



Securities Trading Policy

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Securities Trading Policy

1 Introduction

- 1.1 This document applies to Collection House Limited (CLH) and its subsidiaries (collectively referred to as CLH or the Company).

2 Purpose

2.1 Scope

This policy summarises the law relating to Insider Trading and the need to avoid the perception of insider trading and the reputational damage that may be caused. It sets out the Company's Trading Policy on:

- acquisition of, disposal of or application for CLH securities, or providing an instruction to a third party to do so (including a disposal resulting from a secured lender exercising their rights under a margin lending arrangement);
- entering into a contract to acquire, dispose of or apply for CLH securities, or procuring a third party to do so;
- the entry into a Derivative (has the meaning given in section 761D of the Corporations Act and includes options, forward contracts, futures, warrants, swaps, caps and collars) in relation to the CLH securities;
- the cashless exercise of CLH Employee options or performance rights.

2.2 Who does this policy apply to?

This policy applies as follows:

- clause 3 (insider trading laws) and clause 8 (confidentiality) applies to everyone (including all directors, officers, employees, contractors, family and associates);
- clauses 4 to 7 (trading policy) applies to all directors, officers and other key management personnel of the Company, and any other person prescribed by the Board from time to time (each a "**Prescribed Employee**¹") and in relation to which the Company Secretary will maintain a list;
- this securities trading policy applies to the family and associates of Prescribed Employees as specified in this clause or in clause 4.5.

2.3 Further advice

If you do not understand any aspect of this trading policy, or are uncertain whether it applies to you or your family or associates, please contact the Company Secretary. You may wish to obtain your own legal or financial advice before dealing in CLH securities.

¹ A "**Prescribed Employee**" of the Company, includes, but is not limited to, its Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, Senior Management (members of the Executive Management Team, Head of Segments/Divisions, Consultants and Contractors engaged by the Company and any of its related entities from time to time), Corporate Counsel, Appointed Project Teams, employees of the Finance Department, Information Technology and the Special Projects Team and certain other employees. On all occasions, it will be incumbent on Prescribed Employees to notify other staff and/or Consultants and Contractors engaged by the Company and any of its related entities from time to time, that they too are Prescribed Employees for the purposes of this Policy, if and when they are working on confidential transactions which may result in them having Inside Information.

3 Insider trading prohibitions in Corporations Act

3.1 What are the insider trading prohibitions?

Under the Corporations Act, if you have **Inside Information**² relating to the Company it is an offence for you to **trade**³ in the Company's securities. Accordingly:-

- (a) All Directors and employees, including Prescribed Employees, are prohibited from:-
 - (i) trading in any Company securities in breach of the **insider trading laws**⁴;
or
 - (ii) procuring another person to trade in the Company's securities in breach of the insider trading laws; or
 - (iii) communicating, directly or indirectly, or causing to be communicated, Inside Information to another person, if you know, or ought to have known, that such communication would result in another person trading in the Company's securities in breach of the insider trading laws.
- (b) This prohibition on trading in the Company's securities applies even where:-
 - (i) the trading occurs at a time that would otherwise be within a permitted trading window, or outside a black-out period, specified in this Policy;
 - (ii) the trading falls within an exclusion in this Policy; or
 - (iii) the Director or employee, including a Prescribed Employee, has been given clearance under this Policy to trade (whether in exception circumstances or otherwise).

Accordingly, before the Director, employee, or a Prescribed Employee, trades in the Company's securities, the Director, employee, or a Prescribed Employee, should consider carefully whether they are in possession of any Inside Information that might preclude them from trading at that time and, if the Director, employee, or the Prescribed Employee, has any doubt, they should not trade.

For the avoidance of doubt, each Director, employee, or a Prescribed Employee, understands that:-

- (a) they are individually responsible for their own investment decisions and their compliance with insider trading laws; and
- (b) if any clearance to trade is obtained pursuant to clause 4.2 of this Policy, the clearance is not an endorsement of the proposed trade by the Company nor does the Company accept any responsibility whatsoever for any trade; and
- (c) notwithstanding any clearance or otherwise, should the Director, employee, or a Prescribed Employee, come into possession of Inside Information during the clearance period or a trading period, they must not trade despite being within the clearance period or the trading period.

