

# Securities Trading Policy



PEXA Group Limited (Company)

ACN 629 193 764

v 1.0

June 2021

## Document control

Title: Securities Trading Policy

**Approved by** the Board

**Contact for inquiries and proposed changes:**

James Chester

General Counsel

Naomi Dawson

Senior Legal Counsel & Assistant Company Secretary

## Table of Contents

<b>Table of Contents</b> .....	<b>2</b>
<b>1. SCOPE</b> .....	<b>3</b>
<b>2. PURPOSE</b> .....	<b>3</b>
<b>3. MEANING OF SECURITIES</b> .....	<b>4</b>
<b>4. INSIDER TRADING LAWS</b> .....	<b>4</b>
4.1 Prohibition .....	4
4.2 Consequences of insider trading .....	4
4.3 Inside information .....	4
4.4 Insider trading is prohibited at all times .....	5
<b>5. CONFIDENTIAL INFORMATION</b> .....	<b>5</b>
<b>6. TRADING RESTRICTIONS IMPOSED BY THIS POLICY</b> .....	<b>5</b>
6.1 Additional restrictions in relation to trading in PEXA Securities .....	5
6.2 Reasons for additional restrictions .....	6
6.3 Permitted Trading Windows .....	6
6.4 Clearance or notification procedures .....	6
6.5 No speculative short term trading .....	8
6.6 Exceptional circumstances .....	8
6.7 Requirements after trading .....	8
6.8 No hedging .....	9
6.9 Margin lending .....	9
6.10 Permitted dealings .....	9
6.11 Securities in other companies .....	10
<b>7. BREACHES OF THIS POLICY</b> .....	<b>11</b>
<b>8. EMPLOYMENT AND MONITORING OF COMPLIANCE</b> .....	<b>11</b>
<b>9. FURTHER INFORMATION</b> .....	<b>11</b>
<b>ANNEXURE</b> .....	<b>12</b>

## 1. SCOPE

This policy sets out the Company's policy on dealing by personnel of the Company and its related bodies corporate (**Group**)

- PEXA Securities (as defined in paragraph 3 below) of the Company (the **PEXA Securities**); and
- Any Securities of other entities, including:
  - Link Administration Holdings Ltd (ASX:LNK) (refer to separate policy), and
  - Other listed entities with whom the Company is in discussion, which may have a material impact on the price of their securities.

This policy applies to all personnel of the Group, including all directors, officers, employees, contractors and consultants (**Personnel**). In particular, it applies to all Personnel that work regularly at any of the Group's offices, regardless of the arrangements under which they so work<sup>1</sup>.

This policy also applies to associates (as defined in the *Corporations Act 2001* (Cth)) of Personnel, including close family members of any Personnel and any trust or entities controlled by any Personnel (**Associates**). To the extent that Personnel are able to do so, Personnel must ensure that their Associates comply with this policy.

If you do not understand any part of this policy, the summary of the law, or how it applies to you, you should raise the matter with the General Counsel and/or Company Secretary before dealing with any PEXA Securities covered by this policy.

## 2. PURPOSE

Under Australian legislation, the insider trading laws operate to prohibit people in possession of non-public price sensitive information from dealing in securities or passing on the information to other people who may deal in securities.

Given the restrictions imposed by law, this policy is relevant to all Personnel and their Associates.

This policy also imposes additional restrictions (described below) on all Personnel and their Associates.

Certain trading is not restricted by this policy and are listed in the **Annexure**.

---

<sup>1</sup> The Group has a range of arrangements under which people work for PEXA, including secondees, employees of consultants, etc. This policy is intended to bind all of them.

### 3. MEANING OF SECURITIES

For the purposes of this policy "Securities" means shares, debentures, options to subscribe for new shares and options over existing shares, warrant contracts and other derivatives relating to the shares.

### 4. INSIDER TRADING LAWS

#### 4.1 Prohibition

If you have any inside information (as defined below in paragraph 4.3) about the Company which is not publicly known, it is a criminal offence for you to:

- trade in PEXA Securities;
- advise or procure another person to trade in PEXA Securities; or
- pass on (directly or indirectly) inside information (as defined below in paragraph 4.3) to someone else (including colleagues, family or friends) knowing (or where you should have reasonably known) that the other person will, or is likely to, use that information to trade in, or procure someone else to trade in, PEXA Securities.

#### 4.2 Consequences of insider trading

This offence, called "insider trading", can subject you to:

- criminal liability including large fines and/or imprisonment;
- a civil penalty; and
- civil liability, which may include being sued for any loss suffered as a result of illegal trading.

