



# ASX ANNOUNCEMENT

18 September 2015

## **Collection House's Securities Trading Policy**

Pursuant to ASX Listing Rule 12.9, attached is a copy of the Company's policy for trading in Collection House Limited securities.

For more information please contact:

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Collection House Group

# Securities Trading Policy

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# SECURITIES TRADING POLICY

## 1. INTRODUCTION

This document applies to Collection House Limited (CLH) and its subsidiaries (collectively referred to as CLH or the Company).

The Company's Security Trading Policy is endorsed by the Board of Directors and has been created to comply with the Company's legislative and regulatory obligations and to ensure that CLH acts within the spirit, intent and purpose of the Corporations Act 2001 (Cwlth) (Corporations Act), and the Australian Securities Exchange (ASX) Listing Rules.

This Securities Trading Policy, and any subsequent amendments, will be disclosed to the ASX for release to the market via the ASX Market Announcements and on our website at [www.collectionhouse.com.au](http://www.collectionhouse.com.au).

## 2. PURPOSE

### 2.1 Scope

This policy summarises the law relating to Insider Trading and the need to avoid the perception of insider trading and the reputational damage that may be caused. It sets out the Company's Trading Policy on:

- acquisition of, disposal of or application for CLH securities, or providing an instruction to a third party to do so (including a disposal resulting from a secured lender exercising their rights under a margin lending arrangement);
- entering into a contract to acquire, dispose of or apply for CLH securities, or procuring a third party to do so;
- the entry into a Derivative (has the meaning given in section 761D of the Corporations Act and includes options, forward contracts, futures, warrants, swaps, caps and collars) in relation to the CLH securities;
- a cashless exercise of CLH Employee options or performance rights.

### 2.2 Who does this policy apply to?

This policy applies as follows:

- clause 3 (insider trading laws) and clause 8 (confidentiality) applies to everyone (including all directors, officers, employees, contractors, family and associates);
- clauses 4 to 7 (trading policy) applies to all directors, officers and other key management personnel of the Company, and any other person prescribed by the Board from time to time (each a "Prescribed Employee") and in relation to which the Company Secretary will maintain a list;

A “**Prescribed Employee**” of the Company, includes, but is not limited to, its Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, Senior Management (members of the Executive Management Team, Head of Segments/Divisions, Consultants and Contractors engaged by the Company and any of its related entities from time to time), Corporate Counsel, Appointed Project Teams, employees of the Finance Department, Information Technology and the Special Projects Team and certain other employees.

On all occasions, it will be incumbent on Prescribed Employees to notify other staff and/or Consultants and Contractors engaged by the Company and any of its related entities from time to time, that they too are Prescribed Employees for the purposes of this Policy, if and when they are working on confidential transactions which may result in them having Inside Information.

- our securities trading policy applies to the family and associates of Prescribed Employees as specified in this clause or in clause 4.5.

## **2.3 Further advice**

If you do not understand any aspect of this trading policy, or are uncertain whether it applies to you or your family or associates, please contact the Company Secretary. You may wish to obtain your own legal or financial advice before dealing in CLH securities.

## **3. INSIDER TRADING PROHIBITIONS IN THE CORPORATIONS ACT**

### **3.1 What are the insider trading prohibitions?**

Under the Corporations Act, if you have Inside Information (as defined in clause 3.2 below) relating to the Company it is illegal for you to:

- (a) deal in (that is, apply for, acquire or dispose of) CLH securities or enter into an agreement to do so; or
- (b) procure another person to apply for, acquire or dispose of CLH securities or enter into an agreement to do so; or
- (c) directly or indirectly communicate, or cause to be communicated, that information to any other person if you know, or ought reasonably to know, that the person would or would be likely to use the information to engage in the activities specified in paragraphs (a) or (b) above.

These prohibitions also apply to the application for, grant, exercise or transfer of an option over CLH securities, and to the Securities of other entities if you possess Inside Information about those entities.

It does not matter how or in what capacity you become aware of the Inside Information. It does not have to be obtained from the Company to constitute Insider Information.

You cannot avoid the insider trading prohibition by arranging for a member of your family or a friend to deal in CLH securities, nor may you give “tips” concerning Inside Information relation to the Company to others.

These prohibitions apply to everyone (not just Prescribed Employees) at all times.

