



## Securities Trading Policy

### 1. Introduction

Aveo Group (Aveo) stapled securities are listed for quotation on the Australian Securities Exchange (ASX). This document sets out Aveo's policy regarding when directors and employees may deal in Aveo securities.

The policy aims to:

- protect the reputation of the Aveo Group, its directors and employees and to maintain public confidence in the trading of Aveo's securities at all times;
- ensure that directors and employees do not use inside information they possess for their personal advantage or to their customers' or Aveo's detriment; and
- ensure that directors and employees comply with the insider trading provisions of the Corporations Act 2001 (C'th) (Corporations Act).

### 2. Who does this policy apply to?

This policy applies to all executive and non-executive directors and employees (including contractors) of Aveo Group Limited and any of its subsidiaries. It also extends to the immediate family members of directors and employees and to companies, trusts and entities controlled by the director or employee or their immediate family member (Related Persons).

Every director and employee of Aveo has an individual responsibility to ensure that they and their Related Persons comply with the law relating to insider trading and this policy. . A summary of the law relating to insider trading and consequences of breach are described at Attachment 1.

The policy is not intended to be a substitute for directors and employees obtaining their own legal advice. If any director or employee has any particular concerns on insider trading or dealing in Aveo securities, they should contact the Group Company Secretary.

### 3. Prohibition against dealing in Aveo's financial products

Where a director or employee is in possession of **inside information** about Aveo's financial products they cannot:

- apply for, acquire or dispose of (deal) those financial products, or enter into an agreement to do any of those things, or
- procure that another person deals in those financial products.

**Inside information** is information that is not generally available but if it were, a reasonable person would expect it to have a **material effect** on the price or value of financial products.

Further details on what is meant by "information" that is not "generally available" and when that information might have a "material effect" on securities is set out at Attachment 1.

#### 3.2 Which financial products does this Policy apply to?

Financial product has a very wide meaning in the Corporations Act. The full list of financial products regulated by law is set out in **Attachment 1**. The most common financial product that employees and directors will deal with are Aveo's stapled securities listed on the ASX.

Employees must also not deal in the securities in another entity if they are aware of inside information in relation to that entity, no matter how they came into possession of the inside information. Employees may come into possession of inside information regarding another entity where they are directly involved in client relationship management or negotiating contracts (e.g. employees may become aware that the Group is about to sign a major agreement with an external company).

## 4 The Front Page Test

It would be damaging to the Group's reputation if the market or the general public perceived that directors or employees were taking advantage of their position in the Group to make financial gains (for example, 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 I be perceived to be 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? (Front Page Test).*

If the director or employee is unsure, he or she should consult the Group 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.

## 5. Trading in Aveo Securities

### 5.1 Prohibited Dealing

- No director or employee can deal in or get someone else to deal in financial products of Aveo in breach of insider trading rules.
- No director or employee can deal in or get someone else to deal in financial products of Aveo during a closed period or without following the processes for approval required under this policy (see section 5.3 for more information).
- At no time can directors or employees engage in short term speculative trading in Aveo's financial products. For the avoidance of doubt, the purchase and subsequent sale of Aveo's financial products by directors or employees within a six month period will, in the absence of compelling evidence to the contrary, be deemed to be short term speculative trading. This rule is designed to encourage support for Aveo's long term objectives and discourage short term actions which could affect the security price or lead to market speculation. This rule does not prevent a director or employee disposing of securities issued on the exercise of employee options or upon the vesting of performance rights (subject to the other terms of this policy).
- Any director or employee who deals in financial products of Aveo on a financial market should use only one or two brokers, and preferably only one.

### 5.2 Closed Period and Permitted Trading Period

Directors and employees must not deal in Aveo's financial products during the following Closed Periods:

- from the earlier of the period from the ex-dividend date (where applicable) or from 1 January until 9 am (AEDT) on the first business day after the release of Aveo's half year results;

- from the earlier of the period from the ex-dividend date (where applicable) or from 1 July until 9 am (AEST) on the first business day after the release of Aveo's full year results; and
- any other period that the Board determines is a Closed Period.