3.2 Penalties

Breach of the insider trading laws may subject you to:

- (a) criminal liability – penalties include heavy fines and imprisonment;

² "**Inside Information**" means information which 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 CLH securities. Information includes matters of supposition or of a speculative nature and matters relating to the intentions or likely intentions of a person.

³ "**trade**" means applying for, acquiring, or disposing of securities (including options) and includes trading on ASX.

⁴ "**insider trading laws**" means Part 7.10 of the Corporations Act 2001, in particular section 1043A. http://www.austlii.edu.au/au/legis/cth/consol_act/ca2001172/s1043a.html

- (b) civil liability – you can be sued by another party or the Company for any loss suffered as a result of illegal trading activities; and
- (c) civil penalty provisions – the Australian Securities and Investments Commission may seek civil penalties against you and may even seek a court order that you be disqualified from managing a corporation.

Breach of the law, this policy, or both, will also be regarded by the Company as serious misconduct which may lead to disciplinary action or dismissal.

4 Black-out periods

4.1 Trading windows and Black-out Periods

Subject to not being in possession of Inside Information, or during an imposed ad hoc trading restriction or where securities trading may cause a perception of insider information, and the requirements of this policy, Prescribed Employees may not deal in CLH securities during the following Black-out Periods:

- (a) for the relevant half year, from 31 December until the commencement of the **next trading day**⁵ after the release of the half yearly results;
- (b) for the relevant annual period, from 30 June until the commencement of the next trading day after the release of annual results; and
- (c) any other period the Board determines⁶, in its absolute discretions, to be a Black-out Period, including due to there being undisclosed price sensitive information.

For dealings outside of the Black-out Periods, prior clearance must be obtained in accordance with section 4.2 of this Policy.

Where clearance for trading has been obtained during a trading window or otherwise, that clearance will be immediately revoked effective upon the receipt of the notification of an ad hoc trading restriction.

Warning: Trading in the Company's securities during the above-mentioned trading windows will not necessarily preclude a person or a Prescribed Employee from breaching the Insider Trading laws if they are in possession of insider information at the time of trading.

4.2 Prior notification and clearance

If an Employee or a Prescribed Employee proposes to deal in CLH securities (including entering into an agreement to deal), they must first obtain clearance to deal in the securities. To obtain clearance, the Prescribed Employee, must at any time before trading, regardless of whether a trading window is operating at the time, provide:

- (a) written notice of their intention to the **Notification Officer**⁷; and

⁵ **Next Trading Day means:** (a) if the results are lodged with ASX before 12.00pm (BNE time), trading can commence at the opening of trade the following business day; or (b) if the results are lodged with ASX after 12.00pm (BNE time), trading can commence at the opening of trade on the second business day following the release.

⁶ For the avoidance of doubt, where the Board determines to impose a Black-out Period under this subclause 4.1(c), the Board may, in its absolute discretion, suspend or require to clearance process (clause 4.2) to be followed prior to, securities trading, under and pursuant to clause 6.1 of this policy.

⁷ The Notification Officer is:

- (a) For Directors, alternate directors, managing director and/or CEO – the Chair of the Board (where unavailable – the Chair of the Audit and Risk Management Committee or another nominated Non-executive director) or
- (b) For all Prescribed Employees – the managing director and/or CEO and Chair of the Board, via the Company Secretary (where unavailable – the Chair of the Audit and Risk Management Committee or another nominated Non-executive director),

unless otherwise notified to the relevant Prescribed Employee

(b) confirmation that you are not in possession of Inside Information.

The relevant Notification Officer may appoint a delegate to act on his or her behalf in the case of temporary absence. The relevant Notification Officer may provide the Prescribed Employee the clearance at their absolute discretion.

4.3 Terms and conditions of the clearance

A clearance expires 5 business days from the date the relevant Notification Officer provides clearance, unless it specifies a different expiry date.

A clearance to trade can be withdrawn if new information becomes available or there is a change in circumstances. At any time, including in Exceptional Circumstances or within a trading window, the Notification Officer may, at their discretion, refuse to provide a clearance or revoke a trading clearance to a Prescribed Employee in circumstances where the dealing in CLH securities may create or potentially create an inaccurate perception of insider trading by the Prescribed Employee and/or potentially cause or contribute to reputational damage to the Company.

