



**ASX AND MEDIA RELEASE**  
**8 September 2017**

## **Company Update**

ZipTel Limited ("ZipTel" or "the Company") (ASX: ZIP) is pleased to provide the following update.

### **Announcement Retraction**

The Company advises that it retracts, without any admission of liability, its announcement dated 9 August 2017 entitled "Ziptel signs landmark Revenue Share Agreement for Zipt IP".

As a consequence of the retraction, the Company advises that investors should not be influenced by the 9 August 2017 announcement and should instead refer to the revised announcement released on 18 August 2017 entitled "Ziptel enters into Agreement using ZipT IP".

### **Corporate Governance Update**

Further to its response to ASX dated 30 August 2017, the Company has received advice and adopted the recommendations from the recent review of its corporate governance policies. Whilst the Company complied with its continuous disclosure compliance policy in releasing the announcement dated 9 August 2017, the Board decided to engage an independent third party to review its corporate governance policies as a whole to ensure that good governance outcomes are achieved in the future.

As a result of the corporate governance review the Company has immediately adopted a complete suite of new corporate governance policies which are annexed to this announcement.

### **Board Changes**

Finally, the Company notes that it has accepted the resignation of Mr Keaton Wallace effective immediately. Mr Wallace will assist the Company and provide a smooth handover to the Board.

The Board would like to take this opportunity to thank Mr Wallace for the contribution that he has made to the Company and wish him well in his future endeavors.

**-Ends-**

For more information please contact:

### **ZipTel Limited**

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### **About ZipTel**

ZipTel is an Australian owned and operated telecommunications business focused on providing international roaming and calling solutions to consumers and businesses, using state of the art technologies developed and wholly owned by ZipTel Limited.

## Board Charter

ZipTel Ltd ACN 108 042 593 (Company)

### 1 Role and responsibilities of the Board

The role of the Board is to provide leadership for, and supervision of, the Company's management. The Board sets the strategic objectives of the Company, and regularly measures the progression by management of those strategic objectives.

The Board is responsible for:

- (a) appointing the chair and, if the Company has one, the deputy chair and/or senior independent director;
- (b) appointing the chief executive officer, or equivalent, for a period and on terms as the directors see fit and, where appropriate, replacing the chief executive officer, or equivalent;
- (c) approving the appointment and, where appropriate, the removal of other senior executives;
- (d) formally resolving to appoint and, where appropriate, to remove the company secretary;
- (e) overseeing management's implementation of the Company's strategic objectives and its performance generally;
- (f) approving budgets and major capital expenditure;
- (g) monitoring the financial performance of the Company and overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit;
- (h) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (i) approving the Company's remuneration framework;
- (j) monitoring the effectiveness of the Company's governance practices;
- (k) ensuring the Company's *Policy and Procedure for Selection and (Re)appointment of Directors* is reviewed in accordance with the Company's *Nomination and Remuneration Committee Charter*;
- (l) approving and monitoring compliance with the Company's *Diversity Policy*;
- (m) ensuring that the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate;
- (n) approving the Company's policies on risk management, internal compliance and control, *Code of Conduct* and legal compliance;
- (o) assessing the effectiveness of management's implementation of the Company's risk management framework including the making of additional enquiries and to request assurances regarding the management of material business risk, as appropriate;

- (p) providing overall corporate governance of the Company, including conducting regular reviews of the division of functions between the Board and management to ensure that it continues to be appropriate to the needs of the Company;
- (q) appointing the external auditor (where applicable, based on recommendations of the Audit Committee) and the appointment of a new external auditor when any vacancy arises, provided that any appointment made by the Board must be ratified by shareholders at the next annual general meeting of the Company;
- (r) engaging with the Company's external auditors and the Audit Committee (where there is a separate Audit Committee);
- (s) monitoring compliance with all of the Company's legal obligations, such as those obligations relating to the environment, native title, cultural heritage and occupational health and safety; and
- (t) making regular assessment of whether each non-executive director is independent in accordance with the Company's *Policy on Assessing the Independence of Directors*.

The Board may delegate the matters listed above to a committee of the Board, with the Board retaining the ultimate oversight and decision-making power in respect of the matters delegated.

The Board must convene regular meetings with such frequency as is sufficient to appropriately discharge its responsibilities. It is usual practice for the Board to meet monthly.

## 2 Role and responsibilities of management

Management refers to the senior management team as distinct from the Board, comprising the Company's senior executives, being those who have the opportunity to materially influence the integrity, strategy and operation of the Company and its financial performance.

