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W | A | M Income Maximiser

ABN 40 683 776 954

# Trading Policies

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# WAM Income Maximiser Limited

## (ACN 683 776 954)

### 1. Security Trading Policy

#### 1.1. Policy

The Board has established the following policy to apply to trading in the Company's securities on ASX. This policy applies to those persons defined below as "*Restricted Persons*" of the Company. Restricted Persons to whom this policy applies must restrict their buying and selling of Company's securities within the Company trading window established by the Security Trading Policy. Any breach of this policy will be regarded as serious and will be subject to appropriate sanctions.

In addition to the requirements of this Security Trading Policy, all Restricted Persons (as defined below) must also comply with the Insider Trading Policy in section 2 below.

#### 1.2. Executive restrictions on trading

This Security Trading Policy and the restrictions on trading in the Company's securities set out below applies to the following representatives of the Company (**Restricted Persons**):

- (a) the Board;
- (b) directors and company secretary of any subsidiary of the Company;
- (c) any person who is entitled to receive equity performance rights and/or options as part of any equity incentive based scheme of the Company;
- (d) any Executives; and
- (e) the Company Secretary.

The Restricted Persons are to be subject to restrictions on trading in the Company's securities at certain times of the year. Restrictions also apply where any Restricted Person is exposed to inside information in the course of their duties in accordance with the Insider Trading Policy (see section 2 below).

#### 1.3. Associated parties

Each Restricted Person has a personal responsibility to ensure that his or her "associated parties" (being immediate family (including a spouse (or equivalent) or dependent), family company or trust) complies with the same respective restrictions as applied to Restricted Persons.

#### 1.4. Prohibition on restricted persons dealing in securities

Restricted Persons must not deal in the Company's securities during prohibited periods (closed periods) unless exceptional circumstances apply and written approval is given to a transaction in advance.

As the Company is a listed investment company, which will announce its investment updates and Net Tangible Assets (**NT A**) at least monthly on the ASX, the Board believes the Shareholders are generally fully informed.

## Trading blackouts

In addition to the overriding prohibition on dealing when a person is in possession of inside information in accordance with the Insider Trading Policy, Restricted Persons and their associated parties are prohibited (unless otherwise agreed to by the Board) from dealing in securities during each period of 5 business days before the announcement of a dividend or any other capital management initiative that might have a material impact on the share price.

The Company may from time to time designate further periods of time as a prohibited period under this policy.

For the avoidance of doubt, it is emphasised that Restricted Persons may not deal whilst in the possession of "Inside Information" (see section 2).

### 1.5. Board of Directors' discretion

The Board has absolute discretion to place an embargo on Restricted Persons and/or their respective associated parties trading in the Company's securities at any time.

### 1.6. Notification rules in relation to dealing in securities

Restricted Persons are required to notify the Company of intended dealings in the Company's securities, by themselves or their associated parties, prior to such intended dealings. This should be done by written notice to the Company Secretary outlining the:

- (a) name of the Shareholder;
- (b) type of proposed transaction (purchase, sale, etc.); and
- (c) number of securities involved.

The Company Secretary will confer with the Chairperson in relation to any proposed dealing.

The Chairperson and the Company Secretary must keep a written record of any information received from a Restricted Person in connection with this policy and any clearance or refusal to grant clearance given under this policy.

### 1.7. Directors to notify ASX of shareholding

The Directors are required to complete, or request that the Company Secretary complete, necessary forms to be filed with ASX in respect of their shareholding in the Company for the purposes of section 205G of the Corporations Act and the Listing Rules.

In accordance with Listing Rule 3.19A, a Director must notify the ASX within 5 business days after any change in his or her relevant interest in the Company's securities.

All Directors have, and new Directors will, enter into a Director disclosure agreement with the Company (as set out in Guidance Note 22 of the Listing Rules). The Company Secretary will maintain records of signed copies of these Director disclosure agreements.

## 1.8. Exceptional circumstances

Where, in exceptional circumstances, and it is the only reasonable course of action available to a Restricted Person (e.g. a pressing financial commitment that cannot be satisfied otherwise), clearance may be given for the Restricted Person to sell (but not to purchase) securities in the Company when that person would otherwise be prohibited from doing so. In this section 1.8, "exceptional circumstances" means severe financial hardship, a court order (or court enforceable undertaking), or some other overriding legal or regulatory requirement, to transfer or sell securities in the Company, or other circumstances that may be deemed exceptional by the Chairperson. For example, a Restricted Person may be in severe financial hardship if he or she has a pressing financial commitment that cannot otherwise be satisfied.

The Chairperson may not give clearance under the exception in section 1.8 if there is a matter about which there is inside information in relation to securities in the Company (whether or not the Restricted Person knows about the matter) when the Restricted Person requests clearance or proposes to deal in securities in the Company.

The Chairperson or another Director (where the Chairperson is involved) will decide if circumstances are exceptional.

Any clearance given by the Chairperson in accordance with section 1.8 must be in writing (which may be in the form of an email). The Chairperson must determine, and specify in the written clearance, the maximum duration of the clearance.

