



Securities Trading Policy



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1. Introduction

ALS Limited (**the Company**) is a company listed on the Australian Securities Exchange (ASX) and has obligations to ensure that the market is kept fully informed of information which may have a material effect on the price of the Company's securities which are traded on the ASX.

This policy outlines when directors, employees, consultants, contractors and advisors of the Company and its related bodies corporate (**Company Personnel**) may Trade in the Securities of the Company or in Securities of other listed companies while performing duties for the Company or related bodies corporate, as well as procedures to reduce the risk of Insider Trading.

This policy also applies to the Connected Persons of the Company Personnel. **Connected Persons** in respect of a person are: the person's spouse or partner; the person's dependant children or dependant children of the person's spouse; the person's other dependants or other dependants of the person's spouse; anyone else who is in the person's family and the person may be expected to influence, or be influenced by, in dealings with the Securities; or a company, trust or entity that the person or any of their Connected Persons controls.

All Company Personnel must ensure that their Connected Persons are aware of the content of this policy and that they abide by the rules set out in it as appropriate.

2. Purpose

All Company Personnel must be careful to ensure that if they hold or intend to trade in the Securities of the Company, they do not breach in any way the Insider Trading provisions of section 1043A of the Corporations Act 2001 (Cth) (**Corporations Act**).

In the course of providing services for the benefit of the Company, it is possible that Company Personnel will become aware of information that might have a material effect on the value of the issued securities of the Company before the release of that information to the ASX in accordance with the Corporations Act and the ASX Listing Rules.

This policy sets out guidelines and procedures to be adopted whenever Company Personnel intend to Trade in the securities of the Company. This policy aims to ensure that Company Personnel respect the confidentiality of Company information and do not take actions which may be seen as undermining the Company's reputation in the financial markets, and to keep the market informed of dealings.

The Company does not seek to discourage Company Personnel from trading in the Securities of the Company but the Company desires that such trading comply with the Insider Trading provisions of the Corporations Act.

Capitalised terms used in this policy have the meanings given to them in the policy, unless the context otherwise requires.



3. Explanation of the law relating to Insider Trading

The following notes briefly summarise the rules about Insider Trading. They are not intended to cover every aspect of them but are provided to assist you in being alert to potential difficulties.

3.1 Insider Trading and Inside Information

Insider Trading refers to:

- Trading in Securities of a company, or procuring others to do so, while in possession of *Inside Information*; or
- communicating *Inside Information*, directly or indirectly, or causing it to be communicated, to others who may use that information to Trade in a company's Securities or procure another person to so Trade.

Inside Information is information that a person possesses about a company that is not *generally available*, and if it were generally available, a reasonable person would expect it to have a *material effect* on the price or value of the Securities of that company.

Securities are defined to mean shares, debentures, interests in a managed investment scheme, units of shares, option contracts under which an option is acquired over any of the foregoing types of securities, Derivatives and other financial products.

Derivatives has the meaning given in the Corporations Act, and includes the following if they relate to or derive their value from Securities: put or call options, forward contracts, futures, warrants, depositary receipts, structured financial products, swaps, contracts for difference, spread bets, caps and collars, and any other hedging or investment arrangement.

Trading means taking part in any transaction associated with applying for, buying, acquiring, selling, disposing, granting an option, converting, assigning rights to buy, sell or subscribe for, or agreeing to do any of these things (and "Trade" has the corresponding meaning).

Meaning of "generally available" and "material effect"

Information is considered to be "*generally available*" if:

- it consists of readily observable matter; or
- it 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 the relevant type of Securities, and a reasonable period for it to be circulated has passed. For example, it has been released to the ASX, published in an Annual Report or prospectus or otherwise been made generally available to the investing public and a reasonable period of time for it to be circulated in one of these ways has passed; or
- it may be deduced, inferred or concluded from the above.

Information is considered to be 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 acquire or dispose of those Securities. Examples of types of information that would be likely to have a material effect on a listed company's share price include, but are not limited to:

- information regarding a **material increase or decrease** in a company's financial performance from previous results or guidance;
- a proposed material business or asset acquisition or sale;
- proposed material legal proceedings to be initiated by or against a company;
- regulatory action or investigation undertaken by a government authority.



