
SECURITIES TRADING POLICY
XREF LIMITED ARBN 122 404 666

1. **Introduction**

This policy outlines:

- 1.1 when Key Management Personnel may deal in Company Securities; and
- 1.2 procedures to reduce the risk of insider trading.

2. **Defined terms**

In this policy:

Approving Officer means:

- (a) for a Key Management Personnel, the Managing Director of the Company;
- (b) for the Managing Director of the Company, the chairman of the Board.

ASX means ASX Limited.

Board means the board of directors of the Company.

Business Day has the same meaning as in the ASX Listing Rules.

Closed Period means a period specified as such in paragraph 7 when Key Management Personnel are prohibited from trading in Company Securities.

Company means Xref Limited ARBN 122 404 666.

Company Securities includes shares in the Company or another entity within the Group, options over those shares and any other financial products of the Group.

Derivatives has the meaning given in the *Corporations Act 2001 (Cth)* and includes put and call options, forward contracts, futures, warrants, swaps, caps and collars.

Group means the Company and each of its controlled entities.

Immediate Family Member means a family member of a Key Management Personnel who may be expected to influence, or be influenced by, the Key Management Personnel in his or her dealings with Company Securities. An Immediate Family Member may include:

- (a) the Key Management Personnel's partner; and
- (b) dependants of the Key Management Personnel or the Key Management Personnel's partner.

Key Management Personnel means:

- (a) all persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director and any

person engaged in the management of the Group, whether as an employee or consultant or employee of a consultant; and

(b) any employee of an entity within the Group.

3. **Insider trading**

3.1 If a person has information about Company 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 Company Securities;

(b) procure another person to deal in the Company Securities; or

(c) give the information to another person who the person knows, or ought reasonably to know, is likely to:

(1) deal in the Company Securities; or

(2) procure someone else to deal in the Company Securities.

3.2 Insider trading is a criminal offence. It is punishable by substantial fines, 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.

3.4 **Insider trading is prohibited at all times. Key Management Personnel must not do anything referred to in paragraph 3.1.**

4. **What is inside information?**

4.1 Information includes:

(a) matters of supposition and other matters that are insufficiently definite to warrant being made known to the public; and

(b) matters relating to the intentions, or likely intentions, of a person.

4.2 Inside information is information that:

(a) is not generally available; and

(b) if it were generally available, a reasonable person would expect it to have a material effect on the price or value of the relevant Company Securities – therefore the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the relevant Company Securities.

By way of example, the following types of information would be likely to be considered to have a material effect on the price or value of Company Securities:

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- information regarding a material increase or decrease in the Company's financial performance from that anticipated by the Company or from previous market guidance;
 - material business or asset acquisition or sale;
 - a proposed dividend or a change in dividend policy;
 - actual or proposed takeover or merger;
 - the damage or destruction of a material plant or operation of the Company;
 - proposed material legal proceedings to be initiated by or against the Company;
 - regulatory action or investigations undertaken by a Government authority;
 - entering into or terminating a material contract;
 - the launch of a new business or material new product;
 - a proposal to undertake a new issue of shares or major change in financing;
or
 - a significant change in senior management.

4.3 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 4.3(a) or 4.3(b).

5. **What is dealing in Securities?**

Dealing in Company Securities includes:

- 5.1 applying for the issue of new Company Securities;
- 5.2 acquiring or disposing of existing Company Securities;
- 5.3 entering into an agreement to apply for, acquire or dispose of Company Securities;
and
- 5.4 granting, accepting, acquiring, disposing, exercising or discharging an option or other right or obligation to acquire or dispose of securities.

6. When key management personnel may deal

Subject always to paragraph 3.4, Key Management Personnel may only deal in Company Securities:

6.1 during the 30 day period:

- (a) commencing immediately after the date on which the Company releases its half year results to ASX; or
- (b) commencing immediately after the date on which the Company releases its full year results to ASX; or

6.2 such other periods as the Board may determine from time to time.

7. Closed periods

Subject to the periods outlined in paragraph 6, a Key Management Personnel may not trade, deal or procure another person to deal in Company Securities during any other period (Closed Period) unless:

7.1 he or she obtains written clearance from the Approving Officer as outlined in paragraph 10;

7.2 an exclusion applies as outlined in paragraph 11; or

7.3 an exceptional circumstance applies and he or she has obtained prior written consent as outlined in paragraph 12.

8. Prohibition on hedging

Key Management Personnel are not permitted to engage in hedging instruments, deal in Derivatives or enter into arrangements or other transactions which limit the economic risk related to Company Securities.

9. Immediate family and controlled entities

Key Management Personnel must take all reasonable steps to ensure that their Immediate Family Members and any company, trust or other entity controlled by such Key Management Personnel or any such Immediate Family Members comply with this policy, except to the extent that to do so would breach the Key Management Personnel's obligations of confidence to the Group.

10. Clearance from approving officer

10.1 Intention to Trade Notice

- (a) Before any Key Management Personnel deals in Company Securities they must:
 - (1) complete an Intention to Trade Notice and lodge it with the Approving Officer; and

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- (2) receive a 'No Objection' advice in the Response Notice section of the Intention to Trade Notice which is dated and signed by the Approving Officer.