A decision to refuse a clearance is final and binding on the Prescribed Employee seeking the clearance. In most cases, a refusal to trade will of itself will be considered as inside information and the Prescribed Employee will be bound by their confidentiality obligations and may be subject to insider trading laws.

A clearance to trade confirms that the proposed dealing by the Prescribed Employee is within the terms of the trading policy but does not otherwise constitute approval or endorsement by the Company or the Notification Officer for the proposed dealing. Even if a clearance is granted, a Prescribed Employee remains personally responsible for assessing whether the insider trading prohibitions apply to them.

4.4 Notification of dealing

In addition to providing prior notification and seeking clearance, Prescribed Employees must confirm in writing to the relevant Notification Officer and Company Secretary, immediately when the dealing in CLH securities has occurred, the number of CLH securities affected, the relevant parties to the dealing and a copy of the Buy/Sell Confirmation.

Further, where a Director has received consent to Trade during a Black-out Period, the Company and the Director must indicate on the Director's Appendix 3Y – Change of Director's Interest Notice:

- whether prior written consent was provided to allow the Trade to proceed;
- the date the consent was received; and
- that the Trading took place during a Black-out Period.

4.5 Associates

This policy also applies to **associates**⁸ of Prescribed Employees. A Prescribed Employee must communicate on behalf of their associate with the Notification Officer for the purposes of this policy.

5 Exceptional circumstances

⁸ **Associates** of a Prescribed Person means and includes their family members, trusts, companies, nominees and other persons over whom a Prescribed Employee has, or may be expected to have, investment control or influence. If you are in doubt as to whether a person is an associate, you should contact the Company secretary who will make a determination on the issue.

A Prescribed Employee may request, and the Notification Officer may give, subject to this policy, prior confirmation for the Prescribed Employee to:

- (a) deal in CLH securities during a Prohibited Period; or
- (b) dispose of CLH securities even if otherwise prohibited under clause 7,

if there are exceptional circumstances (except if this would breach the insider trading prohibitions – see clause 3 above).

Exceptional circumstances may include:

- (a) severe financial hardship, for example, a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant CLH securities;
- (b) requirements under a court order or court enforceable undertakings or other legal or regulatory requirements;
- (c) other exceptional circumstances as determined by the Chairman (or the Chairperson of the Audit and Risk Management Committee where the Chairman is involved).

If the Notification Officer has any doubt in making a determination of exceptional circumstances, they should exercise the discretion with caution and consult with the Chairman (the Chairperson of the Audit and Risk Management Committee where the Chairman is involved).

The requirements of clauses 4.2 to 4.4 must be complied with regarding prior notification, clearance and notification of dealings.

6 Permitted dealings

6.1 The following types of dealings are excluded from the operation of clause 4.1(a), 4.1(b), 4.2 and 4.3 of this policy and may be undertaken at any time without requiring prior notification, clearance or approval, subject always to the prohibitions on insider trading:

- (a) superannuation – transfers of Securities which are already held in a superannuation fund or other saving scheme in which the Prescribed Employee is a beneficiary, to or from an associate of the relevant Prescribed Employee;
- (b) third parties – an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in CLH securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (c) other trustees – where a Prescribed Employee is a trustee, trading in CLH securities by the respective trust provided the Prescribed Employee is not a beneficiary of the trust and any decision to trade during a Prohibited Period is taken by the other trustees or by the investments managers independently of the Prescribed Employee;
- (d) takeover – undertakings to accept, or the acceptance of, a takeover offer;
- (e) trading under an offer or invitation made to all or most of the Company's security holders, such as a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buyback, where the plan that determines the timing and structure of the offer has been approved by the Company's 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;
- (f) lender disposal – a disposal of CLH securities that is the result of a secured lender exercising their rights, however, this does not extend to disposal under any margin lending agreement where such agreements are prohibited by this policy;
- (g) incentive scheme – the exercise (but not the sale of CLH securities following exercise) of an option or 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 Prescribed Employee could not reasonably have been expected to exercise it at a time when free to do so; and

- (h) trading plan – trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this policy and where:
 - (i) the Prescribed Employee did not enter into the plan or amend the plan during a Prohibited Period; and
 - (ii) the trading plan does not permit the Prescribed Employee to exercise any influence or discretion over how, when, or whether to trade.