#### 4.3 Inside information

"Inside information" in relation to securities is information that:

- is not generally available; and
- if it were generally available, a reasonable person would expect to have a material effect on the price or value of the relevant Securities or on a decision to buy or sell the relevant securities.

The financial impact of the information is important, but strategic and other implications can be equally important in determining whether information is inside information. The definition of information is broad enough to include rumours,

matters of supposition, intentions of a person (including the Company) and information which is insufficiently definite to warrant disclosure to the public.

Importantly, you need not be an "insider" to come across inside information. That is, it does not matter how you come to know the inside information (for example, you could learn it in the course of carrying out your responsibilities or in passing in the corridor or in a lift or at a barbecue).

#### **4.4 Insider trading is prohibited at all times**

If you possess inside information in relation to PEXA Securities, you must not buy or sell PEXA Securities, advise or get others to do so or pass on the inside information to others. This prohibition applies regardless of how you learn the information.

The prohibition on insider trading is not limited to information concerning PEXA Securities. If a person has inside information in relation to securities of another entity, that person must not deal in those securities.

The insider trading prohibitions apply even when a trade falls within an exclusion to the restrictions on trading set out in this policy if it is undertaken by, or procured by, someone in possession of inside information at the time of the trade.

## **5. CONFIDENTIAL INFORMATION**

Related to the above, Personnel also have a duty of confidentiality to the Company. You must not reveal any confidential information concerning the Company, use that information in any way which may injure or cause loss to the Company, or use that confidential information to gain an advantage for yourself.

## **6. TRADING RESTRICTIONS IMPOSED BY THIS POLICY**

### **6.1 Additional restrictions in relation to trading in PEXA Securities**

Additional restrictions (described below) on trading in the PEXA Securities apply to all Personnel and their Associates.

The additional restrictions in this policy do not prohibit Personnel or their Associates from acquiring PEXA Securities under any available Company dividend reinvestment plan or an employee equity plan, if either plan exists (however, the restrictions will apply to any subsequent trading of PEXA Securities acquired under those plans, but not the exercise of an option).

It is important to note that, although the additional restrictions do not apply to Personnel or their Associates participating in a dividend reinvestment plan or an employee equity plan, Personnel and their Associates must not make an election to

participate or cease participation in a dividend reinvestment plan or employee share plan if they are in possession of “inside information.”

## 6.2 Reasons for additional restrictions

Personnel are in positions where it may be assumed that they may come into possession of inside information and, as a result, any trading by Personnel may embarrass or reflect badly on them or on the Company (even if the Personnel has no actual inside information at the time). This policy is designed to avoid the possibility that misconceptions, misunderstandings or suspicions might arise due to trading by Personnel in PEXA Securities.

## 6.3 Permitted Trading Windows

Personnel may, subject to the prior clearance or notification requirements in paragraph 6.4, deal in the PEXA Securities as a matter of course (unless there is in existence price sensitive information that has not been disclosed as a result of the Company's reliance on an exception under the Listing Rules of the Australian Securities Exchange (**ASX**)) in the following periods:

- (a) 5 business days beginning on the first trading day after the admission of the Company to the official list of ASX;
- (b) 20 business days beginning on the first trading day after the Company's annual results are released to ASX;
- (c) 20 business days beginning on the first trading day after the Company's half year results are released to ASX;
- (d) 20 business days beginning on the first trading day after the Company's Annual General Meeting; and
- (e) any other period as the board of directors of the Company (**Board**) may decide, (each a **Permitted Trading Window**)

All other periods are prohibited periods (i.e. when dealing in PEXA Securities is prohibited), unless otherwise permitted by this policy.

The Board may also impose an ad hoc prohibited period during a trading window specified above.

## 6.4 Clearance or notification procedures

If any Personnel propose to deal in PEXA Securities at any time during a Permitted Trading Window, they must first:

- (a) if a director or Senior Executive who reports directly to the Chief Executive Officer (or other period identified by the Company), obtain prior written clearance to deal in PEXA Securities from the relevant authorising officer noted in the table below (**Authorising Officer**); or

- (b) all other Personnel not referred to in paragraph (a), provide prior written notice of their intention to deal in PEXA Securities to the relevant Authorising Officer; and
- (c) in either case, provide confirmation to the Authorising Officer that they are not in possession of "inside information",

at least two trading days before the proposed dealing.