Management's role is to support the Managing Director and assist the Managing Director (and in their absence the Executive team) implement the strategic objectives set by the Board and the day-to-day running of the Company, in accordance with the delegated authority of the Board.

Management is responsible for:

- (a) implementing the strategic objectives and operating within the risk appetite set by the Board;
- (b) all other aspects of the day-to-day running of the Company provided those matters do not exceed the Materiality Threshold as defined in section 3; and
- (c) providing the Board with accurate, timely and clear information to enable the Board to perform its responsibilities. Senior executives are responsible for reporting all matters which fall within the Materiality Threshold at first instance to the Managing Director (where applicable) or directly to the Chair or the senior independent director, as appropriate.

## 3 Materiality threshold

The Board has agreed on the following guidelines for assessing the materiality of matters:

### 3.1 Materiality – quantitative

#### Balance sheet items

Balance sheet items are material if they have a value of more than \$50,000 of pro-forma net assets.

## Profit and loss items

Profit and loss items are material if they will have an impact on the current year operating result of \$100,000 or more.

### 3.2 Materiality – qualitative

Items are also material if:

- (a) they impact on the reputation of the Company;
- (b) they involve a breach of legislation or may potentially breach legislation;
- (c) they are outside the ordinary course of business;
- (d) they could affect the Company's rights to its assets;
- (e) accumulated, they would trigger the quantitative tests;
- (f) they involve a contingent liability that would have a probable effect of [insert]% or more on balance sheet or profit and loss items; or
- (g) they will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than \$100,000 or more.

### 3.3 Material contracts

Contracts will be considered material if:

- (a) they are outside the ordinary course of business;
- (b) they contain exceptionally onerous provisions in the opinion of the Board;
- (c) they impact on income or distribution in excess of the quantitative tests;
- (d) any default, should it occur, may trigger any of the quantitative or qualitative tests;
- (e) they are essential to the activities of the Company and cannot be replaced, or cannot be replaced without an increase in cost of such a quantum, triggering any of the quantitative tests;
- (f) they contain or trigger change of control provisions;
- (g) they are between or for the benefit of related parties; or
- (h) they otherwise trigger the quantitative tests.

Any matter which falls within the above guidelines is a matter which falls within the materiality threshold (**Materiality Threshold**).

## 4 Responsibilities of the Chair

The Chair is responsible for leading the Board, facilitating the effective contribution of all directors and promoting constructive and respectful relations between directors and between the Board and management. The Chair is also responsible for setting the Board's agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues.

The Chair is also responsible for shareholder communication (subject to the role of the Responsible Officer as set out in the *Compliance Procedures*) and arranging Board, individual director and Board committee (where applicable) performance evaluation.

Any other position which the Chair may hold either inside or outside the Company should not hinder the effective performance of the Chair in carrying out their role as Chair of the Company.

## **5 Responsibilities of the senior independent director**

Where the Chair is not an independent director, a senior independent director will be appointed. The senior independent director will take over the role of the Chair whenever the Chair is conflicted, and will assist the Board in reviewing the performance of the Chair and to provide a separate channel of communication for security holders (especially where those communications concern the Chair).

## **6 Responsibilities of the Managing Director**

The Board may appoint a Managing Director. When in office, the Managing Director is responsible for the day-to-day running of the Company under delegated authority from the Board. When not in office, the Board retains this authority.

The Managing Director is responsible for implementing the strategic objectives, and operating within the risk appetite, set by the Board. In carrying out their responsibilities the Managing Director must report to the Board in a timely manner on those matters included in the Company's risk profile, all relevant operational matters and any other matter that is likely to fall within the Materiality Threshold.

All reports to the Board must present a true and fair view of the Company's financial condition and operational results.

The Managing Director is also responsible for appointing and, where appropriate, removing senior executives, including the chief financial officer and the company secretary, with the approval of the Board. The Company should have a written agreement with each senior executive setting out the terms of their appointment. The Managing Director is responsible for evaluating the performance of senior executives.

## **7 Non-executive and/or independent directors**

The Board assesses whether each of the non-executive directors of the Company is independent on a regular basis (and at least annually at or around the time that the Board considers candidates for election or re-election to the Board) in accordance with its *Policy on Assessing the Independence of Directors*. The Board recognises the importance of the appropriate balance between independent and non-independent representation on the Board.

The independent directors may meet without other directors present, if appropriate.

The non-executive directors may meet without executive directors or other senior executives present at times scheduled from time to time. Such meetings may be facilitated by the Chair or the senior independent director, as appropriate.