## 1.9. Trading not subject to this Security Trading Policy

The following dealings are not subject to the provisions of this Security Trading Policy in respect of the Company:

- (a) undertakings or elections to take up entitlements under a rights issue or other offer (including an offer of securities in lieu of a cash dividend);
- (b) the take up of entitlements under a rights issue or other offer (including an offer of securities in lieu of a cash dividend);
- (c) allowing entitlements to lapse under a rights issue or other offer (including an offer of securities in lieu of a cash dividend);
- (d) the sale of sufficient entitlements to allow take up of the balance of the entitlements under a rights issue;
- (e) undertakings to accept, or the acceptance of, a takeover offer or pursuant to a scheme of arrangement implemented in accordance with section 411 of the Corporations Act;
- (f) transfer of securities arising out of the operation of an employee scheme into a savings scheme investing only in securities of the Company following:
  - (i) the exercise of an option under a savings related share option scheme; or
  - (ii) release of securities from a profit sharing scheme;
- (g) the cancellation or surrender of an option under an employee scheme;
- (h) the purchase of securities or the communication of information pursuant to a requirement imposed by law;

- (i) transfers of securities by an independent trustee of an employee share scheme to a beneficiary who is not a natural person;
- (j) transfers of securities in the Company already held into a superannuation fund or other saving scheme in which the Restricted Person is a beneficiary;
- (k) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the securities of the entity) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (l) where a Restricted Person is a trustee, trading in the securities of the entity 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;
- (m) trading under an offer or invitation made to all or most of the Shareholders of the Company, such as, a rights issue, a share 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; and
- (n) bona fide gifts to a Director by a third party.

#### **1.10. Hedging**

A Restricted Person must not enter into hedging arrangements with respect to securities in the Company (including any shares, options and rights).

For the purpose of this section hedging arrangements include entering into transactions in financial products that operate to limit the economic risk associated with holding securities in the Company.

#### **1.11. Margin loans**

A Restricted Person must not include his or her securities in the Company in a margin loan portfolio or otherwise deal in securities in the Company pursuant to a margin lending arrangement without first obtaining the Board's consent. Such dealing would include:

- (a) entering into a margin lending arrangement in respect of securities in the Company;
- (b) transferring securities in the Company into an existing margin loan account; and
- (c) selling securities in the Company to satisfy a call pursuant to a margin loan.

The Company may, at its discretion, make any clearance granted in accordance with this section 1.11 conditional upon such terms and conditions as the Company sees fit (for example, in regards to the circumstances in which the securities in the Company may be sold to satisfy a margin call).

## 2. Insider Trading Policy

### 2.1. Policy

The Board has established the following Insider Trading Policy to apply to trading in the Company's securities on ASX.

This Policy applies to all Directors and Executives. Directors and Executives must not deal in the Company's securities while in possession of price sensitive information.

In addition, the Security Trading Policy (refer to section 1) sets out additional restrictions which apply to Directors and Executives of the Company.

The law imposes a number of significant restrictions on Directors and Executives of the Company when they deal in their Company's securities. As fiduciaries, these persons must not utilise their position for their own gain or for the gain of any person other than the Company.

The Corporations Act imposes severe penalties (both criminal and civil) on persons who conduct insider trading activities. Any perception of improper conduct by Directors and Executives also has the potential to substantially damage the Company's reputation.

The Company has established this Insider Trading Policy in an effort to prevent the incidence of insider trading in the Company's securities. This Insider Trading Policy provides a general summary of the law in Australia in relation to insider trading, and as such operates in addition to the legal requirements. It is the personal responsibility of each Director and Executive to comply with this Insider Trading Policy.

### 2.2. Overview of the insider trading provisions in the Corporations Act

It is illegal for anybody to deal in any securities of a body corporate (including the Company), when in possession of information that the person knows, or ought reasonably to know:

- (a) is not generally available (including information that the Company has not disclosed to the market in accordance with the Continuous Disclosure Policy); and
- (b) might have a material effect on the price or value of those securities if it were generally available (**Inside Information**).

This prohibition extends to procuring, advising or encouraging another person (for example, a family member, a friend, a family company, trust or investment manager) to deal, and, in the case of securities of listed corporations, extends to communicating the Inside Information to another person, if the person knows, or ought reasonably to know, that the other person would, or would be likely to, deal in the securities in question or procure another person to do so. To communicate Inside Information to another person is also an offence which carries both civil and criminal penalties.

A Director or Executive in possession of Inside Information about the Company has a duty to keep that information confidential and must not in any way disclose or communicate that information to any person.

Examples of possible "inside information" include:

- (a) entry into or termination of a material contract;
- (b) an actual or proposed takeover or merger;
- (c) an actual or proposed change to the Company's capital structure;
- (d) a change in dividend policy; and
- (e) a material claim against the Company or other unexpected liability.

Information will have a material effect when a reasonable person would expect the information to influence an investor's investment decision to buy and sell securities. For further guidance with respect to materiality, please refer to our Continuous Disclosure Policy.

### **2.3. Dealing with security analysts, institutional investors and journalists**

A Director or Executive may deal with others outside the Company such as security analysts, institutional investors and journalists. It is important that all Directors and Executives be aware that selective disclosure of non-public information may result in a breach of the insider trading rules.

It is important to emphasise that it is the mere fact of conveyance of the material non-public information that gives rise to liability, not the manner in which it is conveyed.

It is possible to convey information in breach of this Insider Trading Policy and the Corporations Act by expressing subjective attitudes about the Company's performance or by calling attention to selective information not available as an aggregate to the general public. It is essential to avoid the indirect conveyance of information by any means whatsoever.

If during the course of a discussion with any analyst, journalist or other outsider, material non-public information concerning the Company is disclosed, inadvertently or otherwise, the recipient of the information should be informed of its non-public nature and cautioned against its use unless and until the Company has made full public disclosure of the information. The Company Secretary should be notified of the situation immediately so that a decision can be made regarding disclosure of the information.

No public comments should be made regarding any previously undisclosed operating results or other developments unless authorised by the Company.

### **2.4. Consequences for non-compliance**

Any breaches of this policy will be treated seriously and may give rise to disciplinary action. Any Director or Executive who becomes aware of a violation of this policy should immediately report the violation to the Chairperson or, in their absence, the Company Secretary.

The prohibition on insider trading is absolute, with civil penalties and/or criminal offences under the Corporations Act.



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