3.2 Insider Trading prohibition

Insider Trading is prohibited at all times. Insider Trading has serious legal consequences including criminal liabilities (penalties include heavy fines and imprisonment) and civil liability (being sued by another party or a company for loss suffered as a result of Insider Trading).

*Some examples of **Insider Trading** include, but are not limited to:*

1. Trading in a company's Securities when in possession of Inside Information relating to a company's results before the release of such financial results to the ASX;
2. Trading in Securities of a company with knowledge of an impending takeover offer not yet disclosed to the ASX or 'tipping' another person with an intention of allowing them to Trade in Securities of a company based on such information; or
3. procuring others to Trade in a company's Securities on your behalf based on your knowledge of Inside Information not yet disclosed to the ASX.

3.3 Continuous disclosure obligations

The Company has obligations under both the Corporations Act and the Listing Rules of the ASX to make disclosure to the ASX, and thus to the market, of 'material price sensitive information' about it (not otherwise excluded from the disclosure) that a reasonable person would expect to have a material effect on the price or value of the Securities.

'Material price sensitive information' is Inside Information even if it does not trigger a disclosure obligation under the continuous disclosure regime.

4. Trading by all Company Personnel

General Prohibition on Trading in the Company's Securities and communicating Inside Information

In the course of carrying out your duties you may come into possession of Inside Information regarding the Company. The law and the Company's policy is, that you must not Trade, or procure others, including your Connected Persons, to Trade in the Company's Securities, if:

- you possess Inside Information regarding the Company; and
- you know, or ought reasonably to know, that the Inside Information is not generally available and, if it were, a reasonable person would expect it to have a material effect on the price or value of the Company's Securities,

(General Prohibition).

This General Prohibition overrides all other rules set out in this policy. It applies at all times and applies to your Connected Persons.

You and your Connected Persons must not also, directly or indirectly, communicate Inside Information in relation to the Company's Securities or quoted Securities relating to another entity, if you know, or ought reasonably to know, that the other person would be likely to Trade in relevant Securities or procure another person to do so. This obligation does not limit, and is additional to, other duties of confidentiality.

The Company's policy is that any Company Personnel who breach this policy or the relevant Insider Trading rules are liable to have their services terminated. In addition, there are criminal penalties and possible civil actions for damages against persons who engage in Insider Trading.

If you are in doubt at all as to whether any intended Trading in Securities of the Company may be in breach of the Insider Trading rules, you should speak to the Company Secretary before Trading Securities.



5. Restrictions on Trading by Designated Personnel

Blackout Periods

In addition to the General Prohibition, Designated Personnel and their Connected Persons are prohibited from Trading, or procuring others to Trade, in the Company's Securities during the following periods (**Blackout Periods**):

- from 1 March until the close of business on the day full year results are announced;
- from 1 September until the close of business on the day half year results are announced; and
- any other period as determined by the Board from time to time.

Designated Personnel routinely have or are provided Inside Information as part of their roles in the Company.

For the purposes of this Policy, **Designated Personnel** are Company Personnel who, because of their seniority or position, are likely to become involved with key financial, operational and strategic information about the Company that will, or is likely to, have a material effect on the price of the Company's Securities. Designated Personnel will include:

- i. Directors of the Company;
- ii. Executives in regional management positions and above who have authority and responsibility for planning, directing and controlling the activities of the Company or its related bodies corporate, directly or indirectly;
- iii. Financial professionals who are involved in the preparation of the statutory accounts of the Company or its related bodies corporate; and
- iv. All head office corporate personnel.

The Managing Director may determine from time to time other officers or persons to whom this policy applies.

Company Personnel who are not Designated Personnel and their Connected Persons may Trade in the Company's Securities at any time provided they do not have Inside Information.

