



Wallace Absolute
Return Limited

Wallace Absolute Return Limited Share Trading Policy

1. Introduction

1.1 The shares of Wallace Absolute Return Limited ACN 100 854 788 (Company) are listed on the Australian Securities Exchange, ASX Limited (ASX).

1.2 This policy outlines:

- (a) when directors, senior management and other employees may deal in Company Securities;
- (b) when directors, senior management and other employees may deal in listed Securities of another entity (because they may obtain inside information about another entity's securities while performing their duties for the Company); and
- (c) procedures to reduce the risk of insider trading.

2. Defined terms

In this policy:

Company Securities includes shares in the Company, options over those shares and any other financial products of the Company whether traded on ASX or unlisted except for Excluded Trading.

Closed Period means the period between:

- (a) 1 January and the time of release of the Appendix 4D Half Year Report to the ASX;
- (b) 1 July and the time of release of the Appendix 4E Full Year Report to the ASX;
- or
- (c) Any other periods from time to time when the Company is considering matters which are subject to Listing Rule 3.1A as resolved by the Board of the Company.

Designated Officer means a director or person engaged in the management of the Company, whether as an employee or consultant, including all individuals defined as "key management personnel", in AASB 124 *Related Party Disclosures*.

Disclosure Officer means the person appointed to act as Disclosure Officer under the Company's market disclosure policy or the Chairman.

Employee means a person under the employ of the Company, whether as an employee or consultant and may include a Designated Officer.

Excluded Trading means trading in the following circumstances which are considered excluded from the Share Trading Policy:

- (a) transfers of securities of the Company already held into a superannuation fund or other saving scheme in which the Designated Officer or Employee is a beneficiary;
- (b) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the securities of the Company) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (c) where a Designated Officer or Employee is a trustee, trading in the securities of the Company by that trust provided the Designated Officer or Employee is not a beneficiary of the trust and any decision to trade during a Closed Period is taken by the other trustees or by the investment managers independently of the Designated Officer or Employee;
- (d) undertakings to accept, or the acceptance of, a takeover offer;
- (e) 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 rate issue;
- (f) a disposal of securities of the Company that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement. In this circumstance, the Designated Officer or Employee must have informed the Board of the Company prior to entering into such an arrangement over the securities;
- (g) the exercise (but not the sale of securities following exercise) of an option or a 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 Closed Period or the Company has had a number of consecutive Closed Periods and the Designated Officer or Employee could not reasonably have been expected to exercise it at a time when free to do so; and
- (h) trading under a non-discretionary trading plan for which prior Written Clearance has been provided by the Board of the Company and where:
 - the Designated Officer or Employee did not enter into the plan or amend the plan during a Closed Period;
 - the trading plan does not permit the Designated Officer or Employee to exercise any influence or discretion over how, when or whether to trade; and
 - the Company's Share Trading Policy does not allow for cancellation of a trading plan during a Closed Period other than in exceptional circumstances.

Written Clearance means any form of writing, including any typed electronic form.

3. Insider trading

3.1 If a person has information about securities and the person knows, or ought reasonably to know, that the information is inside information, it is likely to be illegal for the person to:

- (a) deal in the securities;
- (b) procure another person to deal in the securities; or
- (c) give the information to another person who the person knows, or ought reasonably to know, is likely to:
 - (i) deal in the securities; or
 - (ii) procure someone else to deal in the securities.

3.2 Insider trading is a criminal offence. It is punishable by substantial fines or imprisonment or both. A company may also be liable if an Employee or director engages in insider trading.

3.3 Insider trading may also attract civil penalties. A court may impose substantial pecuniary penalties for insider trading and order payment of compensation to persons who suffer loss or damage because of insider trading.

4. What is inside information?

4.1 Inside information is information that:

- (a) is not generally available; and
- (b) if it were generally available, would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the relevant securities.

4.2 Information is generally available if it:

- (a) is readily observable;
- (b) has been made known in a manner likely to bring it to the attention of persons who commonly invest in securities of the relevant type and a reasonable period for that information to be disseminated has elapsed since it was made known; or
- (c) consists of deductions, conclusions or inferences made or drawn from information falling under paragraphs 4.2(a) or 4.2(b).

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 apply for, acquire or dispose of, securities; and
- (c) granting, accepting, acquiring, disposing, exercising or discharging an option or other right or obligation to acquire or dispose of securities.

5.2 A decision to join, or subscribe for shares under, any dividend reinvestment plan is not dealing in Company Securities.

