

## Securities Trading Policy

### 1. Introduction

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These guidelines set out the policy on the sale and purchase of securities in NuSep Holdings Limited by its Directors and Employees.

Directors and Employees are encouraged to be long-term holders of the Company's securities. However, it is important that care is taken in the timing of any purchase or sale of such Company securities to avoid 'insider trading'.

Accordingly the Board has adopted this Policy on dealing in the Company's securities by Directors and Employees. The objectives of this Policy are to:

- (a) assist Directors and Employees to minimise the risk that they may contravene the laws against insider trading;
- (b) ensure the Company is able to meet its reporting obligations under the ASX Listing Rules; and
- (c) increase transparency with respect to trading in the Company's securities by Directors and Employees.

To achieve these objectives, Directors and Employees should consider this Policy to be binding on them in the absence of a specific exemption by the Board.

In summary, this Policy prohibits dealing in the Company's securities when those persons possess unpublished market price sensitive information. If a Director or Employee is uncertain of the status of unpublished information, he or she should discuss it with the Chairman before making any decision to trade. The Chairman should discuss with the Board if he or she is uncertain of the status of published information.

Any non-compliance with this Policy will be regarded as serious misconduct which may result in the Company taking disciplinary action.

### 2. Transactions covered by this Policy

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This Policy applies to both the sale and purchase of any securities of the Company and its subsidiaries on issue from time to time. It applies to both listed and unlisted securities of the Company.

The definition of 'securities' in the Corporations Act is very broad. Securities include:

- (a) ordinary shares;
- (b) preference shares;
- (c) options or performance rights;
- (d) debentures; and

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- (e) convertible notes.

For the purposes of this Policy, the term 'securities' also extends to financial products issued or created over or in respect of securities issued by the Company (for example, warrants and other derivative products), whether or not the financial products are created by the Company or by third parties.

## 3. Insider trading

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Section 1043A (of Part 7.10, Division 3) of the Corporations Act makes it an offence for a person in possession of information that is not generally available but which, if generally available, might materially impact the price or value of Company securities to:

- (a) trade in (ie apply for, acquire or dispose of, or enter into an agreement to do any of these things); or
- (b) procure another person to trade in, Company securities (collectively referred to as deal in Company securities).

Contravention of section 1043A of the Corporations Act is a criminal offence and may also result in civil liability.

**At no time is a Director or Employee to trade in the Company's securities if they are in possession of Inside Information, irrespective of any provisions of this policy that allow a Director or Employee to trade.**

An "insider" can be an employee, shareholder, director or anyone in a relationship with the company likely to have access to private and sensitive information. This extends so far as to include friends, family or other people where price sensitive information may be divulged. The prohibition extends to dealings by Directors and Employees through nominees, agents or other associates, such as family members, family trusts and family companies (referred to as Associates in this Policy).

Trading is prohibited at any time if a person possesses inside information. It does not matter how or where the information is obtained. Price sensitive information includes any information about the company's performance that is not available generally and is likely to affect the price of the company's shares. This information is generally known by senior management and board members, but may also be available to employees who are involved in various projects, or professional advisers of NuSep.

### **Examples of Insider Trading**

To illustrate the prohibition described above, the following are possible examples of price sensitive information which, if made available to the market, may be likely to affect materially the price of the Company's securities:

- a material acquisition or joint venture;
- the Company's sales and profit results materially exceeding (or falling short of) the market's expectations;
- the granting (or loss) of a major contract
- any information required to be announced to the market pursuant to Listing Rule 3.1 (the Continuous Disclosure rule).

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The prohibition **does not** apply to acquisitions of shares or options by Employees made under employee share or option schemes, nor does it apply to the acquisition of shares as a result of the exercise of options under an employee option scheme.

However, the prohibition **does apply** to the sale of shares acquired under an employee share scheme and also to the sale of shares acquired following the exercise of an option granted under an employee option scheme.