Trading Periods

Outside of the Blackout Periods (**Trading Periods**), Designated Personnel and their Connected Persons may Trade in the Company's Securities, provided they comply with the law on Insider Trading and this policy. ***It must always be remembered: even during a Trading Period, Designated Personnel and their Connected Persons may not Trade in the Company's Securities if they are in possession of Inside Information.***

Notice of Trading

Prior to undertaking any Trading during a Trading Period, Designated Personnel must give notice as set out below:

- A director of the Company must inform the Chairman prior to them or their Connected Persons undertaking the Trade;
- The Chairman of the Company must inform the Chairman of the Audit, Risk & Compliance Committee prior to them or their Connected Persons undertaking the Trade; and
- Other Designated Personnel of the Company must inform the Managing Director prior to them or their Connected Persons undertaking the Trade.

Written confirmation of the Trade must be given to the Company Secretary within 2 business days of completion of the Trade by Designated Personnel and their Connected Persons.



Trading excluded from policy

Designated Personnel and their Connected Persons are not required to give notice to Trade in the Company's Securities in a Trading Period where they do not have the Inside Information and the Trading in the Company's Securities is as a result of the following:

- Company-initiated corporate actions, such as an acceptance under an employee incentive plan, bonus issue, share purchase plan, equal access buy-back, dividend reinvestment plan or rights issue (including, without limitation, decisions relating to whether or not to take up entitlements, and the sale of entitlements required to provide for the take-up of the balance of entitlements, under a renounceable rights issue) in accordance with the rules of the relevant plan and the terms of any offer;
- the disposal of the Company's Securities through the acceptance of a takeover offer or under a court-approved compromise or arrangement under Part 5.1 of the Corporations Act;
- Dealing in units of or interests in, a fund or other scheme (other than a scheme investing primarily in Company's Securities) whereby the assets of that fund or scheme are invested at a third party's sole discretion;
- where Designated Personnel or their Connected Person is the trustee of a trust, Trading in Company's Securities by that trust provided that neither the Designated Personnel nor any of their Connected Persons is a beneficiary of the trust and any decision to trade during a prohibited period is taken entirely independently of the Designated Personnel or their Connected Person;
- disposal of Company's Securities effected by a change in the trustee of a trust;
- an off-market transaction involving the transfer or other disposal of Company's Securities between Designated Personnel or their Connected Person and any of the following:
 - a Connected Person of the relevant Designated Personnel (or, in the case of a Connected Person, the Designated Personnel);
 - a company, trust or other entity over which the relevant Designated Personnel or their Connected Person has control or significant influence (whether alone or jointly with any of their Connected Persons); or
 - a superannuation fund or other pension or saving scheme in which the relevant Designated Personnel or their Connected Person is a beneficiary.

Exceptional circumstances

It is recognised that in exceptional circumstances, a Designated Personnel or their Connected Persons may need to sell the Company's Securities during a Blackout Period.

Where such circumstances arise, prior written clearance must be obtained from the Chairman and may only be granted where exceptional circumstances exist. If the Chairman is the applicant, the Chairman may apply to the Chairman of the Audit, Risk & Compliance Committee.

Exceptional circumstances include:

- a) severe financial hardship which cannot be satisfied other than by selling the Company's Securities (noting that a tax liability will not generally constitute a severe financial hardship unless it fits the definition of (c) below);
- b) compulsion by court order or enforceable undertaking to transfer or sell the Company's Securities or there is another overriding legal requirement to do so; or
- c) a pressing financial commitment which cannot be satisfied other than by selling the Company's Securities.



A written application must be made setting out the circumstances of the proposed sale and the reason the clearance is requested. A clearance will only be granted if the application is accompanied by sufficient evidence that the sale of the Company's Securities is the most reasonable course of action in the circumstances and a declaration that the applicant does not believe they have any Inside Information.

The decision to grant a clearance is at the complete discretion of the Chairman or the Chairman of the Audit, Risk & Compliance Committee, as applicable. A clearance is valid for seven business days from the date of the notification and can be withdrawn if there is a change in circumstances. Any clearance granted is a clearance of breach of this policy only, and the laws against Insider Trading will still apply.

This section 5 does not permit selling where you are in possession of Inside Information.

