

ASX Announcement

17 June 2019

SECURITY TRADING POLICY

Melbourne, Australia – BWX Limited (ASX:BWXL)

In accordance with ASX Listing Rule 12.10, BWX Limited advises that its Securities Trading Policy has been revised.

Attached is the revised Security Trading Policy which is effective from 14 June 2019.

A copy of the revised policy can also be found on the company's website at <https://bwxltd.com/>

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About BWXL

ASX listed, BWX Limited is a vertically integrated developer, manufacturer, distributor and marketer of branded skin and hair care products with an emphasis on the natural segment of the beauty and personal care market.

The company owns, produces, and distributes under the Sukin, Andalou Naturals, Mineral Fusion, Life Basics, Derma Sukin, Uspa, Edward Beale, and Renew personal care brands as well as the Nourished Life online marketplace.

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BWX Limited

ACN 163 488 631

SECURITY TRADING POLICY

1. Introduction

- 1.1 These guidelines set out the policy on the sale and purchase of securities in the Company by its Directors and employees.
- 1.2 Directors of the Company (**Directors**) and employees are encouraged to be long-term holders of the Company's securities. However, it is important that care is taken in the timing of any purchase or sale of such securities.
- 1.3 The purpose of these guidelines is to assist Directors and employees to avoid conduct known as 'insider trading'. In some respects, the Company's policy extends beyond the strict requirements of the Corporations Act (2001) Cth (**Act**).

2. What types of transactions are covered by this Policy?

- 2.1 This policy applies to both the sale and purchase of any securities of the Company and its subsidiaries on issue from time to time.

3. What is Insider Trading?

3.1 Prohibition

- 3.1.1 Insider trading is a criminal offence. It may also result in civil liability. In broad terms, a person will be guilty of insider trading if:
 - (a) that person possesses information which is not generally available to the market, and, if it were generally available to the market, would be likely to have a material effect on the price or value of the Company's securities (i.e., information that is 'price sensitive');
 - (b) and that person:
 - i. buys or sells securities in the Company; or
 - ii. procures someone else to buy or sell securities in the Company; or
 - iii. passes on that information to a third party where that person knows, or ought reasonably to know, that the third party would be likely to buy or sell the securities or procure someone else to buy or sell the securities of the Company.

3.2 Examples

- 3.2.1 To illustrate the prohibition described above, the following are possible examples of price sensitive information which, if made available to the market, may be likely to affect materially the price of the Company's securities (this is not an exhaustive list):
 - (a) the Company considering a major acquisition or disposal of assets;
 - (b) the threat of major litigation against the Company;
 - (c) the Company'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., new product or technology;
 - (f) the granting (or loss) of a major contract;
 - (g) management or business restructuring proposal; or

- (h) a share issue proposal.

3.3 Dealing Through Third Parties

- 3.3.1 A person does not need to be a Director or employee of the Company to be guilty of insider trading in relation to securities in the Company. The prohibition extends to dealings by Directors and employees through nominees, agents or other associates, such as family members, family trusts and family companies (referred to as “Associates” in these guidelines).

3.4 Information However Obtained

- 3.4.1 It does not matter how or where the person obtains the information – it does not have to be obtained from the Company to constitute inside information.

3.5 Employee Share Schemes

- 3.5.1 The prohibition applies to acquisitions of shares or options by employees made under employee share or option schemes, and to the acquisition of shares as a result of the exercise of options under an employee option scheme. The prohibition also applies to the sale of shares acquired under an employee share scheme and to the sale of shares acquired following the exercise of an option granted under an employee option scheme.

4. Guidelines for Trading in the Company’s Securities

4.1 General Rule

Subject to the restrictions in this clause, Directors and employees, including Key Management Personnel may deal in Securities of the Company at any time, except:

- (a) the period that is within one month prior to the Company’s year-end date and ending one clear trading day after the release of the Company’s annual results;
- (b) the period that is within one month prior to the Company’s half year -end date and ending one clear trading day after the release of the Company’s half year results;
- (c) the period that is within two weeks prior to the Company’s annual general meeting and ending one clear trading day after the annual general meeting (or, if shorter, the period from the relevant financial period end up to and including the time of the announcement);
- (d) any other period designated by the Board from time to time (including when the Company is considering matters which are price sensitive and/or subject to disclosure to the market.

(in each case, a “**Closed Period**”)

Irrespective of whether the Company is in a closed period or not, if a Director or employee of the Company is in possession of price sensitive information which is not generally available to the market, then he or she must not deal in the Company’s securities at any time.

4.2 Exceptions

4.2.1 Directors and all employees may at any time:

- (a) acquire Company securities under a bonus issue made to all holders of securities of the same class;
- (b) acquire Company securities under a dividend reinvestment plan, or top-up plan that is available to all holders or securities of the same class provided at the time the person makes the election to participate, they are not in possession of price sensitive information;
- (c) acquire, or agree to acquire or exercise options under a Company equity incentive plan provided at the time of any exercise the person is not in possession of price sensitive information
- (d) withdraw ordinary shares in the Company held on behalf of the employee in an employee share plan where the withdrawal is permitted by the rules of that plan;
- (e) transfer securities of the Company already held into a superannuation fund or other saving scheme in which the restricted persons are a beneficiary;
- (f) make an investment in, or trade in units of, a fund or other scheme (other than a scheme only investing in the securities of the Company) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (g) where a restricted person is a trustee, trade in the securities of the Company 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 trustee or by the investment managers independently of the restricted person;
- (h) accept, or undertake to accept, a takeover offer;
- (i) acquire securities under an offer or invitation made to all or most of the security holders, such as, a rights issues, a security purchase 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; and
- (j) dispose of securities of the Company resulting from a secured lender exercising their rights, for example, under a margin lending arrangement.