Personnel	Authorising Officer (for clearance or notification as relevant)	Copy to the Company Secretary
Chair of the Board	Clearance from: Chair of the Audit and Risk Committee	Yes
Other Directors (including Chief Executive Officer)	Clearance from: Chair of the Board	Yes
Senior Executives who report directly to the Chief Executive Officer, and other persons identified by the Company from time to time	Clearance from: Chief Executive Officer	Yes
All other Personnel not listed above	Notification to: Company Secretary	

Trading is permitted only for a period of 5 trading days after clearance is granted or notification is provided, or such other period notified by the Authorising Officer. Trading is automatically prohibited if the person becomes aware of inside information prior to trading.

Any clearance to trade can be given, withdrawn or refused by the Company in its discretion without giving any reasons. A decision to refuse clearance is final and binding on the person seeking the clearance. If clearance to trade PEXA Securities is refused, the person seeking the clearance must keep that information confidential and not disclose it to anyone. Any clearance to trade under this policy must be kept confidential and is not an endorsement from the Company or to be taken to be financial product advice by the Company or the relevant Authorising Officer and the person undertaking the trade is individually responsible for their investment decisions and their compliance with insider trading laws.

The insider trading prohibitions apply even when a trade is permitted under this paragraph if it is undertaken by, or procured by, someone in possession of inside information at the time of the trade.

Refer to paragraph 6.7 for reporting requirements after trading.

### 6.5 No speculative short term trading

Personnel and their Associates should not trade in PEXA Securities on a short term basis or for speculative trading gain.

### 6.6 Exceptional circumstances

If any Personnel need to deal in PEXA Securities outside one of the Permitted Trading Windows due to exceptional circumstances, they must apply to the Authorising Officer specified in paragraph 6.4 for a waiver from compliance with the provisions in paragraph 6.4 or 6.5.

Exceptional circumstances include severe financial hardship, compulsion by a court order or any other circumstances that are deemed exceptional by the person described in paragraph 6.4.

Personnel seeking a waiver under this paragraph must apply in writing (which may include an application via email) to the person specified in paragraph 6.4:

- (a) setting out the circumstances of the proposed dealing (including an explanation as to the financial hardship or circumstances that are otherwise exceptional) and the reason the waiver is requested; and
- (b) provide express confirmation to the relevant person(s) that they are not in possession of "inside information".

A waiver will only be granted if the application is accompanied by sufficient evidence (in the opinion of the Authorising Officer specified in paragraph 6.4) that the dealing in PEXA Securities is the most reasonable course of action available in the circumstances.

If a waiver is granted, the Personnel 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 5 trading days or such other period notified by the Authorising Officer to the Personnel.

Unless otherwise specified in the notice, any dealing permitted under this paragraph must comply with the other sections of this policy (to the extent applicable). The insider trading prohibitions apply even when a trade falls within this paragraph 6.6 if it is undertaken by, or procured by, someone in possession of inside information at the time of the trade.

### 6.7 Requirements after trading

Once Personnel have completed a trade in PEXA Securities, the Authorising Officer described in paragraph 6.4, must be:

- advised that the trade has been completed and attach the trade confirmation (which may occur via email); and
- in the case of Directors, provided with sufficient information to enable the Company to comply with its ASX reporting obligations (including date, price, volume and whether the change occurred during a period outside a trading

window and if so, whether written clearance was provided). This information must be provided to ASX as soon as reasonably practicable and in any event no later than five business days after the date of the change. The Company requires the notification to reach the Reporting Officer within 3 days of the trade or other change of interest.

#### 6.8 No hedging

Personnel and their Associates must not, without prior written approval by the relevant Authorising Officer specified in paragraph 6.4, engage in hedging arrangements, deal in derivatives or enter into other arrangements which vary economic risk related to PEXA Securities including, for example, dealing in warrants, equity swaps, put and call options, contracts for difference and other contracts intended to secure a profit or avoid a loss based on fluctuations in the price of PEXA Securities.

This provision includes engaging in hedging or other arrangements that would have the effect of limiting the economic risk in connection with PEXA Securities including securities which are unvested, subject to a holding lock or issued pursuant to an equity based remuneration scheme.

#### 6.9 Margin lending

Any dealing in PEXA Securities by any Personnel pursuant to a margin lending arrangement is not permitted. Such dealings would cover:

- any dealing into a margin lending arrangement in respect of PEXA Securities;
- transferring PEXA Securities in the Company into an existing margin loan account; and
- selling PEXA Securities in the Company to satisfy a call pursuant to a margin loan.

