

EUREKA GROUP HOLDINGS LIMITED

SECURITY TRADING POLICY

1. INTRODUCTION

- 1.1 This policy summarises the law relating to insider trading and sets out the Company's trading policy on buying and selling the Company's Securities and Financial Products issued over or in respect of the Company's Securities that are able to be traded on a financial market.
- 1.2 During the performance of an employee's, a contractor's or a director's duties, the employee, contractor or director may become aware of, or come into contact with, information regarding the activities or potential activities of Eureka Group Holdings Ltd ("EGH") and its controlled entities ("the Company") that is not publicly available.
- 1.3 The *Corporations Act 2001* (Cth) ("*Corporations Act*") and common law fiduciary duties prohibit employees, other persons and directors from trading in the Company Securities when they possess information which, if declared publicly, would be likely to affect the price or value of the Company Securities. This form of illegal conduct is commonly referred to as *insider trading*. The consequences for breaching the wide ranging legislative provisions of the *Corporations Act* and common law duties which prohibit insider trading are serious.
- 1.4 In addition to the legal requirements, EGH has developed a policy which restricts Designated Persons trading in Company Securities in certain circumstances.
- 1.5 For the purposes of this Policy:

'Associate' means a company controlled by a Designated Person, a trust of which a Designated Person is a trustee or a beneficiary, spouse, partner or child of a Designated Person.

'Company Securities' includes shares issued by EGH and financial products issued or created over or in respect of shares issued by EGH.

'Director' means non-executive and executive directors of the Company.

'Designated Persons' means and includes Directors, Key Management Personnel, employees and contractors of the Company.

'Key Management Personnel' has the meaning given to that term in AASB 124 (Related Party Disclosure) and includes without limitation Directors, the Chief Executive Officer ("CEO") and Senior Executives who have authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly.

'Senior Executive' means CEO, Chief Financial Officer, and Company Secretary.

- 1.6 This document:

1.6.1 provides an outline of the insider trading and other relevant provisions of the *Corporations Act*;

1.6.2 sets out the rules relating to dealings by Designated Persons in Company Securities (*Trading Policy*).

1.7 The *Trading Policy* is designed to assist in the prevention of breaches of the insider trading provisions of the *Corporations Act*. Ultimately, it is the responsibility of the Designated Persons to ensure compliance with the law when trading in Company Securities.

2 INSIDER TRADING PROHIBITION

The Nature of the Prohibition

2.1 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 a company security to:

- trade in (that is, apply for, acquire or dispose of, or enter in to an agreement to do any of these things);
- procure another person to trade in company securities; or
- directly or indirectly communicate that information to any other person if you know, or ought reasonably to know, that the person would or would be likely to use the information to engage in trading in company securities.

2.2 It is also an offence to "tip" the information to another person with the knowledge that the person could deal in company securities. Accordingly, the effect of this Section cannot be avoided by simply getting another person to deal on your behalf.

2.3 Accordingly, it will be inappropriate for a Designated Person who is in possession of confidential information to procure others (for example, an Associate) to trade when that Designated Person is precluded from trading in Company Securities.

2.4 These prohibitions also apply to the transfer of an option over the Company's Securities.

How you become aware of the information is irrelevant.

2.5 It is irrelevant how and in what capacity the person came in to possession of the information. This means that the prohibition will apply to any Designated Person who acquires inside "information" in relation to Company Securities regardless of the capacity in which that information is received.

What does information include?

- 2.6 "Information" includes matters of supposition or speculation of matters relating to the intentions or likely intentions of a person or the Company.

What information might materially affect price or value?

- 2.7 This means information that a reasonable person would expect to have a material effect on the price or value of the Company Securities. A reasonable person would be taken to expect information to have a material effect on price or value if the information would be likely to influence persons who commonly invest in Company Securities whether or not to do so.