### 3.2 What is Inside Information?

“Inside Information” is information relating to the Company which is not generally available but, if the information were generally available, would be likely to have a material effect on the price of CLH securities. Inside Information can include matters of speculation or supposition and matters relating to intentions or likely intentions of a person.

Information is regarded as being likely to have a material effect if it would, or would be likely to, influence persons who commonly invest in securities or other traded financial products in deciding whether or not to deal in CLH securities.

Examples of Inside Information could be:

- (a) the financial performance of the Company against its budget or against forecasts;
- (b) changes in the Company’s actual or anticipated financial condition or business performance;
- (c) changes in the capital structure of the Company, including proposals to raise additional equity or borrowings;
- (d) proposed changes in the nature of the business of the Company;
- (e) changes to the Board of Directors or significant changes in key management personnel;
- (f) an undisclosed significant change in the Company’s market share;
- (g) likely or actual entry into, or loss of, a material contract;
- (h) material acquisitions or sales of assets by the Company;
- (i) a proposed dividend or other distribution or a change in dividend policy; or
- (j) a material claim against the Company or other unexpected liability.

### 3.3 When is information generally available?

Information is generally available if:

- (a) it consists of readily observable matter or deductions;
- (b) it has been brought to the attention of investors through an announcement to ASX Limited (“ASX”) or otherwise similarly brought to the attention of investors who commonly invest in securities, and a reasonable period has elapsed since it was announced or brought to investors’ attention; or
- (c) it consists of deductions, conclusions or inferences made or drawn from information referred to in paragraphs (a) or (b) above.

Examples of possible readily observable matters are:

- (a) a change in legislation which will affect the Company's ability to make certain types of investments; or
- (b) a severe downturn in global securities markets.

### **3.4 Penalties**

Breach of the insider trading laws may subject you to:

- (a) criminal liability – penalties include heavy fines and imprisonment;
- (b) civil liability – you can be sued by another party or the Company for any loss suffered as a result of illegal trading activities; and
- (c) civil penalty provisions – the Australian Securities and Investments Commission may seek civil penalties against you and may even seek a court order that you be disqualified from managing a corporation.

Breach of the law, this policy, or both, will also be regarded by the Company as serious misconduct which may lead to disciplinary action or dismissal.

## **4. NO DEALING IN PROHIBITED PERIODS**

### **4.1 Trading windows and prohibited periods**

Subject to not being in possession of Inside Information, or during an imposed adhoc trading restriction or where securities trading may cause a perception of insider information, and the requirements of this policy, Prescribed Employees may only deal in CLH securities during the following trading windows:

- (a) the 45 day period beginning one business day\* after the Company's half yearly results are announced to ASX;
- (b) the 45 day period beginning one business day\* after the Company's annual results are announced to ASX;
- (c) the 30 day period beginning one business day\* after the Company's annual general meeting;
- (d) at any time a prospectus or similar disclosure document has been lodged with the Australian Securities and Investments Commission and is open for acceptances; and
- (e) at any other times as the Board of Directors of the Company permits.

All other periods are prohibited periods, when dealing in CLH securities is prohibited ("Prohibited Periods"), unless otherwise allowed by this policy.

#### **Adhoc trading restrictions**

The Board, through the Chairman may impose adhoc trading restrictions on its securities at any point in time, for any purpose, at its discretion.

Where a Prescribed Employee has received clearance for trading, during a trading window or otherwise, that clearance will be immediately revoked effective upon the receipt of the notification of an adhoc trading restriction.

**NOTE:** The establishment of an ad-hoc trading restriction in of itself is considered “Insider Information” and any trading (as detailed in clause 3.1 (a) to (c) above) after receipt of the Company notification may subject the Prescribed Employee to the insider trading prohibitions.

**\* One business day means:**

- ***If results are lodged with ASX before 12.00pm (Bne time), trading can commence at the opening of trade the following business day.***
- ***If results are lodged with ASX after 12.00pm (Bne time), trading can commence at the opening of trade on the second business day.***

**Warning:** Trading in the Company’s securities during the above-mentioned trading windows will not necessarily preclude a person or a Prescribed Employee from breaching the Insider Trading laws if they are in possession of insider information at the time of trading.