## **8 Responsibilities of directors and officers**

Individual directors should devote the necessary time to the tasks entrusted to them. All directors should consider the number and nature of their directorships and calls on their time from other commitments.

Directors and officers of the Company should be aware of their legal obligations, some of which are set out in *A guide to directors' duties*.

Directors are encouraged to request information from management where they consider such information necessary to make informed decisions.

## 9 Policy on independent professional advice

The Board acknowledges the need for independent judgement on all Board decisions, irrespective of each individual director's independence.

To assist directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval for incurring such expense from the Chair, the Company will pay the reasonable expenses associated with obtaining such advice.

Where it is the Chair who is seeking the independent professional advice, the role of the Chair to consider and provide approval as set out above should be carried out by the Chair of the Audit and Risk Committee.

## 10 Company Secretary

The Company Secretary's role is to support the effectiveness of the Board and its committees. Each director should be able to communicate directly with the Company Secretary and vice versa.

The responsibilities of the Company Secretary include:

- (a) advising the Board and its committees on governance matters;
- (b) monitoring that Board and committee policy and procedures are followed;
- (c) coordinating the timely completion and despatch of board and committee papers;
- (d) ensuring that the business at board and committee meetings is accurately captured in the minutes; and
- (e) helping to organise and facilitate the induction and professional development of directors.

## 11 Review of Charter

The Board will review this Board Charter at least annually, and update it as required.

## Nomination Committee Charter

**ZipTel Ltd** ACN 108 042 593 (**Company**)

### 1 Composition

The Nomination Committee shall be structured so that it has at least three members the majority of which (where possible) are non-executive directors and a majority of whom (where possible) are independent and is chaired by an independent director.

From time to time, non-Nomination and Remuneration Committee members may be invited to attend meetings of the Nomination and Remuneration Committee, if it is considered appropriate.

### 2 Role

The role of the Nomination and Remuneration Committee is to examine the selection and appointment practices of the Company, address Board succession issues and ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively, although the Board retains ultimate responsibility for these practices.

### 3 Operations

The Nomination Committee shall meet at least once a year and otherwise as required. Minutes of all meetings of the Nomination Committee must be kept. The minutes must be tabled at each subsequent meeting of the full Board, and a report of actions taken by the Nomination Committee also given by the Chair of the Nomination Committee at each subsequent meeting of the full Board. Nomination Committee meetings will be governed by the same rules as set out in the Company's Constitution, as they apply to meetings of the Board.

### 4 Responsibilities

#### 4.1 Size and composition of the Board

To ensure that the Board has the appropriate mix of directors with the necessary skills, expertise, relevant industry experience and diversity, the Nomination Committee shall:

- (a) regularly review the size and composition of the Board and make recommendations to the Board on any appropriate changes;
- (b) identify and assess necessary and desirable director skills and competencies using a Board skills matrix (a template matrix is included in this Manual) and provide advice on the skills and competency levels of directors with a view to enhancing the Board, including considering what training or development could be undertaken to fill any gaps identified;
- (c) make recommendations on the appointment and removal of directors;
- (d) make recommendations on whether any directors whose term of office is due to expire should be nominated for re-election;
- (e) regularly review the time required from non-executive directors and whether non-executive directors are meeting that requirement;

- (f) develop and recommend to the Board for approval the board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership for inclusion in the Company's corporate governance statement;
- (g) establish measurable objectives for achieving gender diversity, and annually review those objectives and the Company's progress towards achieving them;
- (h) review the Company's *Diversity Policy* at least annually and make recommendations to the Board as to any strategies required to address Board diversity; and
- (i) regularly review and report to the Board at least annually on the relative proportion of women and men at all levels of the economic group controlled by the Company.

#### **4.2 Selection process for new directors**

The Nomination Committee shall review the Company's *Policy and Procedure for Selection and (Re)Appointment of Directors*, and carry out its role in the process as outlined in that policy. The procedure should be transparent to promote investor understanding and confidence in the process.

The Nomination Committee is responsible for evaluating the balance of skills, knowledge, experience, independence and diversity on the Board and, in the light of this evaluation, preparing a description of the role and capabilities required for a particular appointment.

The Nomination Committee is empowered to engage external consultants in its search for a new director, particularly as a means to increase the presentation of candidates which meet the requirements and objectives set pursuant to the Company's *Diversity Policy*.

