

# AUB GROUP LIMITED SECURITIES TRADING POLICY

Effective 24<sup>th</sup> August 2016



## 1. PURPOSE

The purposes of the policy are to:

- (a) set out the circumstances in which Directors, officers, employees and contractors of the Company (each an **AUB Connected Person**) and their Associates may Deal in Company Securities;
- (b) highlight that there are times when they cannot or should not Deal in Company Securities; and
- (c) protect and maintain the reputation of the Company, and ensure that it is seen by persons outside the Company as being protected and maintained.

The policy is not designed to prohibit AUB Connected Persons from investing in Company Securities but does recognise that there may be times when they cannot or should not invest in Company Securities. The policy provides guidance to AUB Connected Persons as to the time that they may invest in the Company's securities. The requirements of the policy also allow the Company to monitor the personal investment activity in the Company's securities by AUB Connected Persons.

## 2. INTERPRETATION

In the policy:

**Associate** means, in relation to an AUB Connected Person:

- (a) their spouse, de-facto spouse, parent or child or a spouse or de-facto spouse of that parent or child;
- (b) an entity controlled by one or more of the persons referred to in paragraph (a);
- (c) an entity (including without limitation trusts, companies and nominees) and/or person that the AUB Connected Person controls or may be expected to control or influence; and
- (d) a person with whom they are acting in concert or propose to act in concert in relation to the Company's affairs.

**Company** means AUB Group Limited.

**Securities** includes shares, bonds, debentures and convertible notes, interests in trusts and other financial products and any derivatives of those securities, including equity swaps, contracts for difference, futures, hedges and exchange-traded or over-the-counter options to acquire or subscribe for shares.

**Director** means a director of the Company.

**Deal** includes directly or indirectly applying for, subscribing for, purchasing or selling or entering into an agreement to do any of those things including the election to participate or not participate in any dividend or distribution reinvestment plan, and **Dealing** has a corresponding meaning.

# AUB GROUP LIMITED SECURITIES TRADING POLICY



**Designated Person** means Directors, officers and any other key management personnel as defined in Accounting Standard AASB 124 and any senior executive designated by the CEO or CFO from time to time in respect of which the Group Legal Counsel will maintain a register.

**Inside Information** means information relating to a company 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 company's Securities. Information is regarded as likely to have a material effect if it would or be likely to influence persons who commonly invest in Securities whether or not to Deal in the company's Securities. For the avoidance of doubt, Inside Information can include matters of supposition or expectation and matters relating to intentions or likely intentions of a person.

## 3. OBJECTIVES OF THE POLICY

The objectives of the policy are to:

- (a) ensure that AUB Connected Persons do not contravene the applicable requirements of the *Corporations Act* or the ASX Listing Rules;
- (b) ensure that AUB Connected Persons adhere to high ethical and legal standards in their personal Dealings in Company Securities;
- (c) ensure that the personal Dealings of AUB Connected Persons in Company Securities do not conflict with the interests of the Company and its shareholders in relation to Company Securities; and
- (d) minimise the risk of insider trading and avoid the perception or appearance of insider trading.

## 4. OUTLINE OF CORPORATIONS ACT REQUIREMENTS

### 4.1 RESTRICTED DEALINGS

If an AUB Connected Person possesses Inside Information in relation to the Company, they must not:

- (a) Deal in Company Securities;
- (b) procure another person to Deal in Company Securities; or
- (c) directly or indirectly, communicate the information, or cause the information to be communicated, to another person if they know or ought reasonably to know, that the other person would, or would be likely to, Deal in Company Securities or procure a third person to Deal in Company Securities.

The prohibition in this section in relation to dealing in Securities when in possession of Inside Information applies to any Dealing by AUB Connected Persons or their Associates in the securities of any entity including for the avoidance of doubt the Securities of the Company's suppliers or business partners.

