



# **Securities Dealing Policy**

**Microequities Asset Management Group Limited**  
ACN 110 777 056

# Securities Dealing Policy

## 1 Introduction

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- 1.1 This policy imposes constraints on directors, employees and contractors of the Group (and any of their Associates (see clause 14.2)) dealing in Securities of Microequities Asset Management Group Limited ACN 110 777 056 (**Company**) and on the Company itself.
- 1.2 This policy has been adopted by the board of directors of the Company (**Board**).

## 2 Explanation of terms

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- 2.1 For the purposes of this policy:
- (a) **Associates** has the meaning given to that term in clause 14.2;
  - (b) **Closed Period** has the meaning given to that term in clause 7.1;
  - (c) **Compliance Officer** means the individual appointed by the Board from time to time as Compliance Officer under the Arrangements for Managing Conflicts of Interest Policy;
  - (d) **Corporations Act** means *Corporations Act 2001* (Cth);
  - (e) **dealing in Securities** includes:
    - (i) applying for, acquiring or disposing of, Securities;
    - (ii) entering into an agreement to apply for, acquire or dispose of, Securities;
    - (iii) granting, accepting, exercising or discharging an option or other right or obligation to acquire or dispose of Securities;
    - (iv) trading in financial products issued or created over Securities; and
    - (v) entering into transactions in financial products which operate to limit the economic risk of Security holdings;
  - (f) **Director** means any director of the Company from time to time;
  - (g) **Group** means the Company and each of its subsidiaries (as that term is defined in the Corporations Act);
  - (h) **key management personnel** has the meaning given to it in the ASX Listing Rules and includes the Chief Executive Officer, any Chief Financial Officer, any Chief Operating Officer, the Company Secretary and all employees having authority and responsibility for planning, directing and controlling the activities of the Group;
  - (i) **Securities** includes shares in the Company, options over those shares and any other financial products of the Company traded on ASX; and
  - (j) **trading day** means any day that the ASX is open for trading.

### 3 Objectives

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- 3.1 The objectives of this policy are to:
- (a) minimise the risk of Directors, employees and contractors of the Group contravening the laws against insider trading;
  - (b) ensure the Company is able to meet its reporting obligations under the listing rules of the Australian Securities Exchange (**ASX Listing Rules**) and the Corporations Act; and
  - (c) increase transparency with respect to dealing in Securities of the Company (including shares and options) by its Directors and key management personnel.
- 3.2 To achieve these objectives, Directors, employees and contractors of the Group should consider this policy to be binding on them in the absence of a specific exemption by the Board.

### 4 What is insider trading?

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- 4.1 The Corporations Act prohibits persons who are in possession of information that is not generally available to the public, and which a reasonable person would expect to have a material effect on the price or value of securities (**Price Sensitive Information**), from:
- (a) dealing in the securities; or
  - (b) communicating the Price Sensitive Information to others who might deal in the securities.
- 4.2 Information is generally available to the public if, amongst other things, it consists of readily observable matters or it has been brought to the attention of investors by an announcement made on the announcements platform of the Australian Securities Exchange (**ASX**) and a reasonable period for its dissemination has elapsed since the announcement.
- 4.3 Directors, employees and contractors of the Group will from time to time be in a situation where they are in possession of Price Sensitive Information. Examples include information which may have a material effect on the Company's financial position and information regarding a major transaction which is being negotiated.
- 4.4 For these reasons, if any person believes that they may be in possession of Price Sensitive Information, the advice of the Compliance Officer should be sought prior to any dealings taking place during any period set out in clause 7, and steps should be taken to ensure that the Compliance Officer is advised of all relevant considerations by the person proposing to deal.