- 2.8 Examples of this type of information include:

- proposed changes in the capital structure, capital returns and buy backs of Company Securities;
- information relating to the Company's financial results;
- a material acquisition, divestment or realisation of assets; proposed dividends and share issues;
- changes to the Board of the Company or significant changes in Key Management Personnel;
- possible events which could have a material impact on profits (negatively or positively) for example, the loss or gaining of a major customer or material contract;
- a material claim against the Company or other unexpected liability;
- proposed changes in the nature of a business of the Company;
- notification of the ASX of a substantial shareholding; and,
- any information required to be announced to the market pursuant to Listing Rule 3.1.

What does "generally available" mean?

- 2.9 Information is "generally available" if:
- (a) it consists of readily observable matter from information in the public arena, such as a court judgment, a media release or a detailed news story, or;
 - (b) it has been brought to the attention of investors through an announcement to the ASX and a reasonable period has elapsed.
- 2.10 EGH releases information to the ASX for announcement through the Company

Announcements Platform. A copy of all announcements made to the ASX by EGH are available on www.asx.com.au, following release to the ASX.

3. OTHER RELEVANT CORPORATIONS ACT PROVISIONS

- 3.1 Directors and employees of EGH are subject to the duties set out in Sections 182, 183 and 184 of the *Corporations Act*.
- 3.2 Directors of EGH are subject to additional duties outlined in Sections 180 and 181 of the *Corporations Act*.
- 3.3 These duties are summarised below.

No improper use of inside information (Sections 183 & 184)

- 3.4 A director or employee, or former director or employee, must not make improper use of information acquired by virtue of his or her position as a director or employee to gain directly or indirectly, an advantage for himself or herself or for any other person, or to cause detriment to the company.

No gain by improper use of position (Sections 182 and 184)

- 3.5 A director or employee must not make improper use of his or her position as a director or employee, to gain, directly or indirectly, an advantage for him or herself or for another person, or to cause detriment to EGH.

Care and diligence (Section 180)

- 3.6 A director must exercise his or her power and discharge his or her duties with a degree of care and diligence that a reasonable person would exercise in the same circumstances.

Good Faith (Sections 181 & 184)

- 3.7 A director must exercise his or her power and discharge his or her duties in good faith in the best interests of EGH and for a proper purpose. A director commits an offence if they are reckless or are intentionally dishonest and fail to exercise their powers and discharge their duties in good faith in the best interests of EGH and for a proper purpose.

4. DEALING IN COMPANY SECURITIES

- 4.1 In addition to the legal requirements detailed above, EGH has developed a policy restricting dealing in Company Securities by Key Management Personnel in certain circumstances.
- 4.2 The following section details the circumstances in which Key Management Personnel will be prohibited from trading in Company Securities.

Restriction on Dealing during certain time periods

- 4.3 Key Management Personnel are permitted to deal in Company Securities throughout the

year except during the following periods:

- between 15 June and announcement of the Company's Annual results;
- between 15 December and announcement of the Company's Half Yearly results;
- 14 calendar days before release of the Chairman's AGM Address to ASX (which would be published immediately before the start of the AGM);

and ending 24 hours after the announcement is released to the market (**Blackout Period**).

4.4 Nothing in this Policy prohibits:

- Key Management Personnel from purchasing Company Securities pursuant to EGH Executive Incentive Scheme Rules (as applicable from time to time);
- Directors from purchasing Company Securities by the exercise of options granted to them with the approval of shareholders (however the restrictions on dealing in Closed Period apply to the sale of Company Securities following the exercise);
- Key Management Personnel from acquiring Company Securities pursuant to a EGH Dividend Reinvestment Plan as applicable from time to time;
- Conversion of a convertible security;
- Transferring Company Securities already held into a superannuation fund or similar scheme of which the Key Management Personnel is a member/beneficiary;
- Investing or trading in a fund or scheme where the investment decisions are made by a third party, provided that the fund or scheme does not invest exclusively in Company Securities;
- Trading in Company Securities by Key Management Personnel as a trustee (who is not also a beneficiary of the trust) and the decision to trade is made by other trustees or investment managers independently of that member;
- An undertaking to accept, or the acceptance of, a takeover offer; or
- Trading under an offer or invitation made to all or most of the security holders in EGH, such as a share purchase plan, a rights issue or an equal buy-back plan where the timing and structure of the plan has been approved by the Board.