#### **4.3 Performance evaluation**

The Nomination Committee shall:

- (a) develop a process for evaluation of the performance of the Board, Board committees and individual Board members in accordance with the Company's *Process for Performance Evaluations*;
- (b) consider and articulate the time required by Board members in discharging their duties efficiently;
- (c) undertake continual assessment of directors as to whether they have devoted sufficient time in fulfilling their duties as directors;
- (d) develop a process for and carry out an evaluation of the performance of the Managing Director in accordance with the Company's *Process for Performance Evaluations*; and
- (e) develop a process for and carry out an evaluation of the performance of other senior executives in accordance with the Company's *Process for Performance Evaluations*.

#### **4.4 Induction and continuing professional development**

The Nomination Committee shall:

- (a) implement ways of enhancing the competency levels of directors;
- (b) review and implement the Company's *Induction Program*;
- (c) ensure new directors participate in the *Induction Program*;
- (d) ensure that any director who does not have specialist accounting skills or knowledge has a sufficient understanding of accounting matters to fulfil his or her responsibilities in relation to the Company's financial statements;



- (e) provide all directors with access to ongoing education relevant to their position in the Company, including education concerning key developments in the Company and in the industry and environment within which it operates; and
- (f) ensure that directors receive ongoing education on developments in accounting standards.

#### **4.5 Succession plans**

The Nomination Committee shall review the Company's succession plans. Succession plans are used to assist in maintaining the appropriate mix of skills, knowledge, experience, independence and diversity on the Board to enable it to discharge its duties and responsibilities effectively.

#### **5 Authority and resources**

The Company is to provide the Nomination Committee with sufficient resources to undertake its duties. The Nomination Committee has the authority, as it deems necessary or appropriate, to access advice from external consultants or specialists.

The Nomination Committee may seek input from individuals on remuneration policies, but on individual should be directly involved in deciding their own remuneration.

#### **6 Reporting to the Board**

The Nomination Committee is to report to the Board, at least annually, on the following matters:

- (a) all matters relevant to the Nomination Committee's role and responsibilities as set out in this Nomination Committee Charter;
- (b) the results of the Nomination Committee's review of this Nomination Committee Charter; and
- (c) comment on the Nomination Committee's operation and composition.

#### **7 Review of Charter**

The Nomination Committee will review this Nomination Committee Charter at least annually, and update it as required.





## Diversity Policy

ZipTel Ltd ACN 108 042 593 (Company)

### Summary of Diversity Policy

The Board has adopted a Diversity Policy which outlines the Company's commitment to ensuring a diverse mix of skills and talent exists amongst its directors, officers and employees, to enhance Company performance. The Diversity Policy addresses equal opportunities in the hiring, training and career advancement of directors, officers and employees. The Diversity Policy outlines the process by which the Nomination and Remuneration Committee will set measurable objectives to achieve the aims of its Diversity Policy, with particular focus on gender diversity within the Company. The Board is responsible for monitoring Company performance in meeting the Diversity Policy requirements, including the achievement of diversity objectives.



## Policy on Continuous Disclosure

**ZipTel Ltd** ACN 108 042 593 (Company)

### Summary of Policy on Continuous Disclosure

The Board has adopted a Policy on Continuous Disclosure. The policy raises awareness of the Company's obligations under the continuous disclosure regime; establishes a process to ensure that information about the Company which may be market sensitive and which may require disclosure is brought to the attention of the person primarily responsible for ensuring that the Company complies with its continuous disclosure obligations in a timely manner and is kept confidential; and sets out the obligations of directors, officers, employees and contractors of the Company to ensure that the Company complies with its continuous disclosure obligations.

The policy also outlines who is authorised to speak to the media, analysts, brokers, shareholders and other external parties; a person's confidentiality obligations and the consequences of breaching the policy. The policy is subject to annual review by the Board.

### Summary of Compliance Procedures

The Board has adopted Compliance Procedures to assist it to comply with its disclosure obligations. Under the Compliance Procedures, a Responsible Officer is appointed who is primarily responsible for ensuring the Company complies with its disclosure obligations. The duties of the Responsible Officer, together with the responsibilities of the Board and the Company Secretary, are set out in the Compliance Procedures.

The Compliance Procedures are designed to ensure that information about the Company which may be market sensitive and which may require disclosure under Listing Rule 3.1 is promptly assessed to determine whether it requires disclosure and if it does, is given to ASX promptly and without delay.

The Compliance Procedures also set out procedures to correct or prevent a false market in the Company's securities; set out measures for safeguarding confidentiality of corporate information to avoid premature disclosure; and establish procedures for media contact and comment and external communications such as analyst briefings and responses to shareholder questions.

The Compliance Procedures also provide guidance on drafting announcements to ensure that the Company's announcements are accurate, complete and not misleading and presented in a clear and balanced way.