### 4.2 PENALTIES

An AUB Connected Person who Deals in Company Securities while they possess Inside Information or who deals with the Securities of any entity whilst in possession of Inside Information relating to that entity is guilty of an offence and may be liable to both civil and criminal penalties including:

# AUB GROUP LIMITED SECURITIES TRADING POLICY



- (a) criminal liability including heavy fines and imprisonment;
- (b) civil liability including being sued by a party who has suffered loss as a result of the illegal Dealing; and
- (c) the Australian Securities and Investments Commission may seek civil penalties.

## 5. EXAMPLES OF INSIDE INFORMATION

Information which may be considered to be Inside Information includes information relating to the following (which is not an exhaustive list):

- (a) revenue figures;
- (b) profit forecasts;
- (c) unpublished announcements;
- (d) proposed changes in capital structure, including share issues, rights issues and the redemption of securities;
- (e) borrowings, including debenture and convertible note offerings;
- (f) impending mergers, acquisitions, disposals, reconstructions and takeovers;
- (g) significant litigation or unexpected liability;
- (h) significant changes in operations or proposed changes in the general character or nature of the business of the Company or any of its subsidiaries;
- (i) new products and technology;
- (j) liquidity and cashflow information;
- (k) major or material purchases or sales of businesses/assets;
- (l) management restructuring or board changes;
- (m) significant new contracts, customers or business partners; and
- (n) proposed sales or purchases of a substantial number of Company Securities.

## 6. APPLICATION OF THE POLICY

- (a) Sections 1-6 and 9 of this policy apply to AUB Connected Persons.
- (b) In addition, AUB Connected Person must use their best endeavours to ensure that their Associates comply with this policy in their Dealings in Company Securities.
- (c) The whole of this Policy with the exception of paragraph 6 (a) applies to Designated Persons and their Associates.

## 7. DEALING IN THE COMPANY'S SECURITIES

### 7.1 TRADING WINDOWS

Designated Persons may only Deal in Company Securities during the following trading periods:

- (a) 30 days after the date of the Company's AGM;
- (b) 30 days after the release by the Company of its half yearly results announcement to the ASX;
- (c) 30 days after the release by the Company of its yearly results announcement to the ASX;
- (d) 30 days after the release of a cleansing notice;

# AUB GROUP LIMITED

## SECURITIES TRADING POLICY



- (e) at any time when a disclosure document offering equity securities in the Company has been lodged with the Australian Securities and Investments Commission and is open for acceptance, and
- (f) at any other times as the Board permits,

in each case, provided they are not in possession of any Inside Information relating to Company Securities and have complied with this policy.

All other periods are prohibited periods during which Designated Persons are prohibited from Dealing in Company Securities unless otherwise allowed by this policy.

### 7.2 CONSENT

Designated Persons may not Deal in Company Securities without the written prior consent (in writing or by email) of the Chairman of the Board (or if the Designated Person is the Chairman, then the Chairman of the Audit and Risk Committee). When seeking such consent to Deal in Company Securities, Designated Persons must confirm that they do not possess Inside Information. Any consent granted will be for a period of 7 days (including the day upon which the consent was given. They must also provide subsequent written confirmation of the Dealing to the Chairman of the Board (or in the case of a Dealing by the Chairman, the written confirmation should be provided to the Chairman of the Audit and Risk Committee).

Dealings in the Company's securities must be confined to the trading windows referred to in paragraph 7.1 except in the circumstances described in paragraph 7.3. The Chairman (or in their stead, the Chairman of the Audit and Risk Committee) may however consent to Deal in Company Securities outside these periods if exceptional circumstances exist (such as severe financial hardship or the application an overriding legal or regulatory requirement). To be granted consent, the Designated person must satisfy the Chairman (or in their stead, the Chairman of the Audit and Risk Committee) that the proposed sale or disposal of the Company Securities is the only reasonable course of action available. Any consent granted for exceptional circumstances will be for a period of 7 days including the day upon which the consent was given.