### 5 No dealing in Securities of the Company when in possession of Price Sensitive Information

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- 5.1 Directors, employees and contractors of the Group in possession of Price Sensitive Information must not at any time:

- (a) deal in Securities;
  - (b) advise, procure, encourage or suggest another person deal in Securities; or
  - (c) communicate the Price Sensitive Information, or cause the Price Sensitive Information to be communicated, to a person who may deal in Securities or may procure another person to deal in Securities.
- 5.2 A contravention of the insider trading prohibitions is an offence and exposes a person to criminal and civil liability, including liability under civil damages actions and compensation orders. The penalties for a breach of the insider trading prohibitions are serious and include severe fines and imprisonment.
- 5.3 Key management personnel should ensure that external advisors who receive Price Sensitive Information are bound by a confidentiality agreement or other enforceable confidentiality obligations under professional standards.

## **6 Short-term dealing in Securities of the Company**

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- 6.1 Directors and key management personnel must not at any time engage in short-term dealing in Securities of the Company without the consent of the Compliance Officer.
- 6.2 Short-term dealing is considered to be dealing where the acquisition and disposal of Securities occurs within six months of each other.

## **7 Dealing in Securities of the Company**

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- 7.1 Subject to the restrictions in clauses 5 and 6, Directors, employees (including key management personnel) and contractors of the Group may deal in Securities of the Company at any time, except:
- (a) the period following 31 December and 30 June up to the time of the announcement of the Company's half yearly or annual financial results to ASX respectively (**Blackout Period**);
  - (b) and
  - (c) any other period designated by the Board from time to time, (in each case a **Closed Period**).
- 7.2 Subject to the restrictions in clauses 5 and 6, Directors, employees (including key management personnel) and contractors of the Group may exercise any option that has vested at any time and may dispose of any resulting Securities subject to compliance with clause 7.1..

## **8 Trading in exceptional circumstances during a Closed Period**

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- 8.1 Directors, employees (including key management personnel) and contractors of the Group who are not in possession of Price Sensitive Information may deal in Securities of the Company or may engage in short-term dealing of Securities of the Company during a Closed Period, if there are exceptional circumstances and he or she receives prior written clearance from the Compliance Officer.

- 8.2 Exceptional circumstances are:
- (a) financial hardship which cannot be satisfied otherwise than by dealing in Securities of the Company; or
  - (b) a court order directing the dealing in Securities of the Company.
- 8.3 Directors, employees (including key management personnel) and contractors wishing to deal in Securities of the Company or wishing to engage in short-term dealing of Securities of the Company during a Closed Period based on exceptional circumstances, must apply in writing (email is acceptable) to the Compliance Officer for prior written clearance to deal in those Securities. The application must include the following information:
- (a) details of the exceptional circumstances;
  - (b) the number of Securities that he or she wishes to deal in;
  - (c) the way in which he or she wishes to deal in those Securities;
  - (d) a request for clearance to deal in those Securities; and
  - (e) confirmation that he or she is not in possession of any Price Sensitive Information.
- 8.4 The Compliance Officer must consider the objectives of this policy and the purpose of the ASX Listing Rules in making a determination as to whether to provide consent to deal in Securities of the Company or to allow short-term dealing in Securities during a Closed Period.
- 8.5 Any consent provided by the Compliance Officer under this policy must:
- (a) be in writing (email is acceptable); and
  - (b) outline the duration of the clearance (which must be no more than 5 trading days from the date of the provision of any consent).

## **9 Directors and key management personnel to obtain prior written clearance for dealings in Securities of the Company**

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- 9.1 Notwithstanding any other provision of this Policy, Directors and key management personnel must obtain approval for any intended dealing in Securities of the Company from the Compliance Officer in accordance with the Company's Arrangements for Managing Conflicts of Interest Policy. The request for approval must be submitted prior to the date of the dealing and must include the following information:
- (a) the number of Securities that he or she wishes to deal in;
  - (b) the way in which he or she wishes to deal in those Securities; and
  - (c) confirmation that he or she is not in possession of any Price Sensitive Information.

- 9.2 Directors and key management personnel may only proceed with the dealing in Securities after having first obtained approval from the Compliance Officer.
- 9.3 Approval is intended as a compliance monitoring function only and is not an endorsement of the proposed dealing. Directors and key management personnel remain responsible for their own investment decisions and compliance with the law.

## **10 Notification of dealings in Securities of the Company**

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- 10.1 The ASX Listing Rules require the Company to notify ASX of dealings in notifiable interests in Securities by Directors within five business days.
- 10.2 Directors must notify the Chief Operating Officer and the Company Secretary of the Company immediately after dealing in any Securities and provide the Company with the requisite details of the dealing for the Company to comply with the ASX Listing Rules.
- 10.3 Key management personnel (other than directors, who must comply with clause 10.2) must notify the Chief Operating Officer of the Company immediately after acquiring or disposing of a relevant interest in any Securities.

## **11 No hedging or derivative transactions**

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- 11.1 Notwithstanding any other part of this policy, Directors and key management personnel must not at any time enter into transactions in associated products which operate to limit the economic risk of Security holdings in the Company (including where such Securities are held under an employee incentive plan).

## **12 Margin lending**

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- 12.1 ASX, in its Companies Update dated 29 February 2008, highlighted that in certain circumstances, the Company may be required to disclose details of the margin lending arrangements of Directors and key management personnel in respect of their Securities (if any), if that information would be material information under ASX Listing Rule 3.1. To enable the Company to comply with ASX Listing Rule 3.1, any Director or key management personnel of the Company who enters into margin lending arrangements or otherwise encumbers their Securities of the Company (**Security Arrangements**) is required to provide details of those Security Arrangements to the Compliance Officer upon entering into, and on any change (other than a trivial or minor change) occurring to, the Security Arrangements. Security Arrangements may be subject to prohibitions on dealing in Securities of the Company contained in this policy.
- 12.2 The details of the Security Arrangements which must be provided pursuant to clause 12.1 must include the number of Securities involved, any trigger points, the right of the lender or security holder to sell the Securities unilaterally and any other material details.
- 12.3 Directors and employees of the Company may take out margin loans over their holdings in Securities. However, Directors and employees must not allow a margin call to be met by the sale of the Securities at a time when they would not be able to sell those Securities themselves under this policy.

## **13 Penalties**

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- 13.1 A contravention of this policy by a Director, key management personnel, other employee or contractor of any member of the Group may result in summary dismissal.

## **14 Application**

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- 14.1 This policy applies to all Directors, employees and contractors of any member of the Group.
- 14.2 For the purposes of this policy, Directors, employees and contractors dealing in Securities of the Company includes “associates” of Directors, employees and contractors of the Group dealing in Securities. It is incumbent on each Director, employee and contractor of the Group to take reasonable steps to ensure that an associate does not deal in Securities in contravention of this policy where the dealing could be attributed to the Director, employee or contractor concerned. For this purpose “associates” include your spouse, family members, other relatives, entities which you control (such as self-managed superannuation funds or family trusts) and entities you are acting in concert with.
- 14.3 The following types of dealing are excluded from the operation of this policy:
- (a) transfers of Securities already held in a superannuation fund or other saving scheme in which the restricted person is a beneficiary and where the investments are made at the discretion of a third party;
  - (b) an investment in, or dealing in units of, a fund or other scheme (other than a scheme only investing in Securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
  - (c) where a restricted person is a trustee, trading in Securities by that trust, provided the restricted person 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 investment managers independently of the restricted person;
  - (d) undertakings to accept, or the acceptance of, a takeover offer;
  - (e) dealing under an offer or invitation made to all or most of the security holders, such as a rights issue, a security purchase plan, a dividend or distribution reinvestment plan 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 and the sale of entitlements required to provide for the take up of the balance of the entitlements under a renounceable pro rata issue;
  - (f) a disposal of Securities that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement; and
  - (g) the exercise (but not the sale of Securities following exercise) of an option or a right under an employee incentive scheme, or the conversion of a convertible Security.

## **15      Contact**

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- 15.1      If you have any questions about any of the issues raised in this policy you should contact the Compliance Officer.

Adopted on 23 February 2018