6. When Employees may deal

6.1 An Employee (who is not a Designated Officer) may deal in Company Securities or the listed securities of another entity if he or she does not have information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities or those securities of the other entity.

7. When Employees may not deal

7.1 An Employee (who is not a Designated Officer) may not deal or procure another person to deal in Company Securities or the listed securities of another entity if he or she has information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities or those securities of the other entity.

8. When a Designated Officer may deal

8.1 A Designated Officer may only deal in Company Securities outside of a Closed Period unless Written Clearance has been obtained under Paragraph 10; and

8.2 A Designated Officer may deal in the listed securities of another entity if he or she does not have information that he or she knows, or ought reasonably to know, is inside information in relation to those securities.

9. When a Designated Officer may not deal

9.1 A Designated Officer may not deal or procure another person to deal in Company Securities if he or she has information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities; or

9.2 A Designated Officer may not deal or procure another person to deal in the listed securities of another entity if he or she has information that he or she knows, or ought reasonably to know, is inside information in relation to those securities.

10. Clearance from the Disclosure Officer

10.1 Before dealing in Company Securities in a Closed Period, a Designated Officer must first inform the Disclosure Officer and obtain Written Clearance.

10.2 The Disclosure Officer may only give Written Clearance during a Closed Period if:

- (a) there is no matter about which there is inside information in relation to Company Securities (whether or not the Designated Officer knows about the matter) when the Designated Officer requests clearance or proposes to deal in Company Securities;
- (b) the Disclosure Officer has no other reason to believe that the proposed dealing breaches this policy; and
- (c) the request is considered an exception circumstance under Paragraph 11.

10.3 The Disclosure Officer must keep a written record of:

- (a) any information received from a Designated Officer in connection with this policy; and
- (b) any Written Clearance given under this policy.

11. Exceptional circumstances

11.1 The Disclosure Officer may give clearance for a Designated Officer to buy or sell Company Securities in exceptional circumstances where the Designated Officer would otherwise not be able to do so under this policy.

11.2 The Disclosure Officer may not give clearance under the exception in paragraph 11.1 if there is a matter about which there is inside information in relation to Company Securities (whether or not the Designated Officer knows about the matter) when the Designated Officer requests clearance or proposes to deal in Company Securities.

11.3 The Disclosure Officer will decide if circumstances are exceptional.

11.4 Exceptional circumstances include:

- (a) financial hardship;
- (b) requirements under a court order or court enforceable undertakings; or
- (c) other exceptional circumstances as determined by the Chairman or Chief Executive Officer (if Chairman is involved).

11.5 If the Disclosure Officer has any doubt in making a determination under this clause such discretion should be exercised with caution.

12. Dealings by associated persons and investment managers

12.1 If a Designated Officer may not deal in the Company Securities, he or she must prohibit any dealing in the Company Securities by:

- (a) any associated person (including family or nominee companies and family trusts); or
- (b) any investment manager on their behalf or on behalf of any associated person.

unless such dealing is Excluded Trading.

12.2 For the purposes of paragraph 12.1, a Designated Officer must:

- (a) inform any investment manager or associated person of the periods during which the Designated Officer may and may not deal in Company Securities; and
- (b) request any investment manager or associated person to inform the Designated Officer immediately after they have dealt in Company Securities.

12.3 A Designated Officer does not have to comply with paragraphs 12.1 and 12.2 to the extent that to do so would breach their obligations of confidence to the Company.

13. Communicating inside information

13.1 If an Employee (including a Designated Officer) has information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities or the listed securities of another entity, the Employee must not directly or indirectly communicate that information to another person if he or she knows, or ought reasonably to know, that the other person would or would be likely to:

- (a) deal in Company Securities or those securities of the other entity; or
- (b) procure another person to deal in Company Securities or the securities of the other entity.

13.2 An Employee must not inform colleagues (except the Disclosure Officer) about inside information or its details.

14. Speculative dealing

14.1 A Designated Officer may not deal in Company Securities on considerations of a short term nature.

15. Use of brokers

15.1 An Employee who deals in the company's securities should use only one broker. Employees may not use broker credit unless written approval has been obtained from the Board of the Company prior to execution of such credit.

16. Breach of policy

16.1 A breach of this policy by an Employee is serious and may lead to disciplinary action, including dismissal in serious cases. It may also be a breach of the law.

17. Distribution of policy

17.1 This policy must be distributed to all Designated Officers.

18. Assistance and additional information

18.1 Employees who are unsure about any information they may have in their possession, and whether they can use that information for dealing in securities, should contact the Disclosure Officer.