In any event, the Designated person should not Deal in Company Securities at any time if they are in possession of any Inside Information relating to Company Securities.

If consent to Deal in Company Securities is given and there is a change in circumstances or new information comes to hand, such consent may be withdrawn at any time at the absolute discretion of the Chairman (or if the Designated Person is the Chairman, then the Chairman of the Audit and Risk Committee) prior to the order for Dealing being lodged by or on behalf of the Designated Person.

### 7.3 EXCEPTIONS TO PROHIBITION IN DEALING WITH COMPANY SECURITIES.

Subject to their general duties and the *Corporations Act* (including the insider trading provisions), a Designated Person may at any time:

- (a) transfer Company Securities between the Designated Person and an Associate of the designated person including a transfer into a superannuation fund or other saving scheme in which the Designated person is a beneficiary, provided prior written clearance has been provided by the Chairman of the Board or

# AUB GROUP LIMITED

## SECURITIES TRADING POLICY



from the Chairman of the Audit and Risk Committee where the beneficiary is the Chairman as applicable;

- (b) Deal in, or trade in units of, a fund or other scheme (other than a scheme only investing in the Company Securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (c) where the Designated Person is a trustee, Deal in the Company Securities by that trust provided the Designated Person nor any Associate is a beneficiary of the trust and any decision to Deal during a prohibited period is taken by the other trustees or by the investment managers independently of the Designated Person;
- (d) undertake to accept, or accept a takeover offer;
- (e) Deal under an offer or invitation made to all or most of the Company 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
- (f) exercise (but not the sale of securities following exercise) an option granted by the Company 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 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 Designated Person could not reasonably have been expected to exercise it at a time when free to do so.

### 7.4 HEDGING

- (a) Designated Persons are prohibited from entering into transactions in financial products which operate to limit the economic risk of unvested options granted under a Company share option plan.
- (b) Designated Persons may enter into transactions in financial products which operate to limit economic risk of vested options granted under a Company share option plan or Company shares otherwise obtained by the Designated Person, provided that the prior written approval of the Chairman of the Board has been obtained.

### 7.5 SECURED OR MARGIN LENDING

Designated Persons are prohibited from entering into margin lending arrangements in relation to Company Securities. Such Dealings would cover:

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

Designated Persons should consult with the Company's Group Legal Counsel if they are uncertain as to whether an arrangement should be classified as a margin lending arrangement.

# AUB GROUP LIMITED SECURITIES TRADING POLICY



## 7.6 SHORT TERM DEALING

Designated Persons should never engage in short term Dealing or short selling in Company Securities. In general, the purchase of Company Securities with a view to their resale within a 12 month period, or the sale of Company Securities with a view to their repurchase within a 12 month period, will be considered to be a Dealing of a 'short term' nature. The sale of Company Securities immediately after they have been acquired through the conversion of another security (e.g. exercise of an option) will not be regarded as a short term Dealing.

## 8. NOTIFICATION BY DIRECTORS

### 8.1 DISCLOSURE OF DIRECTORS' INTERESTS

Directors must give the Company notice of all changes in their notifiable interests (as defined in the ASX Listing Rules) so as to ensure compliance with the notification obligations of the Company and its Directors under ASX Listing Rule 3.19A and section 250G of the Corporations Act.

The Director must disclose to the Company the information necessary for the Company to comply with its notification requirements under the ASX Listing Rules. If the Director fails to make such disclosure to the Company, the Director will be responsible for notifying the ASX under section 205G of the *Corporations Act*.

### 8.2 OTHER INFORMATION

Directors must provide to the Company's Group Legal Counsel in writing the information necessary for the Group Legal Counsel to give to ASIC and ASX the notifications required by the *Corporations Act* and the ASX Listing Rules.

## 9. QUESTIONS?

If you have any questions regarding the policy you should contact the Company's Group Legal Counsel.