposed dealing but must confirm any such dealing with the person who provided approval and the Company Secretary within 2 business days of the dealing.
- (f) The prohibition in clause 4.1 of this policy applies to all dealings in the Company's Securities despite any approval given to Restricted Person under this policy and Restricted Person are responsible for ensuring that the dealing does not breach the prohibition in clause 4.1.

### **7 Hedging of Company Securities**

Hedging of vested and unvested Company Securities by a Restricted Person is prohibited at all times. Hedging includes entering into transactions in financial products that operate to limit the economic risk associated with holding Company Securities.

### **8 Margin lending arrangements**

- (a) Any dealing in the Company's Securities by Restricted Persons pursuant to a margin lending arrangement must be conducted in accordance with this policy, including:
  - (i) entering into a margin lending arrangement in relation to the Company's Securities;
  - (ii) transferring Securities in the Company into an existing margin loan account; and
  - (iii) selling Securities in the Company to satisfy a call pursuant to a margin loan.
- (b) Restricted Persons must obtain approval in accordance with the procedure set out in clause 6.1 of this policy for any proposed dealing in the Company's Securities in connection with a margin lending arrangement, irrespective of any Closed Period.
- (c) The Company may, at its discretion, make any approval granted in accordance with clause 8(b) of this policy conditional upon such terms and conditions as the Company sees fit (for example, the circumstances in which the Company's Securities may be sold to satisfy a margin call).

### **9 Securities in other companies**

While, in general, Restricted Persons are free to deal in the Securities of other companies, if a Restricted Person possesses Inside Information in relation to another company with which the Company may be dealing (including the Company's customers, contractors or business partners), the Restricted Person must not deal in the Securities of the other company.

## **10 Securities to which this policy does not apply**

This policy does not apply to:

- (a) a transfer of the Company's Securities already held by a Restricted Person into a superannuation fund or other saving scheme of which the Restricted Person is a beneficiary, or a transfer to someone closely related to the Restricted Party (such as their spouse, minor child, family company or family trust);
- (b) undertakings to accept, or the acceptance of, a takeover offer;
- (c) trading under an offer or invitation made to all or most of the existing security holders in a company, such as a pro-rata rights issue, a Security purchase plan, a dividend or distribution reinvestment plan or an equal access buy-back; or
- (d) the exercise (but not the sale of Securities following exercise) of an option or a right under an employee incentive scheme, or the conversion of a convertible Security;
- (e) the purchase of shares pursuant to a requirement imposed by law;
- (f) bona fide gifts to a director by a third party;
- (g) where a Restricted Person is a trustee, trading in the securities of the entity by that trust provided the Restricted 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 Restricted Person.

## **11 General**

### **11.1 Confidentiality**

Restricted Persons are bound to regard the information they hold about the Company which has not been disclosed to the ASX as confidential and may not pass that information on to any other party.

### **11.2 Breach of policy**

- (a) Any breach of this policy will be regarded as serious and will be subject to appropriate sanctions.
- (b) Any Contractor, Director or Employee 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.
- (c) Any person who is proven to have breached this policy could face disciplinary action (including forfeiture of Securities and/or, in the case of a Contractor or Employee, termination).



**11.3 Responsibility in relation to this policy**

- (a) Restricted Persons are responsible for understanding and adhering to this policy.
- (b) The Company Secretary is responsible for maintaining this policy. The Board will review this policy annually or as legislative requirements change and best practice for securities trading evolves. The Company Secretary will communicate any changes in this policy to the Restricted Persons.
- (c) This summary has been provided by the Company. It is not intended to be an exhaustive statement of the law and should not be relied upon as more than a mere summary. Restricted Persons should seek their own professional advice in relation to the matters dealt with in this summary. Requirements imposed by this policy are separate from, and additional to, the legal prohibitions contained in the Corporations Act. Any clearance to trade granted under this policy is not an endorsement of the proposed trade and Restricted Persons are individually responsible for their investment decisions and their compliance with insider trading laws.

**11.4 Endorsement**

This policy was adopted on 15 March 2017.