However, this policy does not allow the Prescribed Employee to cancel the trading plan or cancel or otherwise vary the terms of their participation in the trading plan during a prohibited period other than in exceptional circumstances.

- (i) bonus issue – acquiring CLH securities under a bonus issue made to all holders of CLH securities of the same class;
- (j) no change in beneficial interest – trading CLH securities where the trading results in no change in beneficial interest in CLH securities; and
- (k) subscription under a disclosure document – subscribing for CLH securities under a disclosure statement.

Warning: Under the insider trading laws, a person who possesses Inside Information may be prohibited from trading even where the trading falls within an exception specified above.

- 6.2 Following the occurrence of such permitted dealings contained in clause 6.1, it is incumbent on Directors and Prescribed Employees to immediately notify the Company of their dealings in accordance with the provisions set out in clause 4.4.

7 Further restrictions

7.1 No margin lending

Prescribed Employees are not permitted to enter into margin lending arrangements in relation to CLH securities. This is on the grounds that the terms may require CLH securities to be sold during a prohibited Period or when the Prescribed Employee possesses Inside Information.

This restriction does not extend to other funding arrangements where CLH securities may be included as security. Prescribed Employees should consult the Company Secretary if they are uncertain as to whether an arrangement should be classified as a margin lending arrangement.

7.2 No short term or speculative trading

The Company encourages Prescribed Employees to be long term investors in the Company.

Prescribed Employees must not engage in short term or speculative trading in CLH securities. Short term means less than a 12 month period.

Prescribed Employees are not permitted to engage in short selling of CLH securities.

7.3 No hedging

Prescribed Employees must not:

- (a) enter into transactions or arrangements with anyone which could have the effect of limiting their exposure to risk relating to an element of their remuneration that:
 - (i) has not vested; or
 - (ii) has vested but remains subject to a holding lock; or
- (b) deal at any time in financial products associated with CLH securities, except for the type of dealing permitted by law or a permitted dealing under this policy.

7.4 **Trading of Shares acquired under a performance rights plan**

In line with the Company's policy of encouraging employees to be long term investors in the Company, employees who have acquired shares on the exercise or conversion of performance rights under an incentive rights plan operated by the Group will not, in the usual course, be granted clearance to dispose of those shares while they remain employed by the Group.

Clearance may be granted in the following circumstances:

- Severe Financial Hardship as defined in the Group Performance Rights Plan and as approved by the Board;
- To fund the payment of tax liabilities that have or will be incurred from the vesting, exercise or conversion of the rights and acquisition of the shares under the plan and if approved by the Board; or
- With approval of the Board at its absolute discretion subject to compliance with the Group's Securities Trading Policy.

Any clearance or approval given is subject to the employee complying with the Group's Securities Trading Policy.

7.5 **Meaning of financial products**

Financial products includes derivatives, options, warrants, futures, forward contracts, swaps and contracts for difference issued or created over or associated with CLH securities by third parties.

8 **Confidential information**

You must treat all sensitive, non-public information ("Confidential Information") about the Company as confidential and belonging to the Company. You must not disclose Confidential Information to others (including family members, relatives, business or social acquaintances) except as authorised or legally required. You must avoid inadvertent or indirect disclosure of Confidential Information.

Even within the Company, Confidential Information should be distributed to or discussed with others only on a need to know basis, and those people must be told that the information is confidential. Be careful that your conversations are not overheard in elevators, aeroplanes or other public places. Do not leave Confidential Information on conference tables, desks or otherwise unguarded. Take whatever steps are necessary to keep Confidential Information from being disclosed, except as authorised or legally required.



We're here to help.
Get in touch with us today.

(07) 3292 1000

corporate.services@collectionhouse.com.au

Level 12, 100 Skyring Terrace Newstead QLD 4006, Australia

collectionhouse.com.au

