

LatAm Autos Limited

ACN 169 063 414

Securities trading policy

1. Background

- 1.1 The principal insider trading prohibition is section 1043A of the Corporations Act. Subject to limited exceptions, it prohibits a person (**insider**) who has Inside Information relating to Company Securities or the quoted Securities of another entity from:
- (a) dealing in relevant Securities;
 - (b) procuring another person to do so; or
 - (c) 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:
 - (i) Deal in relevant Securities; or
 - (ii) procure another person to do so.
- 1.2 It does not matter how the insider received the information.
- 1.3 Insider trading is a criminal offence, punishable by substantial fines, imprisonment or both. The Company may also be liable if a Designated Officer or Employee engages in insider trading.
- 1.4 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.

2. Interpretation

Capitalised words and phrases are defined terms. For definitions, see **clause 15**.

3. Introduction

- 3.1 The Securities of the Company will be or are quoted on ASX.
- 3.2 This policy outlines:
- (a) when Designated Officers, Employees and Associates must not Deal in Company Securities;
 - (b) when Designated Officers, Employees and Associates must not Deal in quoted Securities of another entity; and
 - (c) certain limited exceptions.

4. What is Inside Information?

- (a) Inside Information is information that:
 - (i) is not generally available; and
 - (ii) 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 the relevant securities.

- (b) Information is generally available if it:
 - (i) is readily observable;
 - (ii) 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 a reasonable time for the information to be circulated has since passed; or
 - (iii) consists of deductions, conclusions or inferences drawn from information that has been made known in that way or is readily observable.
- (c) Inside Information is also called 'material price-sensitive information'. It need not relate only to the Company. It could also be information about a customer, or supplier of the Company, or a party with whom the Company is discussing future opportunities or negotiating a significant transaction.
- (d) In order to minimise the risk of insider trading, the Company must immediately disclose to the market material price-sensitive information not otherwise excluded from the disclosure, as set out in the Company's continuous disclosure policy.
- (e) Material price sensitive information is Inside Information even if it does not trigger a disclosure obligation under the continuous disclosure regime.

5. What is Dealing in Securities?

5.1 Dealing in Securities includes:

- (a) applying for, acquiring or disposing of, Securities;
- (b) entering into an agreement to do so; or
- (c) granting, accepting, acquiring, disposing, exercising or discharging an option or other right or obligation to acquire or dispose of Securities.

5.2 Dealing in Company Securities can include, but is not limited to:

- (a) buying or selling Company Securities by way of an on-market or off-market transaction;
- (b) granting, acquiring or disposing of a beneficial interest in Company Securities, such as through a trust that holds Company Securities;
- (c) applying for, acquiring or exercising options or rights over Company Securities;
- (d) acquiring Company Securities (or an interest in them) under any employee share plan operated by the Company;
- (e) accepting, or taking up entitlements under, a dividend reinvestment plan, rights issue, bonus issue, share purchase plan or any other offer of Securities made by the Company;
- (f) accepting an offer under a takeover bid for Company Securities;
- (g) entering into a Derivative; and
- (h) agreeing to do any of the above things.

6. When must not Deal

No Employee nor Designated Officer or their Associate may, in any circumstances, Deal or procure another person to Deal in Company Securities or quoted Securities of another entity if they have Inside Information in relation to Company Securities or Securities relating to that other entity.

7. Trading Windows

- 7.1 An Employee or Designated Officer or his or her Associate may Deal or procure another person to deal in Company Securities if he or she does **not** have Inside Information in relation to Company Securities and has complied with **clause 7.2**.
- 7.2 An Employee or Designated officer or his or her Associate may Deal in Company Securities in the following **trading windows**:
- (a) during the **two week** period beginning at the open of trading on the day after the dates on which:
 - (i) the Company announces its half-yearly results to ASX;
 - (ii) the Company announces its full year results to ASX; and
 - (iii) the Company holds its annual general meeting (assuming an update of the full year's results is given at the meeting); and
 - (b) any additional periods determined by the Board from time to time,