All other days throughout the year constitute the **Permitted Trading Period**. Directors and employees can deal during Permitted Trading Periods, however approvals are required before certain individuals are allowed to deal (see section 5.3 for further information).

### 5.3 Required Approvals

Employees will have different access to price sensitive information depending on their position in Aveo. **Designated Employees** are those employees deemed most likely to have access to inside information and these employees are therefore subject to additional restrictions in relation to trading in Aveo's financial products.

The following employees are Designated Employees:

- key management personnel;
- directors, company secretaries and senior executives of principal subsidiaries;
- senior Finance, Legal, Communication or Investor Relations employees;
- corporate and divisional officers reporting directly to any of the above employees;
- confidential secretaries and assistants reporting to any of the above positions;
- employees who have access to the Group's financial results;
- participants in the Aveo Short and Long Term Incentive Plans; and
- any other Aveo employee designated by the Group Company Secretary from time to time for the purposes of this policy.

Directors and Designated Employees must seek written approval (including by email) prior to dealing in Aveo's financial products within a Permitted Trading Period.

Requests for approval should be submitted to the Group Company Secretary, who will forward it to:

- the Chief Executive Officer, or Chief Financial Officer (in the case of Designated Employees other than Directors);
- the Chairman (in the case of directors); and
- An independent non-executive director (in the case of the Chairman).

A request for approval to deal will be answered as soon as practicable. The designated approval officer (which includes the Group Company Secretary for Designated Employees other than Directors), having consulted with members of management as appropriate, may:

- grant or refuse the request;
- impose conditions on the dealing in their discretion.

The designated approval officer is not obliged to provide reasons for any aspect of their decision, and may revoke their approval at any time. If a request is not approved or an approval is revoked, that fact must be kept confidential.

Approval under this Policy is not an endorsement of the dealing. Directors and Designated Employees remain subject to the insider trading laws at all times and must not deal in Aveo's financial products if they are in possession of inside information during a Permitted Trading Period.

For directors or Designated Employee's seeking to deal in Aveo financial products acquired as a result of the vesting of either Short or Long Term Incentive Plans, the clearance to deal will be valid for one month from the vesting date. In all other circumstances, clearance to deal

will be valid for a period of fourteen days unless further extended by agreement. Directors and Designated Employee's must then comply with all rules in this policy for dealing in Aveo financial products.

While it is not compulsory, Aveo believes it would be prudent for all directors and employees to maintain a record or register of personal trading in Aveo's financial products. All designated employees will have their holdings in Aveo financial products monitored through a watch list to ensure compliance with the required approval process for trading in Aveo financial products.

#### 5.4 Special Circumstances for Trading outside the Permitted Trading Period

Trading may be permitted outside the Permitted Trading Period where special circumstances exist. Directors and Designated Employees must follow the approval process described in section 5.3 when seeking permission to deal in exceptional circumstances.

Whether special circumstances exist will be a matter for the relevant approval officer to decide, but will generally only apply in limited circumstances such as:

- cases of financial or personal hardship or necessity, and
- legal duties and obligations (e.g., the administration of a deceased estate or transfers under Family Court orders).

Approval will only be granted if the application is accompanied by sufficient evidence (in the opinion of the designated approval officer) that the dealing is the most reasonable course of action and that there is no apparent breach of the insider trading laws.

Where written clearance to deal has been provided, it will be valid for a period of fourteen days unless further extended by agreement.

#### 5.5 Excluded Trading

The following dealings are excluded from the restrictions under this policy. However, the Group Company Secretary must be notified prior to the dealing taking place to ensure there are no restrictions which would prevent directors or employees undertaking the proposed dealing.

This includes:

- the issue of securities under an employee incentive scheme approved by the Board (however, where securities granted under an employee incentive scheme cease to be held under the terms of that scheme, any dealings in those securities must only occur in accordance with this policy);
- the exercise (but not the sale of securities following exercise) of an option under an employee incentive scheme or the conversion of a convertible security;
- trading under an offer or invitation made to all or most of Aveo security holders including an issue of securities under a rights issue, security purchase plan, distribution reinvestment plan, equal access buy-back or other pro rata offer where the plan that determines the timing and structure of the offer has been approved by the Board;
- undertakings to accept, or the acceptance of, a takeover offer or scheme of arrangement;
- dealings that result in no effective change to the beneficial interest in the securities (e.g. transfers of securities already held by a director or employee into a superannuation fund, family trust or other savings scheme in which the director or employee is a beneficiary); and
- the sale of securities in accordance with a margin call under the terms of a margin loan against the relevant Aveo securities.