# Shareholder Communication and Investor Relations Policy

ZipTel Ltd ACN 108 042 593 (Company)

## 1 Purpose

The Board recognises that it needs to engage with its shareholders and provide them with appropriate information and facilities to allow them to exercise their rights as shareholders effectively. This includes:

- giving shareholders ready access to information about the Company and its governance;
- communicating openly and honestly with shareholders; and
- encouraging and facilitating their participation in meetings of shareholders.

The purpose of this policy is to outline how the Company will provide shareholders and other investors with information about itself and its governance, and to outline the Company's investor relations program.

References in this policy to communicating and interacting with shareholders includes, where securities are held by a custodian or nominee, communicating or interacting with the beneficial owner of the securities.

## 2 Company website

The Company has a website which can be found at [www.ziptel.com.au](http://www.ziptel.com.au). The Company's website is designed to provide shareholders and other investors with helpful information about the Company including:

- (a) an overview of the Company's current business;
- (b) a description of how the Company is structured;
- (c) a summary of the Company's history;
- (d) a key events calendar showing the expected dates in the forthcoming year for results presentations and other significant events for analysts and investors; the annual general meeting; books closing dates for determining entitlements to dividends or distributions; and ex-dividend payments and payment dates for dividends or distributions;
- (e) once they are known, the time, venue and other relevant details for results presentations and the annual general meeting;
- (f) a brief description of the different classes of securities the Company has on issue and the rights attaching to them;
- (g) historical information about the market prices of the Company's securities;
- (h) a description of the Company's dividend or distribution history;
- (i) copies of media releases the Company makes;
- (j) contact details for enquiries from shareholders, analysts or the media;

- (k) contact details for its securities registry; and
- (l) links to download key shareholder forms.

The Company's website has a "corporate governance" landing page from where the Company's relevant corporate governance information can be accessed. The following information is available in the corporate governance area of the Company's website:

- (a) its constitution, its Board Charter and the charters of each of its Board committees; and
- (b) its corporate governance policies and procedures.

The Company also makes available on its website the following information on a regular and up-to-date basis:

- (a) the names, photographs and brief biographical information for each of its directors and senior executives;
- (b) copies of its annual reports and financial statements for the previous 3 years;
- (c) copies of its announcements to ASX for the previous 3 years; and
- (d) copies of notices of meetings of security holders and any accompanying documents for the previous 3 years.

### **3 Electronic communication**

The Company gives shareholders the option to receive communications from, and send communications to, the Company and its security registry electronically..

Shareholders and other investors are able to register on the Company's website to receive information updates about the Company.

### **4 General meetings**

The Company recognises that general meetings are an important forum for two-way communication between the Company and its shareholders. The meetings provide the Company with an opportunity to impart to shareholders a greater understanding of its business, governance, financial performance and prospects, as well as to discuss areas of concern or interest to the Board and management. The meetings also provide shareholders with an opportunity to express their views to the Company's Board and management about any areas of concern or interest for them.

The Company endeavours to actively engage with shareholders at its general meetings, and encourages attendance and participation at its meetings.

The Company provides information in the notice of meeting that is presented in a clear, concise and effective manner.

In accordance with section 250S of *the Corporations Act 2001* (Cth), at the Company's annual general meetings the Chair of the meeting will allow a reasonable opportunity for members to ask questions about or make comments on the management of the Company. Those members who are not able to attend the meeting and exercise their rights under section 250S of the Corporations Act, are given the opportunity to provide questions or comments before the meeting.

Where appropriate, these questions or comments will be answered at the meeting, either by being read out and then responded to at the meeting, or by providing a transcript of the question and a written answer at the meeting.

## **5 Shareholder meetings and enquiries**

The Company endeavours to meet with shareholders upon request, and responds to any enquiries they may make from time to time.

## Securities Trading Policy

Ziptel Ltd ACN 108 042 593 (Company)

### 1 Purpose

The purpose of this policy is to:

- assist those persons covered by the policy to comply with their obligations under the insider trading provisions of the *Corporations Act 2001* (Cth) (**Corporations Act**);
- aim to ensure that the reputation of the Company and its subsidiaries (**Group**) is not adversely impacted by perceptions of trading in the Company's securities at certain times, and to ensure a proper market for the Company's securities is maintained that supports shareholder and investor confidence;
- establish a procedure for trading in the Company's securities by persons covered by the policy including setting out: the periods when trading is prohibited; the restrictions on trading; the exceptional circumstances when trading may be permitted during a prohibited period with prior written clearance; the procedure to obtain written clearance to trade, including during a prohibited period; and the trading that is excluded from the policy; and
- comply with the ASX Listing Rules.