## 4. Guidelines for trading in the Company's securities

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### 4.1 General Rule

Directors or Employees must not buy or sell Company securities except for during any of the following periods:

- (a) 30 calendar days commencing on the day after the date of lodgement of the annual audited accounts, auditor's report and Directors' Statement with ASIC;
- (b) 30 calendar days commencing on the day after the date of the Company's Annual General Meeting;
- (c) 30 calendar days commencing on the day after the release of the half yearly results announcement to the ASX (Appendix 4D);
- (d) 30 calendar days commencing on the day after the release of the preliminary final results announcement to the ASX (Appendix 4E);
- (e) 30 calendar days following the release of a Market Update or Cleansing Statement
- (f) 30 calendar days following the release of any disclosure document offering securities in the company
- (g) the duration of the offer period for an offer of securities in the Company made pursuant to a prospectus, product disclosure statement or cleansing notice.

All periods other than as detailed above are referred to as the '**Closed Period**'.

For the avoidance of doubt, during the Closed Period, Directors and Employees must not deal in financial products issued or created over or in respect of the Company's securities.

However, public listed companies are now required by statute to disclose price sensitive information on an on-going basis. Therefore, it is no longer relevant to refer to specific 'window' periods during which it is safest to trade in company's securities. Accordingly, directors and employees cannot assume that they are always free to trade for this reason.

**Even if a trading window is open, if a Director or Employee is in possession of price sensitive information which is not generally available to the market, then he or she must not deal in the Company's securities.**

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It is always the responsibility of the Director or Employee to check that they are permitted to buy or sell the Company securities as set out above before any decision is made by the Director or Employee to trade in the Company's securities.

The Closed Period may be extended or another Closed Period may be introduced at any time by direction of the Board. Changes to the Closed Period are effective immediately upon the giving of such notice.

## 4.2 No short-term trading in the Company's securities

Directors and Employees should never engage in short-term trading of the Company's securities ***except for the exercise of options where the shares will be sold shortly thereafter.***

## 4.3 No trading to benefit from downturn in Company

Directors and Employees should never engage in trading of the Company's securities or other financial products including derivatives, margin loans and hedging products where they would benefit from a diminution in the value of the Company's securities, or a downturn in the Company's business or other negative outcomes for the Company.

## 4.4 Securities in other companies

Buying and selling securities of other companies with which the Company may be dealing is prohibited where an individual possesses information which is not generally available to the market and is 'price sensitive'. For example, where an individual is aware that the Company is about to sign a major agreement with another company, they should not buy securities in either the Company or the other company.

## 4.5 Exceptions to the General Rule for Trading

Directors and all Employees may at any time:

- (a) acquire ordinary shares in the Company by conversion of securities giving a right of conversion to ordinary shares;
- (b) acquire Company securities under a bonus issue made to all holders of securities of the same class;
- (c) acquire Company securities under a dividend reinvestment, or top-up plan that is available to all holders of securities of the same class;
- (d) acquire, or agree to acquire or exercise options under a Company share option plan *(provided that they must not sell any shares acquired upon exercise of that option except in accordance with this Policy)*;
- (e) withdraw ordinary shares in the Company held on behalf of the employee in an employee share plan where the withdrawal is permitted by the rules of that plan;
- (f) acquire ordinary shares in the Company as a result of the exercise of options held under an employee option scheme;

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- (g) transfer securities of the Company already held into a superannuation fund or other saving scheme in which the restricted person is a beneficiary;
- (h) make an investment in, or trade 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;
- (i) where a restricted person is a trustee, trade in the securities of the Company by that trust provided the restricted person 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 investment managers independently of the restricted person;
- (j) undertake to accept, or accept, a takeover offer;
- (k) trade 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;
- (l) dispose of securities of the Company resulting from a secured lender exercising their rights, for example, under a margin lending arrangement;
- (m) exercise (but not sell securities following exercise) an option or a right under an employee incentive scheme, or convert 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 restricted person could not reasonably have been expected to exercise it at a time when free to do so; or
- (n) trade under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this Policy.

Where the Company has in place an active employee option plan:

- (a) it is not permissible to provide the exercise price of options by selling the shares acquired on the exercise of these options unless the sale of those shares occurs during one of the periods specified in clause 4.1; and
- (b) where the exercise price of options is being provided by a margin loan or other form of lending arrangement then there may be a risk that the employee or Director may need to sell shares to avoid providing additional capital or security to the lender in the event of a decrease in the value of the shares.

Were this to occur at a time when the person possessed inside information then the sale of Company securities would be a breach of insider trading laws, even though the person's decision to sell was not influenced by the inside information that the person possessed and the person may not have made a profit on the sale. Where Company securities are provided to a lender as security by way of mortgage or charge a sale that occurs under that mortgage or charge as a consequence of default would not breach insider trading laws.