However, given such dealings **remain subject to the insider trading rules** in the Corporations Act, directors and employees should still consider any legal or reputational

issues (including the Front Page Test) before proceeding with the proposed dealing.

## **6. Margin Lending Arrangements**

Directors and key management personnel, must obtain approval in accordance with the process in section 5.3 before entering into margin loans (including by way of security lending) in respect of securities in Aveo or in an associated entity or subsidiary. Directors and key management personnel may be asked to provide the key terms of the proposed arrangement.

The Group Company Secretary must in turn inform the Board of the existence of such loans.

Directors and key management personnel may only sell all or part of the securities held that are subject to the margin loan to meet a margin call in accordance with the terms of the policy. Cases of hardship or special circumstances will also be dealt with in accordance with this policy.

## **7. Use of Derivatives or Hedging**

The use of derivative or hedging arrangements by directors or key management personnel in relation to unvested Aveo securities or vested Aveo securities which are still subject to an Aveo imposed holding lock is prohibited.

## **8. ASX Notification by Directors**

The Corporations Act and the ASX Listing Rules require director dealings in Aveo securities to be disclosed to the ASX. In order to comply with the ASX Listing Rules, each director must inform the Group Company Secretary in writing of all director dealings as soon as reasonably possible after the date of the transaction and in any event, no later than 3 business days after the transaction.

## **9 Related Persons of Designated Employees**

Directors and Designated Employees must take appropriate steps to ensure that their Related Persons only deal in Aveo's financial products in circumstances where the Director or Designated Employee to whom they are connected would be permitted to deal under this policy. For example, by obtaining clearance in accordance with this Policy in respect of the Related Persons' proposed trading in Aveo's financial products.

## **10. Compliance with Policy**

On an annual basis, the Group Company Secretary will require directors and Designated Employees to:

- certify that they have read the policy and continue to comply with the terms of this policy; and
- confirm all holdings in Aveo financial products to facilitate a reconciliation between the directors and Designated Employee's watch list to ensure trading has been conducted pursuant to the terms of this policy.

## **11. Consequences of Breach of Policy**

A breach of this policy by any person will be treated seriously and may lead to disciplinary action including dismissal. Breaches of the Corporations Act may also result in fines and/or imprisonment. Further information on the consequences of breach are set out at Attachment 1.

Aveo will involve the authorities if it believes insider trading or other breaches of the law have been committed

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*All queries regarding issues raised in this policy should be directed to the Group Company Secretary.*

***This policy was reviewed and updates approved by the Board on 13 February 2019***

## Attachment 1

### 1 General Prohibition against Insider Trading

During the course of their duties, directors and employees of Aveo may become aware of information that could have an impact on the price of securities and other financial products in the market. This information could be '**inside information**'.

This information is usually confidential and subject to an employee's general duties of confidence to Aveo and to customers. The insider trading rules in the Corporations Act also affect how directors and employees can use this information.

Where a director or employee is in possession of price sensitive information about any company's financial products which is not generally available to others, under the Corporations Act, they cannot:

- apply for, acquire or dispose of those financial products, or enter into an agreement to do any of those things, or
- procure that another person does any of those things in relation to those financial products.

Where the price sensitive information relates to a company's financial products that are listed on a financial market, then directors and employees must not, directly or indirectly, communicate that information to a person if they know, or they ought reasonably to know, that the person is likely to deal or trade in those financial products.

These rules not only prevent Aveo directors and employees from trading, but also prevent directors and employees of Aveo from encouraging other people to trade or giving that information to someone else who is likely to trade or encourage others to trade.

The rules apply equally to financial products issued or made available by Aveo or its subsidiaries and to financial products issued or made available by customers or other corporate entities with which directors or employees may deal in the course of their duties (e.g. suppliers, sub-contractors or entities in which Aveo has an interest).

