

GAZAL CORPORATION LIMITED

ACN: 004 623 474

SECURITIES TRADING POLICY

Updated January 2018

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1. Introduction

The board of the Company (the **Board**) considers it essential that the Company and its employees comply with both the law and high ethical standards. It considers “insider trading” to be both illegal and unethical.

Furthermore, a perception of insider trading in Company *Shares* could undermine the integrity of the market for them and prejudice the reputations of the persons concerned and those associated with them, including the Company itself.

This Share Trading Policy (**Policy**) has been adopted by the Board to:

- Provide guidance to directors of the Company (**Directors**), those employees who report directly to the Chief Executive Officer (**Gazal Key Management**) and other employees of the Company and its subsidiaries (the **Group**) if they are contemplating *dealing in Company Shares*; and
- Minimise the possibility of misperceptions arising in relation to the Directors, the Gazal Key Management and other employees dealing in the Company’s *Shares*.

This Policy is directed at:

- *dealing in Company Shares* by the Directors, Gazal Key Management and other employees,
- *dealings* through entities or trusts controlled by the relevant person, or in which they have an interest; and
- encouraging family or friends to so deal.

Any non-compliance with this Policy will be regarded as serious misconduct.

2. Legal Restrictions on dealing in Company Shares

2.1 Person to whom this Policy applies

This Policy applies to:

- All Directors;
- The Chief Executive Officer and the other members of the Gazal Key Management; and
- All other employees of the Group.

2.2 Prohibitions

Under the Corporations Act, if:

- A person possesses *Inside Information*; and
- The person knows or ought reasonably to know, that the information qualifies as *Inside Information*,

the person must not (whether as principal or agent):

- *deal in Company Shares*; or

- procure another person to *deal* in Company Shares; or
- directly or indirectly communicate the *Inside Information*, or cause the *Inside Information* to be communicated, to any other person who they know, or ought reasonably to know, would be likely to *deal* in the Company Shares or procure another person to do so.

This would include *dealing* in Company Shares through an entity or trust controlled by the relevant person, or in which they have an interest, or encouraging family or friends to so *deal*.

2.3 Penalties

Maximum penalties under the Corporations Act for a breach of “insider trading” provisions are:

- \$220,000 or imprisonment of 5 years or both in the case of a natural person;
- \$1,100,000 in the case of a company; and
- unlimited civil liability.

3. Important Terms

3.1 What are “Shares”

“Shares” include shares of any class, notes, options, bonds, derivatives, ADR’s, managed investments and superannuation products and any other financial product able to be traded on a financial market.

3.2 What is “Inside Information”?

“Inside Information” is information that is not *generally available* and, if it were *generally available*, a reasonable person would expect it to have a *material effect* on either the price or the value of Company Shares.

3.3 When is information “generally available”?

Information is “generally available” if:

- it consists of readily observable matter; or
- where the information has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in Shares, a reasonable period for it to be disseminated among such persons has elapsed. For example, it has been released to the ASX or published in an annual report or prospectus; or
- it may be deduced, inferred or concluded from information referred to above.

3.4 What is a “material effect”?

“Material effect”, in relation to *Inside Information*, is where that information would, or would be likely to, influence persons who commonly acquire Shares in deciding whether or not to acquire or dispose of Shares.

Examples of information, that may have a *material effect* on the price or value of Company Shares when it becomes *generally available*, include:

- revenue;
- profit forecasts;
- inventory levels;

- items of major capital expenditure;
- borrowings;
- liquidity and cashflow information;
- significant changes in operations;
- management restructuring;
- changes in distribution arrangements;
- litigation;
- impending mergers and acquisitions, reconstructions or takeovers;
- major asset purchases or sales; and
- new product and technology.

3.5 What is “dealing in” Shares?

“Dealing in” *Shares* is a very broad concept including:

- acquiring or disposing of *Shares* or options to acquire *Shares* (eg by buying or selling them or exercising an option);
- applying for *Shares* (eg pursuant to a rights issue or employee share plan); or
- entering into an agreement to do any of the above.

4. Policy for Dealing in Company Shares

4.1 Absolute Prohibition

Unless expressly exempted in accordance with section 4.5 of this Policy, no Director, member of the Gazal Key Management or other employee of the Group may *deal* in Company *Shares* at any time (including during a Trading Window see below), if that person is in possession of *Inside Information*.

