

# Asia Pacific Data Centre Group (APDC Group)

## SECURITIES TRADING POLICY

**Note: insider trading obligations continue post employment whilst you hold inside information**

### Objective

1. This Securities Trading Policy sets out the circumstances in which Directors, senior executives and employees of the APDC Group and its subsidiaries may deal in the APDC Group's securities with the objective that no Director or employee will contravene the requirements of the Corporations Act or the ASX Listing Rules.
2. The objective of this policy is to ensure that:
  - (a) Directors and employees adhere to high ethical and legal standards in relation to their personal investment in the APDC Group's securities; and
  - (b) Personal investments of Directors and employees do not conflict with the interests of the APDC Group and other securityholders in relation to the APDC Group's securities.

### Purpose

3. The purpose of this policy is designed to protect the reputation of the APDC Group and to ensure that such reputation is maintained or perceived to be maintained by persons external to the APDC Group.
4. The policy is not designed to prohibit Directors and employees from investing in the APDC Group's securities but does recognise that there may be times when Directors or employees cannot or should not invest in the APDC Group's securities. The policy provides guidance to Directors and employees as to the times that Directors and employees may invest in the APDC Group's securities.

### Outline of Corporations Act requirements

5. A Director or employee possesses "inside information" in relation to the APDC Group where:
  - (a) the person possesses information that is not generally available and, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of the APDC Group's securities; and
  - (b) the person knows, or ought reasonably to know, that the information is not generally available and, if it were generally available, a reasonable person would expect it to have a material effect on the price or value of the APDC Group's securities.<sup>1</sup>

A reasonable person would be taken to expect information to have a material effect on the price or value of the APDC Group's securities if the information would, or would be likely to,

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<sup>1</sup> Sections 1042A and 1043A Corporations Act.

influence persons who commonly invest in securities in deciding whether or not to deal in the APDC Group's securities in any way.<sup>2</sup>

6. If a Director or employee possesses "inside information" in relation to the APDC Group, the person must not:
  - (a) deal in the APDC Group's securities in any way; or
  - (b) procure another person to deal in the APDC Group's securities in any way; or
  - (c) directly or indirectly, communicate the information, or cause the information to be communicated, 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 APDC Group's securities in any way or procure a third person to deal in the APDC Group's securities in any way.
  
7. For the purposes of paragraphs (a) and (b) above:
  - (a) "the APDC Group's securities" includes any securities in the APDC Group, debentures (including convertible notes) issued by the APDC Group, units of securities in the APDC Group and options to acquire or subscribe for securities in the APDC Group; and
  - (b) to "deal" in the APDC Group's securities includes subscribing for, purchasing or selling the APDC Group's securities or entering into an agreement to do any of those things.
  
8. A Director or employee who deals in the APDC Group's securities while they possess "inside information" will be liable to both civil and criminal penalties. The penalties as at the date of this document are:
  - (a) in the case of a natural person, imprisonment for 10 years or a fine the greater of the following:
    - (i) up to \$495,000 and/or 10 years imprisonment; or
    - (ii) three times the value of benefits obtained from the commission of the offence,
    - (iii) or both; or
  - (b) in the case of a body corporate, a fine the greatest of the following:
    - (i) up to \$4,950,000; or
    - (ii) three times the value of benefits obtained from the commission of the offence; or
    - (iii) 10% of the body corporate's annual turnover during the 12-month period ending at the end of the month in which the body corporate committed, or began committing, the offence; and
  - (c) unlimited civil liability equivalent to the damages caused.

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<sup>2</sup> Section 1042D Corporations Act.

## Examples of "inside information"

9. Examples of information which may be considered to be "inside information" include the details relating to the items listed below (this is not an exhaustive list):
- (a) sales figures;
  - (b) profit forecasts;
  - (c) unpublished announcements;
  - (d) proposed changes in capital structure, including securities issues, rights issues and the redemption of securities;
  - (e) borrowings;
  - (f) impending mergers, acquisitions, reconstructions, takeovers, etc;
  - (g) significant litigation;
  - (h) significant changes in operations or proposed changes in the general character or nature of the business of the APDC Group or its subsidiaries;
  - (i) new distributorships, products and technology;
  - (j) liquidity and cashflow information;
  - (k) major or material purchases or sales of assets (consideration exceeding \$10,000,000 should be treated as material);
  - (l) management restructuring or Board of Directors changes;
  - (m) new significant contracts or customers;
  - (n) a new entity proposing to buy, or a securityholder proposing to sell, a substantial number of securities in the APDC Group.

## Application of the Policy

10. This Policy applies to all Directors, all employees who from time to time possess information that could be considered inside information, or who are nominated as such by the Board of Directors ("**Senior Executives**") and other employees, and to their respective associates (including a company or trust controlled by the Director or employee, a spouse, dependant children, a close relative, a person acting in concert with the Director or employee, etc).