#### 6.10 Permitted dealings

Certain types of dealing are excluded from the operation of this policy and may be undertaken at any time (subject to complying with insider trading prohibitions outlined in this policy), including the following (and any other permitted dealings as approved by the Board from time to time and notified to Personnel):

- **no underlying change to the beneficial owner of securities** – the additional restrictions in this policy do not prohibit Personnel from transferring securities where there is no change to the beneficial owner of the securities. However, the additional restrictions will apply to any subsequent trading of securities transferred;
- **employee incentive schemes** – the additional restrictions in this policy do not prohibit Personnel from acquiring securities or exercising an option or right under a Company employee incentive scheme subject to the terms of the relevant employee incentive scheme. However, the additional restrictions will apply to any subsequent trading of Company securities acquired under an employee incentive scheme and Personnel must make an election to

participate or cease participation in an employee incentive scheme when they are not in possession of inside information;

- **dividend reinvestment plan** – the additional restrictions in this policy do not prohibit Personnel from acquiring securities under the Company’s dividend reinvestment plan in place from time to time. However, the additional restrictions will apply to any subsequent trading of Company securities acquired under a dividend reinvestment plan and Personnel must make an election to participate or cease participation in a dividend reinvestment plan when they are not in possession of inside information;
- **rights offers, share purchase plans and buy-backs (or other pro-rata/generalised offers)** – trading under an offer or invitation made to all or most of the security holders, such as a rights issue, a security plan purchase 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 required to provide for the take up of the balance of entitlements under a renounceable pro rata issue; and
- **third party discretion** – an investment in, or trading of units of, a fund or other scheme (other than a scheme only investing in Company securities) where the assets of the fund or the scheme are invested at the discretion of a third party.

#### 6.11 Securities in other companies

In general, Personnel are free to deal in securities in other listed entities, but should note that the *Corporations Act 2001* (Cth) contains various prohibitions on trading in other listed entities including those with which the Company may be engaged (such as the Company’s customers, contractors or business partners) where Personnel possess “inside information” in relation to that other entity.

Personnel may come into possession of “inside information” where they are directly involved in client relationship management or negotiating contracts. For example, where Personnel are aware that the Company is about to sign a major agreement with another entity, they should not deal in securities in either the Company or the other entity.

If in doubt, Personnel should:

- (a) not trade;
- (b) not pass the inside information to another person; and
- (c) immediately seek advice from the General Counsel or Company Secretary.

## 7. BREACHES OF THIS POLICY

Strict compliance with this policy is a condition of employment or engagement by the Company. Breaches of this policy will be regarded as serious misconduct and may lead to disciplinary action, which may include termination of employment or engagement by the Company.

## 8. EMPLOYMENT AND MONITORING OF COMPLIANCE

A copy of this policy will be distributed to all Personnel and will also be available on the Company's website.

## 9. FURTHER INFORMATION

For more information about this policy, contact the General Counsel or Company Secretary.

### **Policy history**

Approved by the Board on 11 June 2021.

## ANNEXURE

The following are excluded from the restrictions in the trading policy:

1. transfers of securities between an employee and someone closely related to the employee (such as a spouse, minor child, family company or family trust) or by an employee to their superannuation fund, in respect of which prior written clearance has been provided in accordance with procedures set out in the trading policy;
2. a disposal of securities arising from the acceptance of a takeover offer, scheme of arrangement or equal access buy-back;
3. a disposal of rights acquired under a pro rata issue;
4. an acquisition of securities under a pro rata issue;
5. an acquisition of securities under a security purchase plan or a dividend or distribution reinvestment plan where:
  - the employee did not commence or amend their participation in the plan during a prohibited period; and
  - the entity's trading policy does not permit the employee to withdraw from the plan during a prohibited period other than in exceptional circumstances;
6. the obtaining by a director of a share qualification;
7. an acquisition of securities under an employee incentive scheme;
8. where the entity has an employee incentive scheme with an employee as a trustee of the scheme, an acquisition of securities by the employee in his or her capacity as a trustee of the scheme;
9. an acquisition or disposal of securities under a pre-determined investment or divestment plan for which prior written clearance has been provided in accordance with procedures set out in the trading policy and where:
  - the KMP did not enter into or amend the plan during a prohibited period;
  - the plan does not permit the employee to exercise any discretion over how, when, or whether to acquire or dispose of securities; and
  - the entity's trading policy does not allow for the cancellation of the plan during a prohibited period other than in exceptional circumstances;
10. indirect and incidental trading that occurs as a consequence of an employee dealing in securities issued by 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 entity.