Where a Director, member of the Gazal Key Management or other employee is unsure as to whether they are in possession of *Inside Information* they should discuss the matter with the relevant contact person listed in Section 6 below.

4.2 Dealing by Employees other than Directors and the Gazal Key Management

Unless they have the prior approval of the Company Secretary or in his absence the CEO (which may be granted in unusual circumstances e.g. financial hardship), employees, other than Directors and members of the Gazal Key Management, must not *deal* in Company *Shares*, except during the following periods (***Trading Windows and Black-out Periods when trading is prohibited***)

Below are the trading windows and black-out periods over a twelve-month period.

Trading Window	the next business day after the day on which the half-year results are released (normally around mid to late September) until 31 January
Black-out Period	1 February until the next business day after the day on which the full-year results are released (normally around mid to late March)
Trading Window	the next business day after the day on which the full-year results are released (normally around mid to late March) until 31 July
Black-out Period	1 August until the next business day after the day on which the half-year results are released (normally around mid to late September)

Directors and employees are encouraged to seek approval to trade in the Company’s securities during the trading windows.

The Company may also restrict dealing in Company Shares during the *Trading Windows* by all or particular employees by notice to them.

If employees wish to trade outside the *Trading Windows* they must obtain prior approval from the Company Secretary. Details of all such *dealings* must be advised in writing to the Company Secretary, making reference to the prior discussion, as soon as they have taken place.

4.3 Dealing by Directors and the Gazal Key Management

Before any Director or member of the Gazal Key Management *deals in* any Company Shares at any time, including during *Trading Windows*, they must discuss the proposed *dealing* with (and obtain approval from):

- the Chairperson or CEO, in the case of Directors and the Gazal Key Management; or
- in the case of the Chairperson, a Director chosen by the Board for that purpose.

Approval is unlikely to be granted for *dealings* outside of *Trading Windows* (except in unusual circumstances eg financial hardship). In addition, the Company may also restrict *dealing in Company Shares* during the *Trading Windows* by all or particular Directors or members of the Gazal Key Management by notice to them. Details of all such *dealings* must be advised in writing to the Company Secretary, making reference to the prior approvals, as soon as they have taken place.

4.4 Short Term and Other Dealings

No Director, member of the Gazal Key Management or other employee may *deal in Company Shares* at any time for short term gain, including buying and selling *Company Shares* in a 3 month period or using forward contracts, without the approval of the Chairperson or in the case of the Chairperson a Director chosen by the Board for that purpose (which may be granted in unusual circumstances, eg financial hardship).

In addition, an employee (including members of the Gazal Key Management) must not enter into any scheme, arrangement or agreement under which the employee may alter the economic benefit derived by the employee, in relation to an equity-based incentive award or grant made by the Company to the employee, irrespective of the outcome under that incentive award or grant.

4.5 Exemption

The Board may exempt employees of the Group (including the Key Management) from the requirement to obtain approval under this Policy, in respect of a specified class of dealings under employee share schemes designated by the Board, where such dealing is otherwise permitted by law.

5. Broader Application of the Law

5.1 Application to Other Persons

The restrictions on insider trading in the Corporations Act apply, not just to employees, but to any person possessing *Inside Information*, including contractors to the Company or any of its subsidiaries, employees of or contractors to any joint venture entities in which the Company has an interest and advisers to the Company.

5.2 Shares of other Companies

Directors, Gazal Key Management and other employees are also prohibited from *dealing in the Shares* of outside companies, about which they may gain inside information by virtue of their position as a Director, Gazal Key Management member

or other employee of the Group. For example, if a Group employee was aware that the Company was about to sign a major deal with another company, they could not *deal* in *Shares* of either company.

6. Company Contacts

If you have any questions in relation to this Policy or should you wish to discuss a proposed dealing in Company *Shares*, you should contact:

- The Company Secretary, who is currently Peter Wood. He can be contacted either by phone (+61 2 93162816) or by email (peter.wood@gazal.com.au); or

7. Review of this Policy

This Policy is subject to regular review by the Board and will be amended (as appropriate).

8. Access to this Policy

This Policy will be available for viewing by any employee of the Group on the Portal and by any other person on the Company's website. The Policy must also be circulated by the Company Secretary to Directors, the Gazal Key Management and all Group employees as soon as possible after its review each year.