and if they are a Designated Officer, they have provided notification in accordance with clause 8.
- 7.3 The availability of any trading window may be varied, suspended or terminated by the Board at any time.
- 7.4 Periods other than those designed under **clause 7.2** are prohibited periods.
- 7.5 **Clause 7.2** does not apply to Dealing by a Designated Officer or his or her Associate that involves or results directly from any of the following, provided that the Designated Officer has provided notification in accordance with **clause 8**:
- (a) Dealing in Company Securities under an offer or invitation made by the Company to all or most of its ordinary shareholders – such as an offer or invitation under a rights issue, bonus issue, share purchase plan, dividend reinvestment plan, equal access buy-back or in lieu of a cash dividend (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) 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;
 - (c) Dealing in units of or interests in, a fund or other scheme (other than a scheme investing primarily in Company Securities) whereby the assets of that fund or scheme are invested at a third party's sole discretion;
 - (d) where the Designated Officer or his or her 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 trade during a prohibited period is taken entirely independently of the Designated Officer or his or her Associate;

- (e) disposal of Company Securities effected by a change in the trustee of a trust;
- (f) 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 7.5** applies;
- (g) the exercise (but not the sale of Company 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 prohibited period; and the Company has been in an exceptionally long prohibited period or has had a number of consecutive prohibited periods and exercise or conversion could not reasonably have occurred outside a prohibited period;
- (h) the forfeiture, lapse, cancellation or surrender of Company Securities under a employee share plan; or
- (i) an off-market transaction involving the transfer or other disposal of Company Securities between a Designated Officer or Associate and any of the following:
 - (i) an Associate of the relevant Designated Officer (or, in the case of an Associate, the Designated Officer);
 - (ii) a company, trust or other entity over which the relevant Designated Officer or Associate of that Designated Officer has control or significant influence (whether alone or jointly with any of their close Associates); or
 - (iii) 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.

7.6 All Dealing referred to in **clauses 7.2 and 7.5** are subject to the overriding inside trading prohibition – that is, a Designated Officer or Associate must not Deal if he or she has Inside Information in relation to Company Securities.

7.7 A Designated Officer may Deal in the quoted Securities relating to another entity if he or she does **not** have Inside Information in relation to those Securities.

8. Providing notification

8.1 If a Designated Officer proposes to Deal in Company Securities at any time in accordance with this Policy, he or she must, prior to such Dealing, provide:

- (a) written notice of his or her intention to the Clearance Officer; and
- (b) confirmation that he or she is not in possession of Inside Information,

in the form or to the effect of the template in **Appendix A**. After such Dealing, the Designated Officer must provide the Clearance Officer with a transaction confirmation.

9. Dealings by an Associate

9.1 If a Designated Officer may not Deal in Company Securities, he or she must prevent such Dealing by his or her Associate.

9.2 A Designated Officer must:

- (a) inform any Associate of the periods during which the Designated Officer must not Deal in Company Securities;

- (b) inform any Associate that he or she must not Deal in Company Securities on a speculative basis; and
- (c) request any Associate to inform the Designated Officer immediately after Dealing in Company Securities.

9.3 A Designated Officer does not have to comply with **clauses 9.1 and 9.2** to the extent that compliance would breach his or her obligation of confidence to the Group.

10. Communicating Inside Information

10.1 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 he or she knows, or ought reasonably to know, that the other person would be likely to:

- (a) Deal in relevant Securities; or
- (b) procure another person to so Deal.

10.2 The provisions of **clause 10.1** do not limit, and are additional to, other duties of confidentiality.

11. Notice of change in director's interest

11.1 If a Designated Officer is a director, he or she must ensure that an Appendix 3Y Change of Directors' Interest Notice is completed and provided to the Company's Company Secretary within two business days after the commencement of any Dealing in Company Securities.

11.2 The Company Secretary must provide the Appendix 3Y notice to ASX within five business days after the transaction's commencement.

12. Speculative dealing

12.1 A Designated Officer must not Deal in Company Securities on considerations of a short-term nature.

13. Derivatives

13.1 The Company may grant securities, options or performance rights to its employees as part of their remuneration entitlements. These grants will usually be subject to the satisfaction of performance hurdles before they vest in the Employee or Designated Officer. 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 staff performance and shareholder best interests.