Requirement to notify before dealing

4.5 Where Key Management Personnel wish to deal in Company Securities whether during a Blackout Period or otherwise, that person must seek and obtain prior approval from the person authorised to approve the trade in accordance with paragraph 5.1 or 5.2 as the case may be.

4.6 The approval referred to in paragraph 4.5 must be sought at least 3 business days before the proposed trade and must be in writing (by email or otherwise). The approval once given remains valid for 5 business days.

- 4.7 Approval will not be given after the trading has occurred.
- 4.8 Key Management Personnel having received approval to trade in their own capacity or by his/her Associate must provide confirmation of trading in Company Securities as soon as possible following the trade.
- 4.9 Key Management Personnel must advise the Secretary in writing of all of their dealings in Company Securities (irrespective of whether it was a dealing in respect of which prior approval was obtained) as well as any trade by their Associates where that trade is known to Key Management Personnel.
- 4.10 In addition, any change in the nature of a Director's interest (direct or indirect) in Company Securities must be notified to the Company (within 3 business days of the change in interest occurring) and to the ASX in accordance with the *Corporations Act* and *Listing Rules* if the Director has a relevant interest in those securities.
- 4.11 The Secretary will prepare and lodge on behalf of the Director the relevant notification to the ASX and will confirm its release to the market at the next scheduled Board Meeting following its lodgement.

5. APPROVAL OF TRADING BY KEY MANAGEMENT PERSONNEL AND DISCRETION TO APPROVE TRADING DURING BLACKOUT PERIOD

- 5.1 Approval of trading in Company Securities by Key Management Personnel is required by:
- 5.1.1 the Chair, or if absent the Chair of Audit & Risk Committee for Key Management Personnel other than Directors;
 - 5.1.2 the Chair for Directors; and
 - 5.1.3 the Chair of the Audit & Risk Committee for the Chair.

The approving person may in exceptional circumstances waive parts of this policy to allow the requesting person to trade in the Company Securities during a Blackout Period, subject to clauses 5.3 – 5.5.

- 5.1.4 A Non-Executive Director and the Chair of the Audit & Risk Committee in their discretion may waive parts of this Policy to allow the Chairman to trade in Company Securities during a Blackout Period in exceptional circumstances.
- 5.2 A person cannot waive compliance with the requirements of this Policy if the waiver is sought in respect of their own intended dealing in Company Securities.

- 5.3 The discretion available under this part in relation to trading during a Blackout Period will be applied taking into account the hardship of the Key Management Personnel weighed against any perceived detriment to the reputation of the Company. Discretion may (but is not obliged to) be exercised if:
- 5.3.1 the circumstances relate to severe financial hardship or other exceptional circumstances (as set out in paragraph 5.5) or the proposed transfer is required to give effect to a court order, court enforceable undertaking or other legal or regulatory requirement;
 - 5.3.2 the person does not have inside information; and
 - 5.3.3 prior permission to the proposed trade during a Blackout Period is given in accordance with this Policy.
- 5.4 Key Management Personnel will be taken for the purpose of this Policy to:
- 5.4.1 be in **severe financial hardship** if, in the opinion of the person authorised to permit the proposed trade, the member has a pressing financial commitment and the proposed sale or transfer of their securities is the only reasonable course of action to overcome these circumstances; and
 - 5.4.2 be subject to **other exceptional circumstances** if, in the opinion of the person authorised to permit the proposed trade under paragraph 5.2, the member's circumstances are truly exceptional and the proposed sale or disposal of the securities is the only reasonable course of action to overcome these circumstances (for example, where the disposal has been ordered in family court proceedings).

6. RELATED PARTIES & RELEVANT INTERESTS

- 6.1 The restrictions on trading expressed in this Policy relative to Designated Persons apply equally to any trading in Company Securities by:
- 6.1.1 their spouses or de facto spouses;
 - 6.1.2 or on behalf of any dependent under 18 years of age; and,
 - 6.1.3 any trust, or other entity controlled by the Designated Person.
- For the avoidance of doubt, this restriction does not apply to a spouse or de facto spouse who is not controlled by the Designated Person but acts on their own initiative without reference to the Designated Person. In such cases, the Designated Person should advise these persons that a risk exists that a Court could find a relevant association or that even without such an association, innuendo could arise if buying, selling or dealing occurs in Company Securities.
- 6.2 It is duty of the Designated Person to seek to avoid any such trading at a time when he or she is prohibited from trading in Company Securities.

7. MARGIN LOANS

- 7.1 Key Management Personnel must not enter into any margin loan without prior written notification to the Chairman and in the case of a proposed margin loan by the Chairman without prior written notification to the Board of Directors.
- 7.2 For the purposes of this Trading Policy, a margin loan means any borrowing or financial accommodation established for the purpose of investing in Company Securities where, if the market value of the Company Securities falls below a specified level, the lender can make a margin call requiring the borrower to either deposit additional funds or to dispose of Company Securities to maintain a minimum margin.
- 7.3 If a Director receives a margin call directly or indirectly involving Company Securities, the Director must immediately inform the Chairman who in conjunction with the Chairman of the Audit & Risk Committee (or the Board in the case of a margin call received by the Chairman) is responsible for making a determination of whether disclosure to the market is required.

8. SHORT TRADING

Designated Persons must not buy and sell securities in the Company within a 30 day period in any circumstances.

9. EMPLOYMENT & MONITORING OF COMPLIANCE

- 9.1 The following measures will be taken to promote compliance with the Law, the Listing Rules and this Trading Policy in the context of trading in the Company Securities:
- 9.1.1 subject to 8.1.2, a summary of this document will be distributed to all Designated Persons with a full copy available to each Designated Person upon request;
- 9.1.2 a copy of the complete Trading Policy will be provided to Key Management Personnel (present and future) as persons most likely to receive confidential information regarding the Company;
- 9.1.3 a copy of the Trading Policy will also be available on the Company Website;
- 9.1.4 the induction procedures for new employees must require that a summary of the Trading Policy be provided to each new employee, and in the case of a new Key Management Personnel, a copy of this Trading Policy must be provided;
- 9.1.5 all new employees will be required to complete a form of acknowledgment and submit it to the Chief Financial Officer for filing in the employee's personnel file;
- 9.1.6 all new Directors will be required to provide a written acknowledgment of receipt of a copy of the Trading Policy to the Company Secretary for filing in the Director's Interest Register;
- 9.1.7 the CEO will ensure that the insider trading prohibition and related Corporations Act provisions are drawn to the attention of employees by written memorandum, at least once in every 12 month period;

- 9.1.8 at least once in every 12 month period, the Board of Directors will review the Company's compliance with the procedures set out in this document; and
- 9.1.9 the Board will review this policy annually to ensure it remains relevant to the current needs of the Company. This policy may be amended by resolution of the Board of the Company

10. CONCLUSION

- 10.1 Compliance with the terms of this Trading Policy is mandatory.
- 10.2 Contravention of the insider trading provisions is a serious issue.
- 10.3 The consequences for breaching the law in this area may include a substantial monetary penalty, imprisonment or both.
- 10.4 If a Designated Personnel receives or possesses information regarding the activities or potential activities of the Company that is not generally available, they are not to make use of that information or enable any other person or party to make use of that information for the purpose of trading in the Company Securities.
- 10.5 Any Key Management Personnel who does not comply with the law or the terms of this Trading Policy will be considered to have engaged in serious misconduct which may result in the termination of their employment or services (as the case may be) with the Company.

Last reviewed by the Board on 21 August 2017