## 5. Clearance and Notification Requirements

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### 5.1 Clearance Requirements - Directors

Any Director wishing to buy, sell or exercise rights in relation to the Company's securities must obtain the prior written clearance of the Chairman or the Board before doing so.

If the Chairman wishes to buy, sell or exercise rights in relation to the Company's securities the Chairman must obtain the prior written clearance of the Board before doing so.

The requests must include the intended volume of securities and an estimated timeframe for the sale or purchase.

Copies of written approvals must be forwarded to the Company Secretary prior to the approved purchase or sale transaction.

Trades must be executed promptly post the requisite trading clearance being granted. Any clearance to trade does not represent an explicit or implicit recommendation to trade in the Company's securities by the Company or its officers.

Directors need to be mindful of the market perception associated with any sale of Company securities and possibly the ability of the market to absorb the volume of shares being sold.

NuSep's Securities Trading Policy does not differentiate between on-market and off-market trading. The restrictions on trading in the Securities Trading Policy will also apply to off-market trading.

### 5.2 ASX Notification - Directors

Directors must also notify the Company Secretary in writing of any trade in the Company's securities within three days of such trade occurring so that the Company Secretary can comply with the Listing Rule 3.19A requirement to notify the ASX of any change in a notifiable interest held by a Director.

This notification obligation does not apply to acquisitions of shares or options under employee share or option schemes, nor does it apply to the acquisition of shares as a result of the exercise of options under an employee option scheme.

### 5.3 Clearance Requirements – Employees

During a Closed Period any Employee wishing to buy, sell or exercise rights in relation to the Company's securities must obtain the prior written clearance of the Managing Director or Chairman before doing so.

## 6. Exemption from Closed Period restrictions due to exceptional circumstance for Directors and Employees

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A Director or Employee who is not in possession of inside information in relation to the Company, may be given prior written clearance by the Managing Director (or in the case of a

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Director - the Chairman, or in the case of the Chairman - all of the other members of the Board) to sell or otherwise dispose of Company securities during a Closed Period if the Managing Director (or in the case of a Director - the Chairman, or in the case of the Chairman - all of the other members of the Board) has formed a view that there are exceptional circumstances that warrant the granting of such clearance.

## 6.1 Severe Financial Hardship or Exceptional Circumstances

The determination of whether a Director or Employee is in severe financial hardship will be made by the Managing Director in the case of Employees, the Chairman in the case of a Director, and all of the Board in the case of the Chairman.

Any application for an exemption allowing the sale of Company securities during a Closed Period based on financial hardship must be made in writing, be accompanied by a statutory declaration stating all of the facts and be accompanied by copies of relevant supporting documentation, including contact details of the person's accountant, bank and other such independent institutions.

A financial hardship or exceptional circumstances determination can only be made by examining all of the facts and if necessary obtaining independent verification of the facts from banks, accountants or other like institutions.

Any exemption, if issued, will be in writing and shall contain a specified time period during which the sale of securities can be made.

## 6.2 Court order or court enforceable undertaking

Exceptional circumstances may apply to the disposal of Company securities by a Director or Employee if the person is required by a court order, a court enforceable undertaking for example in a bona fide family settlement, to transfer or sell securities of the Company or there is some other overriding legal or regulatory requirement to do so.

Any application for an exemption allowing the sale of Company securities during a Closed Period based on exceptional circumstances must be made in writing and be accompanied by relevant court and/or supporting legal documentation.

Any exemption, if issued, will be in writing and shall contain a specified time period during which the sale of securities can be made.

## 7. Effect of Compliance with the Policy

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Compliance with this Policy is mandatory. Infringement of the insider trading provisions can attract a substantial monetary penalty, imprisonment or both. Compliance with this Policy does not absolve that individual from complying with the law, which must be the overriding consideration when trading in the Company's securities.

Any breach of this Policy will be regarded as serious and will be subject to appropriate sanctions.

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## 8. Contact

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If you have any questions regarding this Policy, please contact the Chairman, the Projects Director or the Company Secretary.

## 9. Publication

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A copy of this Policy is available at [www.nusep.com](http://www.nusep.com)