13.2 Accordingly, Employees and Designated Officers are not permitted to use Derivatives in relation to any unvested Company Securities in a way that would have the effect of providing greater benefit than would otherwise have been realised by the Employee or Designated Officer in respect of the unvested Company Securities.

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

14. Margin loans

14.1 Margin loans to support an investment in Company Securities can compromise compliance with this policy, as the loan's terms may compel the sale of Company Securities during a prohibited period or when the Employee or Designated Officer has relevant Inside Information.

- 14.2 Employees and Designated Officers are prohibited from entering 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.

15. Defined terms

Associate means someone that a Designated Officer or Employee (**the Principal**) can be regarded as having investment control or influence over, including:

- (a) a family member of the Principal (including a child);
- (b) a nominee of the Principal (including an investment manager managing funds on the Principal's behalf);
- (c) a trust of which the Principal, or any family member, or any family-controlled company is the trustee or beneficiary;
- (d) a person in partnership with the Principal or a connected person mentioned above; and
- (e) a company that the Principal controls.

ASX means ASX Limited or the financial market operated by it, as the context requires.

Board means the directors of the Company from time to time, acting as a board.

Clearance Officer means:

for an Employee, the company secretary;

- (f) for a Designated Officer who is not a director, the company secretary;
- (g) for a director (except the chairperson of the board), the chairperson of the Board;
- (h) for the General Counsel or Company Secretary, the chairperson of the Board;
- (i) for the chairperson of the Board, the other Directors; and
- (j) for an Associate, the Clearance Officer of his or her Principal.

Company means LatAm Autos Limited ACN 169 063 414.

Company Securities include Securities and Derivatives of the Company.

Corporations Act means the *Corporations Act 2001* (Cth), as amended or modified from time to time.

Dealing has the meaning given in **clause 5**, and Deal has a corresponding meaning.

Derivatives 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.

Designated Officer 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 (ie key management personnel).

Employee includes, in addition to Group employees, any contractor or consultant whose terms of engagement incorporate this policy.

Group means the Company and its controlled entities.

Inside Information has the meaning given in **clause 4**.

Securities include shares (including but not limited to ordinary and preference 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.

16. Breach

A breach of this policy is serious and may lead to disciplinary action, up to and including dismissal.

17. Assistance and additional information

Anyone who has information that he or she considers might be Inside Information and is unsure whether he or she can Deal in Company Securities or Securities of another quoted entity should contact his or her Clearance Officer for assistance and additional information.

18. Distribution

This policy must be distributed to all Employees and Designated Officers.

19. Amendment

Amendments to this policy not of a purely administrative nature must be approved by the Board.

20. Approved and adopted

This policy was approved and adopted by the Board on 21 November 2014.

Appendix A – Request for clearance

[date]

The Chairman/[•]
[LatAm Autos Limited]
[Postal Address]

TRADING OF COMPANY SECURITIES

In accordance with LatAm Autos Limited's securities trading policy, I give notice to you that I am proposing to Deal with Company Securities in the following manner:

- ☐ sell Company Securities
- ☐ transfer Company Securities vested under an equity incentive plan to me
- ☐ transfer Company Securities to a related party (eg family company, trust or superannuation fund)
- ☐ exercise options over Company Securities
- ☐ utilise derivatives and enter into a hedging transaction

The number of securities that I propose to Deal with is [•].

The transaction will be carried out [*~on-market/~off-market*].

I confirm that have no insider information and will comply with the balance of LatAm Autos Limited's securities trading policy in relation to my Dealing.

I agree to notify the Company Secretary of the results of this action for the purposes of disclosure in the annual report or to ASX.

Please confirm that I am cleared to Deal in Company Securities.

.....

[Designated Officer/Employee/Associate]

Date:

I confirm that subject to you gaining any Inside Information, you are authorised to Deal in Company Securities within a [10] business day window starting on [•] and ending on [•] as outlined above.

.....

Clearance Officer

Date: