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## Securities dealing policy

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**IVE Group Limited**

ACN 606 252 644

Adopted by the Board on 26 November 2015

## 1 What is this policy about?

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The purpose of this Policy is to:

- explain the types of conduct in dealing in securities that are prohibited under the *Corporations Act 2001* (Cth) (**Corporations Act**). Such prohibitions apply to all directors and employees of the Company and its related bodies corporate as defined in the Corporations Act (collectively the **Group**); and
- establish a best practice procedure for the buying and selling of securities that protects the Company and directors and employees against the misuse of unpublished information which could materially affect the value of securities.

The Company aims to achieve the highest possible standards of corporate conduct and governance. The Board of directors considers that compliance with this Policy is essential to ensure that the highest standards of conduct are being met by all directors and employees.

Any non-compliance with this Policy will be regarded as serious misconduct which may entitle the Company to take corrective disciplinary action.

Attachment 1 describes how the insider trading rules apply and contains definitions of the key terms used in this Policy.

## 2 Persons to whom this Policy applies

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This Policy applies to:

- all directors of the Company (**Directors**);
- all officers and other direct reports to the Managing Director (**Senior Executives**); and/or
- all employees of the Group;

(collectively, **Employees**); and

- Connected Persons of all Employees.

In this Policy, the persons listed above will be collectively referred to as **Relevant Persons**.

**Connected Person** means, in relation to an Employee:

- (a) a family member who may be expected to influence, or be influenced by, the Employee in his or her dealings with **the Company or Company securities** (this may include the Employee's spouse, partner and children, the children of the Employee's partner, or dependants of the Employee or the Employee's partner); and
- (b) a company or any other entity which the Employee has an ability to control.

Employees must take appropriate steps to ensure that their Connected Persons do not breach this Policy.

Where this Policy requires a Relevant Person to do an act or thing (for example, obtaining clearance in accordance with clause 3.6), the relevant Employee must do that act or thing in respect of the Connected Person.

## 3 Restrictions on dealing in securities

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### 3.1 No dealing while in possession of inside information

A Relevant Person must not deal in the Group's securities if:

- they are aware of confidential information that is materially price sensitive; or
- the Company is in possession of price sensitive or 'inside' information and has notified Employees that they must not deal in securities (either for a specified period, or until the Company gives further notice).

Attachment 1 sets out further guidance as to what constitutes 'inside' or price sensitive information.

### 3.2 The Front Page Test

It is important that public confidence in the Group is maintained. It would be damaging to the Group's reputation if the market or the general public perceived that Relevant Persons might be taking advantage of their position in the Group to make financial gains (by dealing in securities on the basis of confidential information).

As a guiding principle, Relevant Persons should ask themselves:

*If the market was aware of all the current circumstances, could the proposed dealing be perceived by the market as the Employee (or Connected Person) taking advantage of his or her position in an inappropriate way? How would it look if the transaction were reported on the front page of the newspaper? (The **Front Page Test**)*

If the Relevant Person is unsure, he or she should consult the Company Secretary.

Where any approval is required for a dealing under this Policy, approval will not be granted where the dealing would not satisfy the Front Page Test.

### 3.3 No dealing in blackout periods

Relevant Persons must not deal in the Company's securities during any of the following blackout periods:

- the period from the close of trading on the ASX on 30 June each year, or if that date is not a trading day, the last trading day before that day, until the day following the announcement to ASX of the full year results;
- the period from the close of trading on 31 December each year, or if that date is not a trading day, the last trading day before that day, until the day following the announcement of the half-yearly results; and
- any other period that the Board specifies from time to time.

For the avoidance of doubt, during the above periods Relevant Persons must not deal in financial products issued or created over or in respect of the Company's securities (for example, exchange-traded options, contracts for differences and other derivatives).

### 3.4 Exceptional circumstances

If a Relevant Person needs to deal in securities during a blackout period due to exceptional circumstances and is **not** in possession of any inside information, then, the Relevant Person may apply in writing to:

- the Chair of the Board for any Relevant Person (other than the Chair of the Board or one of their Connected Persons);
- the Chair of the Audit, Risk and Compliance Committee (in the case of the Chair of the Board or one of their Connected Persons),

or their delegate (the **approver**) for a waiver from compliance with the provisions of paragraph 3.3.

A waiver will only be granted if the Relevant Person's application is accompanied by sufficient evidence (in the opinion of the approver) that the dealing of the relevant securities is the most reasonable course of action available in the circumstances.

Exceptional circumstances may include severe financial hardship or compulsion by court order or any other circumstance that is deemed exceptional by the approver.

If a waiver is granted, the Relevant Person will be notified in writing (which may include notification via email) and in each circumstance the duration of the waiver to deal in securities will be 2 business days or a lesser period specified in the waiver.

Unless otherwise specified in the notice, any dealing permitted under this paragraph 3.4 must comply with the other sections of this Policy (to the extent applicable).

### 3.5 Directors, Senior Executives and their Connected Persons – prior notification required for dealing during trading windows

(a) Subject to the notification process set out in this rule 3.5, Directors and Senior Executives and the Connected Person may deal in the Company's securities during the following **trading windows**:

- the 4 week period commencing at 10.00am on the next trading day after the announcement to ASX of half-yearly results;
- the 4 week period commencing at 10.00am on the next trading day after the announcement to ASX of the preliminary final statement or full year results;
- any period that the Company has a current prospectus or other form of disclosure document on issue under which persons may subscribe for securities; and
- any other period the Board determines.

The Board may at any time determine that a trading window is closed.

(b) Directors, Senior Executives and Connected Persons must notify the Company Secretary prior to any dealing during a trading window (including any dealing by their Connected Persons). The Company Secretary will notify the Chair of the Board or the Chair of the Audit, Risk and Compliance Committee (for Directors) or the Managing Director (for Senior Executives and Connected Persons).

- (c) Notwithstanding prior notification of a proposed dealing, the Chair of the Board, the Chair of the Audit, Risk and Compliance Committee, the Managing Director or the Company Secretary (as relevant) may direct the person who is proposing to deal in the Company's Securities not to deal, or to impose conditions on the dealing in their discretion, and is not obliged to provide reasons for any direction or condition.
- (d) Provided no direction is given or contrary condition is imposed, the Director, Senior Executive or Connected Person will have 2 business days to enter into the proposed dealing.

### **3.6 Directors and Senior Executives and Connected Persons – approval required for dealing outside trading windows**

- (a) During any period that is not a trading window under section 3.5(a), Directors and Senior Executives and Connected Persons must, prior to any proposed dealing, notify the Company Secretary and must seek approval for any proposed dealing in the Company's securities (including any proposed dealing by one of their Connected Persons) as follows:
  - (1) any other Director of the Company (including the Managing Director) or Senior Executive must inform and obtain approval from the Chair of the Board before a transaction is undertaken; and
  - (2) the Chair of the Board must inform and obtain approval from the Board or the Chair of the Audit, Risk and Compliance Committee before a transaction is undertaken.
- (b) It is intended that a request for approval to trade will be answered as soon as practicable. In all cases, the approved dealing must occur within 2 business days following approval (or any lesser period specified in the approval), otherwise the approval is no longer effective and fresh approval must be sought.

### **3.7 Directors and Senior Executives – confirmation required**

Following any trade, Directors and Senior Executives must promptly notify the Company Secretary, ideally by close of business on the day of the trade. This is to assist the Company to comply with its disclosure obligations under the ASX Listing Rules and to manage voting exclusions at its AGM.

## **4 What other restrictions on dealing apply?**

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### **4.1 No short-term dealing**

Relevant Persons must not deal in the Company's securities on a short term trading basis. Short term trading includes buying and selling securities on market within a 3 month period, and entering into other short term dealings (for example, forward contracts or short selling).

## 4.2 Margin lending arrangements

Any dealing in the Company's securities by Relevant Persons under a margin lending arrangement is prohibited. Examples of such dealings include:

- (a) entering into a margin lending arrangement in respect of the Company's securities;
- (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.

## 4.3 Hedging of Company securities

- (a) Hedging includes entering into transactions in financial products that operate to limit the economic risk associated with holding Company securities. Hedging of Company securities by a Relevant Person is subject to restrictions under the Corporations Act.
- (b) Under this Policy, hedging of Company securities by a Relevant Person is subject to the following rules:
  - (1) the hedge transaction must not be entered into, renewed, altered or closed out when the Relevant Person is in possession of Inside Information;
  - (2) Company securities acquired under a director or employee incentive plan must never be hedged prior to the vesting; and
  - (3) Company securities must never be hedged while they are subject to a holding lock or restriction on dealing under the terms of any employee, executive or director equity plan operated by the Company.
- (c) Relevant Persons are permitted to hedge their vested and unrestricted Company securities on the following conditions:
  - (1) the hedge transaction is treated as a dealing in Company securities for the purposes of this Policy; and
  - (2) the relevant approvals and notifications required under section 3 are made on that basis.
- (d) Where a Relevant Person enters into a hedging arrangement in respect of Company securities, the Company may, where appropriate, disclose the fact and nature of the hedge (e.g. in its annual report or to ASX).

## 5 Are any dealings excluded from this policy?

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Paragraphs 3.3, 3.5, 3.6 and 4.1 of this Policy do not apply to:

- (a) participation in an employee, executive or director equity plan operated by the Company (e.g. applying for an allocation of securities under an employee equity plan offer). However, where securities in the Company granted under an employee, executive or director equity plan cease to be held under the terms of that plan, any dealings in those securities must only occur in accordance with this Policy;
- (b) the following categories of passive trades:

- acquisition of Company securities through a dividend reinvestment plan or bonus issue;
  - acquisition of Company securities through a share purchase plan available to all retail shareholders;
  - acquisition of Company securities through a rights issue (including sale of entitlements); and
  - the disposal of Company securities through the acceptance of a takeover offer, scheme of arrangement or equal access buy-back;
- (c) dealings that result in no effective change to the beneficial interest in the securities (for example, transfers of Company securities already held into a superannuation fund or trust of which the Relevant Person is a beneficiary);
- (d) trading under a pre-approved non-discretionary trading plan, where the Relevant Person did not enter into the plan or amend the plan during a blackout period, the plan does not permit the Relevant Person to exercise any influence or discretion in relation to trading under the plan and the plan cannot be cancelled during a blackout period, other than in exceptional circumstances (employees must still take care to comply with the law);
- (e) subject to paragraph 4.2, a disposal of securities of the Company that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement; and
- (f) indirect and incidental trading that occurs as a consequence of a Relevant Person dealing in units or shares of a managed investment scheme, listed investment company, exchange-traded fund or similar investment vehicle that is managed by a third party and that happens to hold as part of its portfolio securities in the Company.

However, such dealings **remain subject to the insider trading rules** in the Corporations Act, including as set out in paragraph 3.1.

## 6 What are the rules about insider trading?

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Broadly speaking, the law provides that a person who has **Inside Information** about a company (defined below) must not:

- (a) buy or sell securities in a company, or enter in an agreement to buy or sell securities, or exercise options over securities, or otherwise apply for, acquire or dispose of securities (**deal**);
- (b) encourage someone else to deal in securities in that company; or
- (c) directly or indirectly provide that information to another person where they know, or ought to know, that that person is likely to deal in securities or encourage someone else to deal in securities of that company (**tipping**).

These restrictions apply to all securities, not just the Company's securities.

**Inside Information** is information that:

- is not generally available to the market; and
- if it were generally available to the market, a reasonable person would expect it to have a material effect (upwards or downwards) on the price or value of a security.



Inside Information may include matters of supposition, matters that are not yet certain and matters relating to a person's intentions.

## 7 When can I deal in securities in other companies?

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The prohibited conduct under the Corporations Act includes dealings not only in the Company's securities but also in those of other listed companies with which the Company may be dealing (including the Group's customers, contractors or business partners) where an employee possesses 'inside information' in relation to that other company.

If a Relevant Person is aware of information that is not generally available but which, if it were generally available, a reasonable person would expect to have a material effect on the price or value of a security, the Relevant Person should not deal in the securities of the companies that it affects.

Relevant Persons may come into possession of 'inside information' where they are directly involved in client relationship management or negotiating contracts. For example, where a person is aware that the Group is about to sign a major agreement with another company, that person should not buy securities in either the Company or the other company.

If you are in any doubt, consult with the Company Secretary.

## 8 What happens if this policy is breached?

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Breaches of the insider trading laws have serious consequences for both the Relevant Person concerned and the Company.

Breaches of this Policy will be regarded by the Company as serious and will be subject to appropriate sanctions.

Any person who is suspected of breaching this Policy may be suspended from attending the workplace on full pay pending the outcome of investigations into the alleged breach.

Any person who breaches this Policy could face disciplinary action (including forfeiture of securities and/or suspension or termination of employment).

## 9 Who should I contact?

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- Employees should contact the Company Secretary if: they are unsure about whether it is acceptable to deal or communicate with others in relation to the Company's securities or other securities; or
- if they have any other queries about this Policy.



## 1 How the insider trading rules apply

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### 1.1 Summary of prohibited conduct

The Corporations Act prohibits 'insider trading'.

Under the Corporations Act, a person is prohibited from dealing in securities where:

- (a) the person possesses information which is not generally available to the public;
- (b) that information may have a material effect on the price of securities of the relevant entity; and
- (c) the person knows or ought reasonably to know that the information is not generally available and, if it were, it might have a material effect on the price of securities.

In addition, a person with inside information must not procure another person to deal in the Company's securities or communicate the information (directly or indirectly) to another person whom the person believes may deal (or procure someone else to deal) in the Company's securities.

The key concepts are discussed in more detail in paragraph 1.2 of this Attachment 1.

### 1.2 Relevant terms

(a) Securities

The definition of securities in the Corporations Act is very broad.

Securities include:

- ordinary shares;
- preference shares;
- options or performance rights;
- debentures; and
- convertible notes.

For the purposes of this Policy, the term 'securities' also extends to financial products issued or created over or in respect of securities issued by the Company (for example, warrants and other derivative products), whether or not the financial products are created by the Company or by third parties.

(b) Dealing in securities

Dealing in securities is a broad concept and covers more than simply buying or selling securities. It extends to exercising options over securities and entering into agreements to buy or sell securities.

Under this Policy and the law, the prohibition on dealing means that Relevant Persons are not permitted to:

- buy or sell; or

- enter into an agreement to subscribe for, buy or sell securities,

where they possess information that is not generally available and which a reasonable person would expect to have a material effect on the price or value of those securities.

If a Relevant Person possesses price sensitive information that is not generally available, the Relevant Person is also prohibited from:

- procuring any other person to deal in those securities; or
- directly or indirectly communicating the information to another person whom the Relevant Person believes is likely to deal in, or procure another person to deal in, those securities.

Procuring means enticing, encouraging, persuading, causing or securing another person to do or not to do something. Procuring also includes inciting, inducing or encouraging an act or omission.

For example, a Relevant Person cannot ask or encourage anyone, including family members, friends, associates or others, to deal in securities when the Relevant Person possesses price sensitive information, and Relevant Persons should not communicate price sensitive information.

If a Relevant Person accidentally gives somebody ‘inside information’ when he or she should not have, the Relevant Person must immediately tell that person that it is ‘inside information’ and warn them against trading in the Company’s securities, getting others to trade in the Company’s securities, or communicating the information to others.

(c) Price sensitive or ‘inside’ information

Information is ‘inside’ or ‘price sensitive’ if it is not generally available, but which, if it were generally available, a reasonable person would expect to have a material effect (upwards or downwards) on the price or value of a security.

For the purposes of the insider trading provisions of the Corporations Act, information is defined broadly and includes matters of supposition and other matters which are insufficiently definite to warrant being made known to the public. It also includes matters relating to the intentions of a person.

(d) Information that is generally available

Information is ‘generally available’ if it:

- (1) consists of readily observable matter;
- (2) has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in any of the classes of securities issued by the Company and since it was made known, a reasonable period for it to be disseminated among those persons has elapsed. That is, information will be ‘generally available’ if it has been released to ASX or published in an annual report or prospectus or similar document and a reasonable period of time has elapsed after the information has been disseminated in one of these ways; or
- (3) consists of deductions, conclusions or inferences made or drawn from information referred to in paragraph 1.2(d)(1) of this Attachment 1 or information made known as mentioned in paragraph 1.2(d)(2) of this Attachment 1, or both.

(e) Material effect on the price of securities

Under the Corporations Act, information is likely to have a material effect on the price or value of securities of a company if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell those securities.

It is not possible to list all information that may be material. However, the following types of information would be likely to be considered to have a material effect on the price of the Company's securities:

- sales figures;
- profit forecasts;
- unpublished announcements or knowledge of possible regulatory investigation;
- liquidity and cashflow;
- proposed changes in the Company's capital structure, including issues of securities, rights issues and buy backs;
- borrowings;
- major asset purchases and sales;
- impending mergers, acquisitions, reconstructions, takeovers, etc;
- significant litigation;
- significant changes in operations;
- significant changes in industry;
- new products/services and technology;
- proposed dividends or dividend policies;
- management restructuring or Board changes; and
- new contracts or customers.

## 2 Consequences of breach

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Breaches of the insider trading laws have serious consequences for both the Relevant Person concerned and the Company.

A person who commits a breach of the insider trading provisions could be subject to criminal liability (substantial fines or imprisonment or both may be imposed) or civil liability (substantial fines may be imposed) under Australian law. A person who contravenes or is involved in a contravention of these provisions may also be liable to compensate any person who suffers loss or damage resulting from the conduct. In addition, an actual or suspected breach of the insider trading laws may also give rise to adverse public scrutiny and media comment.

It is therefore important that Relevant Persons adhere to this Policy at all times.

Any person who is suspected of breaching this Policy may be suspended from attending the workplace on full pay pending the outcome of investigations into the alleged breach.

Any person who is proven to have breached this Policy could face disciplinary action (including forfeiture of securities and/or suspension or termination of employment).