

# ASX Announcement



29 August 2019

## **NEW QANTM SECURITIES DEALING POLICY**

QANTM has implemented a new Securities Dealing Policy, which replaces the Share Trading Policy adopted in July 2016.

A copy is attached, and is also available on the QANTM website at <http://qantmip.com/about-qantm/governance/>.

### **For further information:**

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### **About QANTM Intellectual Property**

QANTM Intellectual Property Limited (QANTM, ASX: QIP) is the owner of a group of leading intellectual property (IP) services businesses operating in Australia, New Zealand, Singapore and Malaysia under three key brands - Davies Collison Cave (DCC), FPA Patent Attorneys (FPA) and Advanz Fidelis IP Sdn Bhd (AFIP), as well as an IP consultancy company, ipervescence Pty Ltd. With more than 140 highly qualified professionals, the QANTM Group has a strong track record in providing a comprehensive suite of services across the IP value chain to a broad range of Australian and international clients, ranging from start-up technology businesses to Fortune 500 multinationals, public research institutions and universities.



# Securities Dealing Policy

Approved by the Board of QANTM Intellectual Property Limited on 23 August 2019

## 1. Purpose

Dealings in Company Securities by the directors and Employees of QANTM Intellectual Property Limited (ACN 612 441 636)(the **Company**), must be conducted in accordance with this policy, in order to ensure that public confidence is maintained in the trading of Company Securities and the reputation of the Company and its directors and Employees. Restrictions on Dealings in Company Securities also apply in order to minimise the risk of breach of insider trading laws.

Employees and directors of the Company are responsible for ensuring that any restrictions on Dealings set out in this policy are also observed by their Associates.

Breach of this policy will be regarded as serious misconduct and may lead to disciplinary action, up to and including dismissal.

## 2. Context – Insider trading laws

Subject to limited exceptions, Australian insider trading laws prohibit a person (an **insider**) who has Inside Information relating to Company Securities or the quoted Securities of another entity, from:

- Dealing in relevant Securities;
- procuring another person to do so; or
- communicating, directly or not, Inside Information to someone else when the insider knows, or ought reasonably to know, that the other person would or is likely to:
  - Deal in relevant Securities; or
  - procure another person to do so.

Insider trading is a criminal offence, punishable by substantial fines or imprisonment or both. The Company may also be liable if a Designated Officer or Employee engages in insider trading. Insider trading may also attract civil penalties. A court may impose substantial pecuniary penalties, and order compensation paid to persons suffering related loss or damage.

## 3. All Employees and directors: General restrictions on Dealing

Employees, directors of the Company, and their respective Associates, must not:

- Deal in Company Securities if they have Inside Information in relation to Company Securities, or if the Company has formally notified them that they are restricted from Dealing, except where an exception set out in this policy applies; or
- enter into margin loan arrangements to fund the acquisition of Company Securities or in relation to which Company Securities may be used as security against loan repayment (as the loan's terms may compel the disposal of Company Securities during a period in which Dealing in Company Securities is prohibited by this policy).

Employees, directors of the Company, and their respective Associates, may only use Derivatives in respect of Company Securities as set out in this Policy.

# Securities Dealing Policy

## 4. All Employees: Restrictions on use of Derivatives

The Company may grant shares, options or performance rights to its Employees as part of their remuneration entitlements. These grants may be subject to the satisfaction of performance hurdles before they vest in the Employee. The use of Derivatives over unvested Company Securities may allow value to be realised from those Securities even if performance hurdles have not been met. This would break the intended connection between Employee performance and shareholder best interests.

Employees and their Associates are not permitted to use Derivatives in relation to any unvested Company Securities in a way which would have the effect of providing greater benefit than would otherwise have been realised by the Employee in respect of the unvested Company Securities.

Employees and their Associates may use Derivatives in relation to vested Company Securities, provided any Dealing complies with the balance of this policy.

## 5. Designated Officers: Additional restrictions on Dealing

Designated Officers are more likely to have access to Inside Information in relation to Company Securities, and are therefore subject to additional restrictions on Dealings in Company Securities.

Unless an exception applies, a Designated Officer or their Associate may only Deal in Company Securities if each of the following conditions is satisfied:

- (*Clearance*): Before Dealing, the Designated Officer must submit to the relevant Clearance Officer (with a copy to the Company Secretary) a written application for clearance to Deal, and obtain written clearance to Deal in Company Securities from the relevant Clearance Officer.
- (*Trading Windows*) Dealing may only occur during a Trading Window (unless clearance is obtained from the relevant Clearance Officer to Deal outside a Trading Window in Exceptional Circumstances).
- (*No Inside Information*) As is the case with the all Dealings in Company Securities by all Employees, Dealing may only occur if the Designated Officer is not in possession of Inside Information relating to Company Securities.