An Intention to Trade Notice is available from the Company Secretary.

- (b) Further to paragraph 9, Key Management Personnel should submit an Intention to Trade Notice if they are aware that an Immediate Family Member or a company, trust or other entity controlled by them proposes to deal in Company Securities and they should also take all reasonable steps to prevent the dealing from taking place unless the Approving Officer has issued a 'No Objection' advice in the Response Notice section of the Intention to Trade Notice.
- (c) The issue of such a 'No Objection' advice is not an endorsement by the Company or any other person of the proposed transaction – people remain responsible for their own investment decisions and their compliance with the law.
- (d) A response to an Intention to Trade Notice (effected via the Approving Officer completing the 'No Objection' or 'Objection' advice in the Response Notice section of the Intention to Trade Notice) must be given to the relevant Key Management Personnel within two business days of the request being made.
- (e) If the Approving Officer issues an 'Objection' advice in the Response Notice section of the Intention to Trade Notice:
 - (1) the proposed dealing in the relevant Company Securities must not take place; and
 - (2) neither the Company, the Approving Officer nor any other person is required to give reasons for the 'Objection' advice (particularly as clearance may be withheld by reason of inside information not known to the Key Management Personnel personally).
- (f) The Company Secretary maintains a record of the response to any Intention to Trade Notice lodged by Key Management Personnel.

10.2 Dealing Advice Notice

- (a) A Key Management Personnel who is given a 'No Objection' advice in accordance with paragraph 10.1 must:
 - (1) deal with the relevant Company Securities as soon as possible and in any event within five Business Days of the 'No Objection' advice being given; and
 - (2) submit a Dealing Advice Notice to the Approving Officer as soon as the transaction has taken place and no later than two days after the transaction has taken place.

A Dealing Advice Notice is available from the Company Secretary.

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- (b) A Key Management Personnel must also use the Dealing Advice Notice to notify the Approving Officer if the proposed dealing referred to in paragraph 10.2(a) does not take place.

11. Exclusions

The following dealings in Company Securities by Key Management Personnel are excluded from the provisions of this policy:

- 11.1 transfers of Company Securities already held into a superannuation fund or other saving scheme in which the Key Management Personnel is a beneficiary;
- 11.2 transfers of Company Securities where there is no change in beneficial ownership;
- 11.3 an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in Company Securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
- 11.4 where a Key Management Personnel is a trustee, trading in Company Securities by that trust provided the Key Management Personnel 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 Key Management Personnel;
- 11.5 undertakings to accept, or acceptance of, a takeover offer;
- 11.6 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 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
- 11.7 the exercise (but not the sale of Company 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.

12. Exceptional circumstances

- 12.1 A Key Management Personnel may be given prior written clearance to sell or otherwise dispose of Company Securities during a Closed Period in exceptional circumstances where the Key Management Personnel would otherwise not be able to do so under this policy:
 - (a) where the Key Management Personnel is in severe financial hardship;
 - (b) where the Key Management Personnel is required by a Court order, or there are Court enforceable undertakings to transfer or sell the Company Securities; or
 - (c) there are other exceptional circumstances.

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- 12.2 A person may be in severe financial hardship if he or she has a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant Company Securities.
- 12.3 The Approving Officer may not give clearance under the exception in paragraph 12.1 if there is a matter about which there is inside information in relation to Company Securities (whether or not the Key Management Personnel knows about the matter) when the Key Management Personnel requests clearance or proposes to deal in Company Securities.
- 12.4 The Key Management Personnel seeking clearance to trade must satisfy the Approving Officer that he or she is in severe financial hardship or that his or her circumstances are otherwise exceptional and that the proposed sale or disposal of the relevant Company Securities is the only reasonable course of action available.
- 12.5 The Approving Officer will decide if circumstances are exceptional.
- 12.6 The provisions of paragraph 10 (except paragraph 10.1(d)) shall apply.
13. **Breach of policy**
- A breach of this policy by a Key Management Personnel is serious and may lead to disciplinary action, including dismissal in serious cases. It may also be a breach of the law.
14. **Distribution of policy**
- This policy must be distributed to all Key Management Personnel.
15. **Assistance and additional information**
- A Key Management Personnel who is unsure about any information he or she may have in his or her possession, and whether he or she can use that information for dealing in Company Securities, should contact the Managing Director.
16. **Approved and adopted**
- This policy was approved and adopted by the Board on 3 February 2016.
17. **Disclosure after material change**
- If the Company make a material change to this policy, the amended policy will be announced within five Business Days after the material change taking effect. A material change includes:
- 17.1 changes to any Closed Periods;
- 17.2 changes to the trading which is excluded from the operation of the policy; and
- 17.3 changes to the list of exceptional circumstances in paragraph 12.1 in which trading might be permitted during Closed Periods.

DATE

3 February 2016

SIGNED

A handwritten signature in black ink, appearing to read 'A. J. J.', is positioned above a horizontal line.

Chairman of the Board
of Xref Limited