This policy is for the protection of the Company and each of the persons covered by the policy. If you do not understand any part of this policy, or the summary of the law relating to insider trading, or how it applies to you, you should contact the Company Secretary before trading in any securities covered by this policy. Ultimately it is **your** responsibility to make sure that none of your trading constitutes insider trading.

### 2 Who does this policy apply to?

This policy applies to **Restricted Persons**. A Restricted Person is a person who is:

- (a) a person having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company (**Key Management Personnel**);
- (b) an employee of the Group (**Employees**);
- (c) a contractor of the Group (**Contractors**);
- (d) a Connected Person of Key Management Personnel, Employees or Contractors.

A **Connected Person** means a spouse or partner, child or step-child under 18 years, a parent, an unlisted body corporate which the Key Management Personnel, or Employee or Contractor controls or is director of, a trust of which the Key Management Personnel, or Employee or Contractor is a trustee and of which he or she or any of the persons referred to above is a beneficiary or any other person over whom the Key Management Personnel, or Employee or Contractor has significant influence or control. Where this policy requires a Restricted Person to do an act or thing, the relevant Restricted Person must do that act or thing in respect of the Connected Person.



### 3 What securities are covered by this policy?

This policy applies to trading in all securities issued by the Company, and includes the following types of securities:

- (a) shares, share acquisition rights and options;
- (b) debentures (including bonds and notes);
- (c) derivatives of any of the above (including equity swaps, futures, hedges and exchange-traded or over-the-counter options) whether settled by cash or otherwise,

#### **(Company Securities).**

The insider trading provisions in the Corporations Act also apply to the securities of other companies and entities if you have inside information about that company or entity. These other companies and entities may include suppliers or customers of the Group; joint venture partners; or companies that the Company or another member of the Group has entered (or is planning to enter) into a transaction with, for example a takeover or asset sale.

To "trade" in securities means, whether as principal or agent, to apply for, acquire or dispose of securities; enter into an agreement to apply for, acquire or dispose of securities. To "trade" includes the exercise of an option or the conversion of a share acquisition right.

### 4 Insider trading prohibition

#### 4.1 What is Inside Information?

**Inside Information** is information that: (a) is not generally available; and (b) if it were generally available, a reasonable person would expect it to have a material effect on the price or value of the securities.

A reasonable person would be taken to expect information to have a material effect on the price or value of securities if (and only if) the information would, or would be likely to, influence persons who commonly acquire securities in deciding whether or not to acquire or dispose of those securities. In other words, the information must be shown to be material to the investment decision of a reasonable hypothetical investor in the securities.

It does not matter how you come to know the Inside Information. For the purpose of the insider trading provisions of the Corporations Act, "information" is given a wide meaning and includes matters of supposition and other matters that are insufficiently definite to warrant being made known to the public and matters relating to the intentions, or the likely intentions of a person.

Examples of information which, if made available to the market, may depending on the circumstances be likely to have a material effect on the price of Company Securities are set out in the Appendix.

#### 4.2 When is information generally available?

Information is generally available if:

- (a) it consists of 'readily observable matter';

- (b) it 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 securities of a kind whose price or value might be affected by the information **and** since it was made known, a reasonable period for it to be disseminated among such persons has elapsed; or
- (c) it consists of deductions, conclusions or inferences made or drawn from information of the kind referred to in (a) or (b) above.

#### 4.3 Prohibited conduct

In summary, the Corporations Act prohibits three types of conduct relating to Inside Information:

- the direct or indirect acquisition or disposal of securities using Inside Information;
- the procurement of another person to acquire or dispose of securities using Inside Information; and
- communication of Inside Information to another person for the purpose of the other person acquiring or disposing of securities.

You must not, whether in your own capacity or as an agent for another, apply for, acquire or dispose of, or enter into an agreement to apply for, acquire or dispose of, any securities, or procure another person to do so if you:

- (a) possess Inside Information; and
- (b) know or ought reasonably to know, that:
  - (i) the information is not generally available; and
  - (ii) if it were generally available, it might have a material effect on the price or value of the securities or influence a person's decision to buy or sell the securities.

Further, you must not either directly or indirectly pass on this kind of information to another person if they know, or ought reasonably to know, that this other person is likely to apply for, acquire or dispose of the securities or procure another person to do so.