### Prohibited forms of Dealing

Designated Officers or their Associates must not enter into, create or deal in the following in respect of Company Securities:

- short-term dealing, including buying and selling Company Securities on market within a three month period;
- short selling; or
- "hedging" (entering into arrangements which have the effect of limiting exposure to risk relating to equity-based elements of remuneration that either have not vested or which have vested but remain subject to a holding lock or escrow arrangement)<sup>1</sup>.

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<sup>1</sup> Such arrangements are prohibited with respect to key management personnel under the *Corporations Act 2001* (Cth)

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## 6. Clearance procedures: Dealings within Trading Windows

### Applications for clearance

Applications for clearance must:

- be in writing and given by hand or email to the relevant Clearance Officer, with a copy to the Company Secretary, prior to the proposed Dealing in Company Securities;
- set out the number of Company Securities the subject of the request, and whether the proposed transaction will be on-market or off-market;
- include a declaration that the applicant does not believe they have any Inside Information in relation to Company Securities; and
- with respect to applications for clearance to Deal outside a Trading Window, provide sufficient information to demonstrate Exceptional Circumstances and that the proposed Dealing is the only reasonable course of action available to the applicant.

### General

A Clearance Officer may delegate his or her authority in writing to an appropriate person in the event of illness or absence, provided that person is not a member of the class for which they are the Clearance Officer.

A Clearance Officer must provide any decision with respect to clearance in writing, with a copy to the Company Secretary.

Any clearance to Deal can be given or refused by a Clearance Officer at his or her discretion.

Any decision to refuse clearance is final and binding and the person seeking the clearance must keep the fact of any refusal confidential.

### Validity period

Any clearance to Deal:

- lapses immediately if the applicant acquires Inside Information in relation to Company Securities; and
- may be withdrawn at any time by notice from the Clearance Officer or the Company Secretary if there is a change in circumstance.

A Designated Officer who has received clearance to Deal in Company Securities must complete the Dealing within a period of five business days commencing on the day after clearance is received (or such shorter period as may be specified by the Clearance Officer), otherwise a new clearance must be sought.

### Other restrictions on Dealings by Designated Officers apply notwithstanding clearance

Clearance to Deal in Company Securities is not an endorsement of the Dealing, and does not override the requirement on each Designated Officer to comply with any other restrictions set out in this Policy or applying by law with respect to their own Dealings and Dealings by their Associates, including the general prohibition on Dealings when in possession of Inside Information in relation to Company Securities.

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## 7. Exceptions to additional restrictions applying to Designated Officers

The additional restrictions in Clause 5 do not apply to Dealings by a Designated Officer or their Associates that involve or result directly from any of the following:

- (a) Dealing in Company Securities under an offer or invitation made by the Company to all or most ordinary shareholders in the Company – such as an offer or invitation under a rights issue, bonus issue, or an equal access buy-back (and including, without limitation, decisions relating to whether or not to take up entitlements, and the sale of entitlements required to provide for the take up of the balance of entitlements, under a renounceable rights issue) – or under an equal reduction of capital undertaken by the Company;
- (b) a share purchase plan or dividend reinvestment plan (provided that the Designated Officer or Associate may not commence or amend their participation in such a plan outside a Trading Window and may not withdraw from such a plan outside a Trading Window without clearance being given and Exceptional Circumstances applying);
- (c) undertaking to accept, or accepting, an offer for Company Securities made under a takeover bid or disposing of Company Securities under a court-approved compromise or arrangement under Part 5.1 of the Corporations Act;
- (d) Dealing in units of or interests in, a fund or other scheme (other than a scheme investing primarily in Company Securities) where the assets of that fund or scheme are invested at a third party's discretion;
- (e) where the Designated Officer or their Associate is the trustee of a trust, Dealing in Company Securities by that trust provided that neither the Designated Officer nor any Associate is a beneficiary of the trust and any decision to Deal during a prohibited period is taken independently of the Designated Officer or their Associate;
- (f) disposal or acquisition of Company Securities effected by a change in the trustee of a trust;
- (g) accepting an offer to acquire Company Securities, or acquiring Company Securities, under any employee share plan that the Board from time to time determines is a plan to which this clause applies;
- (h) the exercise (but not the sale of Securities following exercise) of an option or right under an employee share plan, or the conversion of a convertible security, where the final date for exercise or conversion falls during a period during which the Designated Officer has been unable to trade due to the restrictions in this policy (a "prohibited period"), and, with respect to that Designated Officer, the prohibited period has been exceptionally long or there have been a number of consecutive prohibited periods and exercise or conversion could not reasonably have occurred outside a prohibited period;
- (i) the forfeiture, lapse, cancellation or surrender of Company Securities under an employee share plan;
- (j) any Dealing that results in no effective change to the beneficial interest in the Company Securities, for example an off-market transaction involving the transfer or other