## Policy

11. **General principles** - Directors and employees of the APDC Group and its subsidiaries should note the following general principles regarding their personal trading of the APDC Group's securities:
- (a) avoid and be seen to avoid, actual or potential conflict between their personal interest and their duty to the APDC Group and its securityholders;
  - (b) do not derive personal advantage from information which is not generally available and which has been obtained by reason of, or in the course of, their directorship or employment;

- (c) seek prior approval of the Managing Director or the Chairman in the case of the Managing Director to trade to ensure the APDC Group's and securityholder's interests are not compromised;
  - (d) ensure any personal trading is on a scale that reflects your individual financial ability to fund and maintain an appropriately sized portfolio;
  - (e) ensure any personal trading does not adversely impact on your ability to perform normal duties;
  - (f) do not utilise broker credit - relevant exchange settlement terms must apply on all occasions and all transactions must be settled according to industry standards. Such prohibition does not extend to normal documented margin lending or loan facilities offered to the general public by brokers, banks or other lending institutions;
  - (g) Directors and employees who have access to price sensitive information or "inside information" should not conduct personal trading in the APDC Group's securities.
12. **Short term trading** - Notwithstanding the following, Directors and employees of the APDC Group and its subsidiaries should never engage in short term trading of any APDC Group securities. In general, the purchase of securities with a view to resale within a 12 month period and the sale of securities with a view to repurchase within a 12 month period would be considered to be transactions of a "short term" nature. However, the sale of securities immediately after they have been acquired through the conversion of a security (e.g. exercise of an option) will not be regarded as short term trading.
13. **Trading windows** - Subject to the below, the recommended time (in terms of avoiding suggestions of insider trading) for any Director or employee to deal in the APDC Group's securities is during the four week period immediately after the:
- (a) date of the APDC Group's AGM;
  - (b) release by the APDC Group of its half yearly results announcement to ASX;
  - (c) release by the APDC Group of its yearly results announcement to ASX; or
  - (d) release of a disclosure document offering equity securities in the APDC Group,
- PROVIDED** that the person is **NOT** in possession of any inside information relating to those securities.
14. **Trading embargo** - In addition, a "closed season" operates in respect of which Directors and employees must refrain from dealing in the APDC Group's securities during the two month period prior to release of the interim and full year results announcements. All holders of executive options are automatically regarded as being subject to this "closed season" restriction.
15. **Directors and Senior Executives** - A Director or Senior Executive may not deal in the APDC Group's securities or enter into transactions or arrangements which operate to limit the economic risk of their holdings of the APDC Group's securities without the prior consent of the Managing Director or Chairman of the Board in the case of the Managing Director before commencing the transaction. A Director or Senior Executive must also provide the Managing Director or Chairman of the Board in the case of the Managing Director with subsequent confirmation of the trading that has occurred. No prior consent is required prior to a Director or senior executive participation in a Dividend Reinvestment Plan.
16. **Designated Officers** - A Designated Officer being those persons so determined by the Board,

are prohibited from entering into transactions or arrangements which operate to limit the economic risk of their holdings of the APDC Group's securities.

17. Prudence will dictate that dealings should generally be limited to the recommended times referred to in paragraph 13 above and that the Chairman will generally refuse consent to deal in the APDC Group's securities outside these recommended times unless special circumstances exist (such as financial hardship). In any event, the Director or Senior Executive should not deal in APDC Group's securities at any time if the Director or Senior Executive is in possession of any inside information relating to those securities.
18. **Employees other than Senior Executives** - Employees of the APDC Group other than Senior Executives may deal in the APDC Group's securities at any time if the employee notifies the Company Secretary before commencing the transaction and after the transaction has occurred, providing confirmation of the trading. Employees are strongly advised to limit dealing in the APDC Group's securities to the recommended timing referred to in paragraph 13 above. In any event, the employees should not deal in the APDC Group's securities at any time if the employee is in possession of any inside information relating to those securities.
19. **Exercise of options, participation in employee security option plans etc** - Subject to the insider trading provisions of the Corporations Act, Directors and employees may at any time:
  - (a) acquire securities in the APDC Group by converting securities that give a right of conversion to securities in the APDC Group;
  - (b) acquire the APDC Group's securities under a bonus issue made to all holders of securities of the same class;
  - (c) acquire the APDC Group's 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, options under a APDC Group security option plan; and
  - (e) exercise options acquired under a APDC Group security option plan (but may not sell all or part of the shares received upon exercise of the options other than in accordance with these procedures).

#### **ASX notification**

20. In accordance with section 205G Corporations Act, a Director must notify the ASX within 14 days after any change in the Director's relevant interest in securities of the APDC Group or a related body corporate of the APDC Group.
21. A Director must notify the Company Secretary in writing of the requisite information for the Company Secretary to make the necessary notifications to ASIC and ASX as required by the Corporations Act and the ASX Listing Rules. For the purposes of this policy, information in writing includes a letter, a facsimile of a letter or an email attaching a letter.

#### **Questions?**

22. **If you have any questions regarding this policy you should contact:**

The Company Secretary on 02 8072 4916.