6. Trading in Securities of other companies

In the course of performing your role, you may become aware of Inside Information regarding entities other than the Company. The law is that Company Personnel must not Trade, or procure others to Trade, in Securities of other companies if they possess Inside Information in relation to that other company. This prohibition is also the Company's policy.

Some examples include, but are not limited to, where:

- you become aware of an impending acquisition or takeover offer to be made by the Company for another company. You must not Trade in the Securities of either company; or
- you become aware of testing analysis or inspection results carried out for a client of the Company which may have a material impact on the client's Securities or their clients' Securities. You must not Trade in the Securities of those companies; or
- you are aware that the Company is about to sign a major agreement with another company that is likely to have an effect on the share price of either company. You must not Trade in the Securities of either company.

In addition to the application of the Insider Trading rules to Securities of other entities, all Company Personnel are also bound by a duty of confidentiality in relation to information obtained in the course of their duties in accordance with the confidentiality obligations under the Company's Code of Conduct and their relevant terms of engagement.

7. Derivatives and Hedging

The Company may grant securities, options or performance rights to its employees as part of their remuneration entitlements (**Equity Interests**). These grants will usually be subject to the satisfaction of performance or time-based hurdles before they vest. The use of Derivatives over unvested Company's Securities may allow value to be realised from those Securities even if performance hurdles have not been met. This would break the intended connection between staff performance and shareholder best interests.

Accordingly, Company Personnel with Equity Interests and their Connected Persons are not permitted to use Derivatives in relation to any unvested Company's Securities in any way.

Company Personnel and their Connected Persons may use Derivatives in relation to vested Company's Securities, provided any Trading complies with the balance of this policy.



8. Margin Loans

Margin loans to support an investment in Company's Securities can compromise compliance with this policy, as the loan's terms may compel the sale of Securities during a Blackout Period or when the Company Personnel has relevant Inside Information.

Designated Personnel and their Connected Persons must advise the Chairman (or Chairman of the ARC Committee in respect of the Chairman) if entering into margin loans or other financing arrangements involving Company Securities where there may be a risk the Company Securities will be traded pursuant to the terms of the margin loan or financing arrangement (for example, sale of Company Securities to avoid a margin call).

It would be a breach of insider trading laws and this policy if Designated Personnel or their Connected Persons decides to Trade in Company Securities pursuant to a margin loan or other form of financing arrangement while in possession of Insider Information. Where Company Securities are Traded and the Designated Personnel or their Connected Persons are not involved in the decision to Trade the securities (for example, where Company Securities are provided to a lender as security and the lender decides to Trade the Securities), then the Designated Personnel or their Connected Persons would not be in breach of this policy.

9. Speculative Trading

Designated Personnel and their Connected Persons must not engage in speculative Trading in the Company's securities, such as Trading on considerations of a short term nature. This includes buying and selling Securities within a one month period, and entering into other short term Trading (e.g. forward contracts). However, a sale of shares received following vesting of employee incentives is not considered speculative for this purpose, subject to all other rules of this policy (including the General Prohibition against Insider Trading in section 4).

10. Short Selling

Designated Personnel and their Connected Persons must not engage in short selling of the Company's securities. Short selling is a technique used by traders who believe that the market price of a security is likely to fall and they borrow the security and sell it in the hope that they will be able to buy the security back at a lower price in the future (therefore closing out their short position at a profit).

11. Disclosure of changes in directors' notifiable interests and substantial holdings

Directors must advise the Company Secretary in writing of details of any Trading in the Company's Securities by the director or relevant interests associated with the director within 2 business days of the Trades taking place and such advice must contain sufficient information for the Company Secretary to notify the ASX of details of any transaction on behalf of the director within 5 business days of the Trade.

Company Personnel (including directors) must comply with any other disclosure required by law in relation to their Trading including under the substantial holder notice provisions of the Corporations Act if they any time hold an interest of 5% or more in the Company's Securities.



12. Compliance

The Company Secretary will keep a register of notifications and confirmations of Trading, applications for approval and decisions made under this policy, and details of the subsequent Trading.

13. Review of this policy

This policy is subject to periodic review by the Board and will be amended as appropriate.