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disposal or acquisition of Company Securities between a Designated Officer or Associate and any of the following:

- (i) a Designated Officer;
- (ii) an Associate of the relevant Designated Officer (or in the case of an Associate, the Designated Officer);
- (iii) a company, trust or other entity over which the relevant Designated Officer or an Associate of that Designated Officer has control or significant influence (whether alone or jointly with any of their Associates); or
- (iv) a superannuation fund or other pension or saving scheme in which the relevant Designated Officer or an Associate of that Designated Officer is a beneficiary.

Dealings described in this clause 7 remain, however, subject to the overriding inside trading prohibition – that is, a Designated Officer or Associate must not Deal if either of them have Inside Information in relation to Company Securities.

## 8. Dealings by an Associate

If a Designated Officer may not Deal in Company Securities, they must also prevent Dealings by their Associates.

A Designated Officer must ensure that their Associates are aware of this policy and comply with its terms, and, in particular:

- inform any Associate of the periods during which the Designated Officer may not Deal in Company Securities;
- inform any Associate that they may not Deal in Company Securities on a speculative basis; and
- request any Associate to inform the Designated Officer immediately after Dealing in Company Securities.

A Designated Officer does not have to comply with the obligations in this clause 8 to the extent that compliance would breach their obligation of confidence to the Group, and provided that the Designated Officer has consulted with the Company's General Counsel as to ways in which the obligations in this clause 8 could be achieved without breaching an obligation of confidence to the Group.

## 9. Communicating Inside Information

A Designated Officer, Employee or Associate must not directly or indirectly communicate Inside Information in relation to Company Securities or quoted Securities relating to another entity, if they know, or ought reasonably to know, that the other person would be likely to:

- Deal in relevant Securities; or
- procure another person to so Deal.

The provisions of this clause 9 do not limit, and are additional to, other duties of confidentiality owed to the Company or a company within the Group.

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## 10. Assistance and additional information

Employees or directors of the QANTM Group who have information that they believe might be Inside Information, and are unsure whether they can Deal in Company Securities or Securities of another quoted entity, should contact the Company Secretary for assistance and additional information.

## 11. Notification by directors of any Dealings

Directors of the Company must notify the Company Secretary of the relevant details of any Dealing in Company Securities within two business days after the completion of such Dealing to enable the Company to comply with its disclosure obligations under the ASX Listing Rules.

## 12. Defined terms

Words and phrases in initial capitals will have the meanings set out below:

| Term             | Definition  |
|------------------|---|
| <b>Associate</b> | <p>means someone that a Designated Officer or Employee (<b>Person</b>) can be regarded as having investment control or influence over, including:</p> <ul style="list-style-type: none"> <li>• close family members of the Person (including spouse, civil partner or de facto partner, or the dependent children or step-children of the Person or their spouse, civil partner or de facto partner);</li> <li>• nominees of the Person (including an investment manager managing funds on the Person's behalf);</li> <li>• a trust of which the Person, or any family member, or any family-controlled company is the trustee or beneficiary;</li> <li>• a person in partnership with the Person or a connected person mentioned above; and</li> <li>• a company which the Person controls.</li> </ul> |
| <b>ASX</b>       | means ASX Limited.  |
| <b>Board</b>     | means the board of directors of the Company.  |
| <b>Clearance</b> | means permission given to a Designated Officer, Employee, or Associate to Deal in Company Securities in circumstances otherwise prohibited by this policy.  |

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| Term                      | Definition   |
|---------------------------|--|
| <b>Clearance Officer</b>  | <p>means:</p> <ul style="list-style-type: none"> <li>• for an Employee, the Company Secretary;</li> <li>• for a Designated Officer who is not a director of the Company, the CEO and Managing Director;</li> <li>• for a director of the Company (except the chairperson of the Board and the CEO and Managing Director), the chairperson of the Board or the CEO and Managing Director;</li> <li>• for the General Counsel or Company Secretary, the chairperson of the Board or the CEO and Managing Director;</li> <li>• for the chairperson of the Board and the CEO and Managing Director, the chairperson of the Audit, Risk and Compliance Committee or another non-executive director; and</li> <li>• for an Associate of an Employee or Designated Officer, the Clearance Officer required to approve Dealings by the relevant Employee or Designated Officer.</li> </ul> |
| <b>Company</b>            | means QANTM Intellectual Property Limited ACN 612 441 326  |
| <b>Company Securities</b> | means Securities and Derivatives of the Company.   |
| <b>Dealing</b>            | <p>includes:</p> <ul style="list-style-type: none"> <li>• subscribing or applying for, acquiring or disposing of, Securities;</li> <li>• applying for, granting, accepting, acquiring, disposing, exercising or discharging an option or other right or obligation to acquire or dispose of Securities;</li> <li>• buying or selling Company shares through an on-market or off-market transaction;</li> <li>• granting, acquiring or disposing of a beneficial interest in Company shares, such as through a trust that holds Company shares;</li> <li>• acquiring shares (or an interest in shares) under any employee share plan operated by the Company;</li> <li>• accepting, or taking up entitlements under, a dividend reinvestment plan, rights issue, bonus issue, share purchase plan or any other offer of shares made by the Company;</li> </ul>                      |



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| Term                             | Definition   |
|----------------------------------|--|
|                                  | <ul style="list-style-type: none"> <li>accepting an offer under a takeover bid for Company shares; and</li> <li>entering into a Derivative,</li> </ul> or entering into an agreement to do any of the above things, and <b>Deal</b> has a corresponding meaning.   |
| <b>Derivatives</b>               | has the meaning given in the Corporations Act, and includes the following if they relate to or derive their value from Company Securities: put or call options, forward contracts, futures, warrants, depositary receipts, structured financial products, swaps, contracts for difference, spread bets, caps and collars, and any other hedging or investment arrangement.   |
| <b>Designated Officer</b>        | means any director of the Company and each other person with authority and responsibility, whether direct or not, for the planning, direction and control of the Company's activities (i.e. key management personnel), including any Principal.  |
| <b>Employee</b>                  | includes Group employees, and any contractor or consultant whose terms of engagement incorporate this policy.  |
| <b>Exceptional Circumstances</b> | include the following circumstances, or other circumstances in the relevant Clearance Officer's discretion: <ul style="list-style-type: none"> <li>if a person is required by court order, or enforceable undertaking (eg in a bona fide family settlement) to transfer or sell Company Securities;</li> <li>there is another overriding legal requirement to Deal in Company Securities; or</li> <li>demonstrated and severe financial hardship.</li> </ul> |
| <b>Group</b>                     | means the Company and each of its controlled entities.   |

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| Term                      | Definition  |
|---------------------------|---|
| <b>Inside Information</b> | <p>means information about a company that:</p> <ul style="list-style-type: none"> <li>• is not generally available; and</li> <li>• if it were generally available, would, or would be likely to, influence persons who normally invest in securities in deciding whether to acquire or dispose of relevant securities.</li> </ul> <p>Information is generally available if it:</p> <ul style="list-style-type: none"> <li>• is readily observable;</li> <li>• has been made known in a way that is likely to bring it to the attention of persons who normally invest in the relevant type of securities, and reasonable time for the information to be circulated has since passed; or</li> <li>• consists of deductions, conclusions or inferences drawn from information that has been made known in that way or is readily observable.</li> </ul> <p>Inside Information is also called 'material price sensitive information'. It may include information about a client of, or supplier to, the company, or a party with whom the company is discussing future opportunities or negotiating a significant transaction.</p> |
| <b>Principal</b>          | means a principal of a legal, patent or trade mark practice owned or operated by the Company.   |
| <b>Securities</b>         | include shares, debentures, any legal or equitable right or interest in shares or debentures, options, convertible notes, Derivatives, interests in managed investment schemes and other financial products as defined by the Corporations Act.   |
| <b>Trading Windows</b>    | <p>are the one month periods beginning at the close of trading on the day after the dates on which:</p> <ul style="list-style-type: none"> <li>• the Company announces its half-yearly results to ASX; and</li> <li>• the Company announces its full year results to ASX,</li> </ul> <p>and any additional periods determined by the Board from time to time, provided that the availability or period of any Trading Window may be varied, suspended or terminated by the Board at any time.</p>   |