The laws also apply to all directors and employees regardless of the capacity in which they are acting. For example, a director or employee must not trade through their family or through a trust or company in which they have influence or control in circumstances where they would have been prohibited from trading in their own name because they are aware of inside information.

It is also important to note that information does not need to be obtained from Aveo to be inside information. It does not matter how the inside information is obtained, just that the director or employee possess it.

### 2 Definitions under the Corporations Act

Financial product has a very wide meaning in the Corporations Act.

Not all financial products are subject to the insider trading rules. For the purpose of this policy, a reference to a financial product is only to those products which are subject to the insider trading rules.

The insider trading rules apply to the following financial products:

- securities - including a company's shares, debentures (including convertible notes), managed investment interests made available by it, units of shares or of managed investment interests and exchange traded and over the counter put and call options over any of those securities,
- derivatives - including exchange traded options, equity swaps, futures or options, equity futures or other futures which relate to any financial products of a company,

- managed investment products,
- superannuation products, and
- any other financial product that can be traded on a financial market (that is, tradeable on a stock exchange or futures exchange or other type of licensed financial market).

**Information** means any fact, matter or circumstance and includes:

- matters of supposition (e.g. rumours or innuendo) or which are otherwise insufficiently definite to warrant being made known to the public, and
- matters relating to the intentions, or likely intentions, of a person.

The information can be in any form (e.g. written or verbal).

Information is **generally available** if:

- it consists of readily observable matter, or
- it has been made known to people who commonly invest in the type of financial product involved and a reasonable period has elapsed for it to be disseminated to those people, or
- it consists of deductions, conclusions or inferences made or drawn from readily observable matter or information that has been disseminated.

Information has a **material effect** on the price or value of financial products if the information would, or would be likely to, influence people who commonly acquire financial products in deciding whether or not to acquire or dispose of the particular financial products.

Directors or employees may come into possession of inside information if they become aware of any of the following when it is not generally available:

- actual profit results,
- internal forecasts of profit results,
- changes of strategic direction of the business,
- details of a new product or substantial new business contract or project,
- the appointment or resignation of a chief executive officer, executive director or chairman,
- an actual or proposed major acquisition or disposal of assets,
- a float or other share issue, capital raising, takeover, merger, purchase, sale or partial sale of business,
- actual or proposed major litigation,
- any plans involving securities or securities futures or other financial products.

The information may relate to Aveo, one of its subsidiaries, a corporate customer or any other company.

### 3 Specific Insider Trading Rules under the Corporations Act

All directors and employees must follow the rules below if they are considered an insider:

- you must not apply for, acquire, or dispose of, financial products of Aveo to which the inside information relates, either for yourself or for another person,
- you must not get another person (whether a family member, friend, associate, colleague or your company or trust) to apply for, acquire or dispose of, the financial products for you or for another person or for themselves,



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- if the financial products are also listed on a financial market (such as the ASX) you must not, either directly or indirectly, give the inside information, or allow it to be given, to another person who you know, or should know, would be likely to do any of the prohibited things described above,
  - with regard to financial products of a company which is a customer or another person with whom you do business, you must not apply for, acquire or dispose of or offer or agree to acquire or dispose of those financial products or attempt to influence others (including family, associates, colleagues, private company or trustee) to do so,
  - you must not give any inside information to any person who is an employee or contractor of Aveo and/or its subsidiaries who is a trader in, or distributor of, financial products or get them to buy or sell for you or another person while you remain an insider,
  - if you liaise with industry analysts or business journalists working on the business activities of Aveo, you must not give them any inside information about Aveo, or confirm with them any suspicions or hunches which they may have, even if these hunches are based on their own research and analysis.

#### **4 Consequences of breach**

Breaches of the insider trading provisions of the Corporations Act are a civil and criminal offence. The current maximum civil penalty for an individual is up to \$200,000 per contravention and for a body corporate it is up to \$1 million per contravention. The current maximum criminal penalty for an individual is imprisonment for 10 years, or in addition, a maximum fine of 4,500 penalty units (currently \$945,000), or if the court can determine the total value of the benefits obtained, then three times the value of those benefits or, if the court cannot determine the value of those benefits, then 10% of the body corporate's annual turnover.