## 4.2 Prior notification and clearance

If a Prescribed Employee proposes to deal in CLH securities (including entering into an agreement to deal) they must first obtain clearance to deal in the securities. To obtain clearance, the Prescribed Employee, must at any time before trading provide, regardless of whether a trading window is operating at the time:

- (a) written notice of their intention to the “Notification Officer” who is:
  - (i) the Chairman of the Board (and if they are unavailable, to another Non-executive Director nominated by them) for all Directors and alternate Directors of the Company (other than the Chairman of the Board), the Managing Director and CEO;
  - (ii) the Managing Director and CEO and Chairman of the Board, via the Company Secretary (and if they are unavailable, to another Non-executive Director nominated by them) for all other Prescribed Employees; andunless otherwise notified to the relevant Prescribed Employee; and
- (b) confirmation that you are not in possession of Inside Information.

The relevant Notification Officer may appoint a delegate to act on his or her behalf in the case of temporary absence. The relevant Notification Officer may provide the Prescribed Employee the clearance at their absolute discretion.

## 4.3 Terms and conditions of the clearance

A clearance expires 5 business days from the date the relevant Notification Officer provides clearance, unless it specifies a different expiry date.



A clearance to trade can be withdrawn if new information becomes available or there is a change in circumstances. At any time, including in Exceptional Circumstances or within a trading window, the Notification Officer may, at their discretion, refuse to provide a clearance or revoke a trading clearance to a Prescribed Employee in circumstances where the dealing in CLH securities may create or potentially create an inaccurate perception of insider trading by the Prescribed Employee and/or potentially cause or contribute to reputational damage to the Company.

A decision to refuse a clearance is final and binding on the Prescribed Employee seeking the clearance. In most cases, a refusal to trade will of itself will be considered as inside information and the Prescribed Employee will be bound by their confidentiality obligations and may be subject to insider trading laws.

A clearance to trade confirms that the proposed dealing by the Prescribed Employee is within the terms of the trading policy but does not otherwise constitute approval or endorsement by the Company or the Notification Officer for the proposed dealing. Even if a clearance is granted, a Prescribed Employee remains personally responsible for assessing whether the insider trading prohibitions apply to them.

#### 4.4 Notification of dealing

In addition to providing prior notification and seeking clearance, Prescribed Employees must confirm in writing to the relevant Notification Officer and Company Secretary, immediately when the dealing in CLH securities has occurred, the number of CLH securities affected, the relevant parties to the dealing and a copy of the Buy/Sell Confirmation.

Further, where a Director has received consent to Trade during a closed period, the Company and the Director must indicate on the Director's Appendix 3Y – Change of Director's Interest Notice:

- whether prior written consent was provided to allow the Trade to proceed;
- the date the consent was received; and
- that the Trading took place during a closed period.

#### 4.5 Associates

This policy also applies to associates of Prescribed Employees. A Prescribed Employee must communicate on behalf of their associate with the Notification Officer for the purposes of this policy.

**“Associates”** of a Prescribed Employee includes their family members, trusts, companies, nominees and other persons over whom a Prescribed Employee has, or may be expected to have, investment control or influence. If you are in doubt as to whether a person is an associate, you should contact the Company Secretary who will make a determination on the issue.



## 5. EXCEPTIONAL CIRCUMSTANCES

A Prescribed Employee may request, and the Notification Officer may give, subject to this policy, prior confirmation for the Prescribed Employee to:

- (a) deal in CLH securities during a Prohibited Period; or
- (b) dispose of CLH securities even if otherwise prohibited under clause 7,

if there are exceptional circumstances (except if this would breach the insider trading prohibitions – see clause 3 above).

Exceptional circumstances may include:

- (a) severe financial hardship, for example, a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant CLH securities;
- (b) requirements under a court order or court enforceable undertakings or other legal or regulatory requirements;
- (c) other exceptional circumstances as determined by the Chairman (or Managing Director and CEO where the Chairman is involved).

If the Notification Officer has any doubt in making a determination of exceptional circumstances, they should exercise the discretion with caution and consult with the Chairman (or Managing Director and CEO where the Chairman is involved).

The requirements of clauses 4.2 to 4.4 must be complied with regarding prior notification, clearance and notification of dealings.

## 6. PERMITTED DEALINGS

The following types of dealings are excluded from the operation of clause 4 of this policy and may be undertaken at any time without requiring prior notification, approval or confirmation of dealing, subject to the insider trading prohibitions:

- (a) superannuation – transfers of Securities which are already held in a superannuation fund or other saving scheme in which the Prescribed Employee is a beneficiary, to or from an associate of the relevant Prescribed Employee, provided however that any such dealings are notified immediately to the Chairman;
- (b) third parties – an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in CLH securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (c) other trustees – where a Prescribed Employee is a trustee, trading in CLH securities by the respective trust provided the Prescribed Employee is not a beneficiary of the trust and any decision to trade during a Prohibited Period is taken by the other trustees or by the investments managers independently of the Prescribed Employee;
- (d) takeover – undertakings to accept, or the acceptance of, a takeover offer;

- (e) SPPs and DRPs – trading under an offer or invitation made to all or most of the Company's security holders, such as a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buyback, where the plan that determines the timing and structure of the offer has been approved by the Company's 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;
- (f) lender disposal – a disposal of CLH securities that is the result of a secured lender exercising their rights, however, this does not extend to disposal under any margin lending agreement where such agreements are prohibited by this policy;
- (g) incentive scheme – the exercise (but not the sale of CLH securities following exercise) of an option or right under an employee incentive scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a Prohibited Period and the Company has been in an exceptionally long Prohibited Period or the Company has had a number of consecutive Prohibited Periods and the Prescribed Employee could not reasonably have been expected to exercise it at a time when free to do so; and
- (h) trading plan – 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:
  - (i) the Prescribed Employee did not enter into the plan or amend the plan during a Prohibited Period; and
  - (ii) the trading plan does not permit the Prescribed Employee to exercise any influence or discretion over how, when, or whether to trade.

However, this policy does not allow the Prescribed Employee to cancel the trading plan or cancel or otherwise vary the terms of their participation in the trading plan during a prohibited period other than in exceptional circumstances.

- (i) bonus issue – acquiring CLH securities under a bonus issue made to all holders of CLH securities of the same class;
- (j) no change in beneficial interest – trading CLH securities where the trading results in no change in beneficial interest in CLH securities. However, the requirements of clauses 4.2 to 4.4 must be complied with; and
- (k) subscription under a disclosure document – subscribing for CLH securities under a disclosure statement.

**Warning:** Under the insider trading laws, a person who possesses Inside Information may be prohibited from trading even where the trading falls within an exception specified above.

## 7. FURTHER RESTRICTIONS

### 7.1 No margin lending

Prescribed Employees are not permitted to enter into margin lending arrangements in relation to CLH securities. This is on the grounds that the terms may require CLH securities to be

sold during a prohibited Period or when the Prescribed Employee possesses Inside Information.

This restriction does not extend to other funding arrangements where CLH securities may be included as security. Prescribed Employees should consult the Company Secretary if they are uncertain as to whether an arrangement should be classified as a margin lending arrangement.

## **7.2 No short term or speculative trading**

The Company encourages Prescribed Employees to be long term investors in the Company.

Prescribed Employees must not engage in short term or speculative trading in CLH securities. Short term means less than a 12 month period.

Prescribed Employees are not permitted to engage in short selling of CLH securities.

## **7.3 No hedging**

Prescribed Employees must not:

- (a) enter into transactions or arrangements with anyone which could have the effect of limiting their exposure to risk relating to an element of their remuneration that:
  - (i) has not vested; or
  - (ii) has vested but remains subject to a holding lock; or
- (b) deal at any time in financial products associated with CLH securities, except for the type of dealing permitted by law or a permitted dealing under this policy.

## **7.4 Meaning of financial products**

Financial products includes derivatives, options, warrants, futures, forward contracts, swaps and contracts for difference issued or created over or associated with CLH securities by third parties.

## **8. CONFIDENTIAL INFORMATION**

You must treat all sensitive, non-public information ("Confidential Information") about the Company as confidential and belonging to the Company. You must not disclose Confidential Information to others (including family members, relatives, business or social acquaintances) except as authorised or legally required. You must avoid inadvertent or indirect disclosure of Confidential Information. Even within the Company, Confidential Information should be distributed to or discussed with others only on a need to know basis, and those people must be told that the information is confidential. Be careful that your conversations are not overheard in elevators, aeroplanes or other public places. Do not leave Confidential Information on conference tables, desks or otherwise unguarded. Take whatever steps are necessary to keep Confidential Information from being disclosed, except as authorised or legally required.