#### 4.4 Consequences of insider trading

Engaging in "insider trading" (as summarised in section 4.3), can subject you to criminal liability, including substantial monetary fines and/or imprisonment. You may also be subject to civil liability, which may include being sued by another party or the Company, for any loss suffered as a result of insider trading. **Insider trading is prohibited at all times.**

### 5 Blackout periods

In addition to the prohibitions on insider trading set out in the Corporations Act, Restricted Persons must not trade in Company Securities in the period between the close of books and 24 hours immediately following the release of the Company's half year and annual financial accounts (**Blackout Periods**), unless the circumstances are exceptional and the procedure for prior written clearance described in section 7 has been met.

In addition to the prohibitions on insider trading set out in the Corporations Act, Restricted Persons must not trade in Company Securities within any period imposed by the Board from time to time, for example because the Company is considering matters that would require disclosure to the market but for Listing Rule 3.1A (**Additional Period**), unless the circumstances are exceptional and the procedure for prior written clearance described in section 7 has been met. This prohibition is in addition to the Blackout Periods. The Blackout Periods and the Additional Period are together referred to as a **Prohibited Period** in this policy. Restricted Persons must not disclose to anyone that an Additional Period is in effect.

Please note that even if it is outside a Prohibited Period, Restricted Persons must not trade in the Company's Securities if they are in possession of Inside Information.

## **6 Exceptional circumstances when trading may be permitted subject to prior written clearance**

A Restricted Person, who is not in possession of Inside Information, may be given prior written clearance to trade in Company Securities during a Prohibited Period in accordance with the procedure described in section 7, in the following exceptional circumstances:

- (a) where the person is in severe financial hardship; or
- (b) where there are other circumstances deemed to be exceptional by the person granting the prior written clearance.

The determination of whether a person is in severe financial hardship or whether there are other exceptional circumstances can only be made by the relevant Approving Officer in accordance with the procedure for obtaining clearance prior to trading set out in section 7. A person may be in severe financial hardship if he or she has a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant Company Securities. A tax liability would not normally constitute severe financial hardship unless the person has no other means of satisfying the liability. A circumstance may be considered exceptional if the person in question is required by a court order or a court enforceable undertaking to transfer or sell, or accept a transfer of, the Company Securities or there is some other overriding legal or regulatory requirement for him or her to do so.

## **7 Procedure for obtaining written clearance prior to trading**

Restricted Persons must not trade in Company Securities at any time, including in the exceptional circumstances referred to in section 6, unless the Restricted Person first obtains prior written clearance from:

- (a) in the case of employees, the Chairman or in his absence, each Non-Executive Director;
- (b) in the case of a director or officer, the Chairman or in his absence, all other Non-Executive Directors;
- (c) in case of the Managing Director, the Chair or, in their absence, the Chair of the Audit and Risk Committee; or
- (d) in the case of the Chair, each Non-Executive Director,

(each, an **Approving Officer**).

A request for prior written clearance under this policy should be made in writing using the form attached to this policy entitled 'Request for Prior Written Clearance to Trade in Company Securities' and given to the Approving Officer. The request may be submitted in person, by mail, by email or by facsimile.

Any written clearance granted under this policy will be valid for the period of 5 business days from the time which it is given or such other period as may be determined by the Approving Officer. The expiry time of the clearance will be stated in the clearance granted. Written clearance under this policy may be given in person, by mail, by email or by facsimile.

## **8 What trading is not subject to this policy?**

The following trading by Restricted Persons is excluded from the restrictions outlined in section 5, but is subject to the insider trading provisions of the Corporations Act summarised in section 4 of this policy:

- (a) transfers of Company Securities between a Restricted Person and their spouse, civil partner, child, step-child, family company, family trust or other close family member or of Company Securities already held into a superannuation fund or other saving scheme in which the Restricted Person is a beneficiary;
- (b) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in Company Securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (c) where a Restricted Person is a trustee, trading in the Company Securities by that trust provided that the Restricted Person is not a beneficiary of the trust and any decision to trade during a Prohibited Period outside a Trading Window is taken by the other trustees or by the investment managers independently of the Restricted Person;
- (d) undertakings to accept, or the acceptance of, a takeover offer;
- (e) a disposal of Company Securities arising from a scheme of arrangement;
- (f) trading under an offer or invitation made to all or most of the security holders such as, a rights issue, a security purchase plan, a dividend or distribution reinvestment 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;
- (g) a disposal of Company Securities that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement. Please note section 12 of this policy; Restricted Persons must not enter into margin loan agreements or other secured lending arrangements in relation to Company Securities without first obtaining prior written clearance from the appropriate Approving Officer in accordance with the procedure set out in section 7;
- (h) trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this Policy and where: (a) the Restricted Person did not enter into the plan or amend the plan during a Prohibited Period; and (b) the trading plan does not permit the Restricted Person to exercise any influence or discretion over how, when, or whether to trade;

- (i) an acquisition, or agreement to acquire, Company Securities under an employee incentive scheme;
- (j) the exercise or automatic conversion of Company Securities giving a right to conversion to shares, issued under an employee incentive scheme (but not the sale of Company Securities following exercise or conversion);
- (k) the acquisition of shares by conversion of Company Securities giving a right to conversion to shares (but not the sale of Company Securities following exercise or conversion).

## **9 Long term trading**

The Company wishes to encourage Restricted Persons to adopt a long term attitude to investment in Company Securities. Therefore, Restricted Persons must not engage in short term or speculative trading of Company Securities.

## **10 Hedging transactions**

Restricted Persons must not enter into transactions or arrangements which operate to limit the economic risk of their security holding in the Company without first obtaining prior written clearance from the appropriate Approving Officer in accordance with the procedure set out in section 7.

Restricted Persons are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under any equity based remuneration schemes.

## **11 Margin loans and other secured lending**

Restricted Persons must not enter into margin loan agreements or other secured lending arrangements in relation to Company Securities without first obtaining prior written clearance from the appropriate Approving Officer in accordance with the procedure set out in section 7.

## **12 Non-discretionary trading plans**

Restricted Persons must not put in place a non-discretionary trading plan in respect of Company Securities without first obtaining prior written clearance from the appropriate Approving Officer in accordance with the procedure set out in section 7. Restricted Persons must not cancel any such trading plan during a Prohibited Period, unless the circumstances are exceptional and the procedure for prior written clearance set out in section 7 has been met.

## **13 Director notification requirements**

Directors have agreed with the Company to provide details of changes in Company Securities they hold (directly or indirectly) to the Company Secretary as soon as reasonably possible to enable the Company to comply with its obligations under the ASX Listing Rules.

Directors are referred to the Company's *Director's Disclosure Obligations* document and *Director's Declaration of Interest Form*. Directors are reminded that it is their obligation under

section 205G of the Corporations Act to notify the market operator within 14 days after any change in a director's interest if the Company has failed to do so.

#### **14 Register of clearances**

The Company Secretary must maintain a register of clearances given in relation to trading in Company Securities.

The Company Secretary must report all notifications of trading in, and clearances given, in relation to trading in Company Securities to the next Board meeting of the Company.

#### **15 Consequences of breach**

Breach of the insider trading prohibition could expose you to criminal and civil liability. Breach of this policy (irrespective of whether the insider trading prohibition or any other law is breached) will also be regarded by the Group as serious misconduct which may lead to disciplinary action and/or dismissal.

This policy does not contain an exhaustive analysis of the restrictions imposed on, and the very serious legal ramifications of, insider trading. Restricted Persons who wish to obtain further advice in this matter, are encouraged to contact the Company Secretary.

#### **16 ASX Listing Rule requirements**

It is a requirement for admission to the official list of ASX, and an on-going requirement for listing, that the Company has a securities trading policy.

The Company will give a copy of this policy to ASX for release to the market. The Company will also give any amended version of this policy to ASX when it makes a change to: the periods within which Restricted Persons are prohibited from trading in Company Securities; the trading that is excluded from the operation of the policy; or the exceptional circumstances in which Restricted Persons may be permitted to trade during a Prohibited Period, within five business days of the amendments taking effect. The Company will also give this policy to ASX immediately on request by ASX.

## Appendix

Examples of information which, if made available to the market, may depending on the circumstances be likely to have a material effect on the price or value of Company Securities include, but are not limited to:

- (a) a transaction that will lead to a significant change in the nature or scale of the Company's activities;
- (b) a material acquisition or disposal of assets by the Company;
- (c) a material claim against the Company or other unexpected liability, for example the threat of material litigation against the Company;
- (d) the fact that the Company's earnings will be materially different from market expectations;
- (e) the appointment of a liquidator, administrator or receiver;
- (f) the commission of an event of default under, or other event entitling a financier to terminate, a material financing facility;
- (g) under subscriptions or over subscriptions to an issue of securities;
- (h) giving or receiving a notice of intention to make a takeover or a merger;
- (i) any rating applied by a rating agency to the Company or its securities and any change to such a rating;
- (j) any actual or proposed change to the Company's capital structure for example, a share issue;
- (k) the financial performance of the Company;
- (l) entry into or termination of a material contract, such as a major supply contract or a joint venture;
- (m) a change in dividend policy.