4.2.2 In respect of share or option plans, it should be noted that:

- (a) where Company securities are provided to a lender as security by way of mortgage or charge a sale that occurs under that mortgage or charge as a consequence of default would not breach insider trading laws.

5. Approval and Notification Requirements

5.1 Approval Requirements - Directors

- 5.1.1 Any Director wishing to buy, sell or exercise rights in relation to the Company's securities must obtain the prior approval of the Chair of the Board before doing so.
- 5.1.2 If the Chair of the Board wishes to buy, sell or exercise rights in relation to the Company's securities the Chair must obtain the prior approval of the Chair of the Audit and Risk Committee before doing so.

5.2 Approval Requirements – Key Management Personnel

- (a) Any Key Management Personnel wishing to buy, sell or exercise rights in relation to the Company's securities must obtain the prior written approval of the Group CEO before doing so.
- (b) For the purpose of this policy, "Key Management Personnel" are defined as:
 - i. any first line reports of the Group CEO and their direct reports; and
 - ii. any other person designated by the Group CEO as key management personnel on the basis that they have authority and responsibility for planning, directing, and controlling the activities of the Company either directly or indirectly.

5.3 Notification

Any Director or employee who (or through his or her Associates) buys, sells, or exercises rights in relation to Company securities must notify the Company Secretary in writing of the details of the transaction within five (5) business days of the transaction occurring.

5.4 Short term dealing not permitted

- 5.4.1 BWX employees and directors may not deal in BWX securities on a short-term basis. Speculating in short-term fluctuations in BWX Securities does not promote shareholder and market confidence in the integrity of BWX or BWX Employees.
- 5.4.2 Subject to the trading restrictions set out in this Policy and the law, any acquisition of BWX Securities, other than the vesting of Employee Loan Plan shares and the sale of the underlying BWX Shares, triggers a 30 day period where that type of BWX Security cannot be sold

6.1 Hedging

- 6.1.1 Any employee who is a direct report of the Chief Executive Officer or the Chief Financial Officer must not engage in hedging instruments, deal in derivatives or enter into arrangements which limit the economic risk related to BWX securities, including, for example, the use of put and call options, contracts for difference and other contracts intended to secure a profit or avoid a loss based on fluctuations in the price of BWX securities.
- 6.1.2 This prohibition includes, without exception, engaging in hedging or other arrangements which limit the economic risk or taking out margin loans in connection with unvested securities issues pursuant to any BWX Employee Share Plan or rights arising from any BWX Long Term Incentive plan.

6.2 Approval to Buy or Sell Securities

- 6.2.1 All requests to buy or sell securities must include the intended volume of securities to be purchased or sold and an estimated time frame for the sale or purchase.
- 6.2.2 Copies of written approvals must be forwarded to the Company Secretary prior to the approved purchase or sale transaction.

6.3 Trading during a Closed Period Due to Exceptional Circumstances

- 6.3.1 A Director, employee or contractor who is not in possession of inside information in relation to the Company, may be given prior written clearance by the Chair of the Board (or in the case of the Chair of the Board, the Chair of the Audit and Risk Committee) to sell or otherwise dispose of Company securities during a Closed Period where the person is in severe financial hardship or where there are exceptional circumstances as set out in this policy.
- 6.3.2 Prior to clearance being given, the person seeking clearance must provide written confirmation that they are not in possession of insider information in relation to the Company.

6.4 Severe Financial Hardship or Exceptional Circumstances

- 6.4.1 The determination of whether a Director, employee or contractor is in severe financial hardship will be made by the Chair of the Board (or in the case of the Chair of the Board, by the Chair of the Audit and Risk Committee).
- 6.4.2 A financial hardship or exceptional circumstances determination can only be made by examining all the facts and if necessary, obtaining independent verification of the facts from banks, accountants or other like institutions.

6.5 Financial Hardship

- 6.5.1 A Director, employee or contractor may be in severe financial hardship if they have a pressing financial commitment that cannot be satisfied other than by selling the securities of the Company.
- 6.5.2 Any exemption, if issued, will be in writing and shall contain a specified time period during which the sale of securities can be made.

6.6 Exceptional Circumstances

- 6.6.1 Exceptional circumstances may apply to the disposal of Company securities by a Director, employee or contractor 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 the Company or there is some other overriding legal or regulatory requirement to do so.
- 6.6.2 Any application for an exemption allowing the sale of the Company securities based on exceptional circumstances must be made in writing and be accompanied by relevant court and/or supporting legal documentation.
- 6.6.3 Any exemption, if issued, will be in writing and shall contain a specified time period during which the sale of securities can be made.

7 ASX Notification for Directors

- 7.1 The ASX Listing Rules require the Company to notify the ASX within five (5) business days after any dealing in securities of the Company (either personally or through an Associate) which results in a change in the relevant interests of a Director or in the securities of the Company. The Company has made arrangements with each Director to make sure that the Director promptly discloses to the Company Secretary all the information required by the ASX.

8 Effect of compliance with this Policy

- 8.1 Compliance with these Guidelines for trading in the Company's securities does not absolve that individual from complying with the law, which must be the overriding consideration when trading in the Company's securities.

9 Review and Communication

- 9.1 This Policy and related procedures shall be reviewed periodically by the Board to ensure that reports are being appropriately recorded, investigated and responded to. The content of this Policy may change from time to time as approved by the Board
- 9.2 The policy is available on BWX's website <http://bwxltd.com/>.

10. Approved and adopted

- 10.1 This policy was approved by the Board on 14 June 2019.