



**SECURITIES TRADING POLICY**  
**SERVCORP LIMITED**  
**ACN 089 222 506**

December 2015



# SERVCORP LIMITED

## SECURITIES TRADING POLICY

### 1 Introduction

- 1.1 Servcorp Limited (“**Company**”) and its related entities has adopted a Securities Trading Policy to regulate trading by the Company’s Designated Persons in Company Securities.
- 1.2 In this policy “**Company Securities**” include:
- (a) any shares in the Company;
  - (b) options;
  - (c) any other securities issued by the Company;
  - (d) derivatives and other financial products issued or created over or in respect of the Company’s securities.

### 2 Purpose of the policy

- 2.1 The purpose of this policy is to raise awareness and provide an explanation of the legal restrictions of trading Company Securities while a person is in possession of non-public price sensitive information concerning the Company and any of its subsidiaries.
- 2.2 The purpose of the policy is also to:
- (a) ensure compliance with *ASX Listing Rule 12.9*;
  - (b) specify when Designated Persons are generally prohibited from trading in Company Securities (closed periods);
  - (c) ensure that Designated Persons adhere to high ethical and legal standards in relation to their personal investment in Company Securities;
  - (d) ensure that the personal investments of Designated Persons do not conflict with the interests of the Company and those of other holders of Company Securities;
  - (e) preserve market confidence in the integrity of trading in Company Securities by minimising the possibility that misunderstandings or suspicions arise that Designated Persons are trading while in possession of non-public price sensitive information.
- 2.3 This policy is not designed to prohibit the Designated Persons from investing in Company Securities but does recognise that there may be times when Designated Persons cannot or should not invest in Company Securities. This policy provides guidance to Designated Persons as to the times when Designated Persons may deal in Company Securities.

### 3 Designated Persons

3.1 In the context of this policy, “**Designated Persons**” include:

- (a) Directors of the Company;
- (b) the Company Secretary of the Company;
- (c) Key Management Personnel, as defined in *AASB 124*;
- (d) all direct reports to the Chief Executive Officer;
- (e) any person who is entitled to receive options as part of any equity incentive based scheme of the Company;
- (f) consultants, advisors and contractors.

3.2 Each Designated Person has a personal responsibility to take reasonable steps to ensure that their Associated Parties comply with the same restrictions as apply to Designated Persons. In the context of this policy “**Associated Parties**” include:

- (a) the Spouse or defacto partner of a Designated Person;
- (b) the children of a Designated Person;
- (c) partners or fellow Directors of family partnerships and companies;
- (d) a Trust for which the Designated Person acts as Trustee or as a Director of its Trustee company; and
- (e) an investment fund which effectively acts at the direction of the Designated Person.

### 4 Restrictions on trading

4.1 Consistent with the legal prohibitions on insider trading contained in the *Corporations Act 2001*, all Designated Persons are prohibited from trading in Company Securities while in possession of non-public price sensitive information (also known as inside information).

4.2 “**Non-public price-sensitive information**” means information which:

- (a) relates to the Company Securities;
- (b) is specific or precise;
- (c) has not been made public; and
- (d) if it were made public would be likely to have a material effect on the price or value of the Company Securities.

4.3 Information is non-public if it is not generally available. Information is generally available if it consists of a readily observable matter or it has been brought to the attention of investors (e.g. through an announcement to the market) and a reasonable period has elapsed since doing so.

- 4.4 A reasonable person would be taken to expect information to have a material effect on the price or value of Company Securities if the information would, or would be likely to, influence investors in deciding whether or not to buy or sell the Company Securities.
- 4.5 It should be noted that both positive and negative information may be material.
- 4.6 Designated Persons, whilst in possession of non-public price sensitive information in relation to the Company, are subject to the following restrictions:
- (a) they must not trade in Company Securities affected by the information;
  - (b) they must not cause or procure anyone else to trade in Company Securities; and
  - (c) they must not communicate the information to any person if they know or ought to know that the other person will use the information, directly or indirectly, for trading in Company Securities.
- 4.7 Designated Persons are prohibited from trading in Company Securities during any Closed Periods (paragraph 5).
- 4.8 Designated Persons must not engage in short term trading in Company Securities. Short term trading means trading in a manner which involves frequent and regular trading activity for short term trading gain.
- 4.9 Designated Persons must not engage in short selling the Company Securities.
- 4.10 Designated Persons are prohibited from entering into an arrangement that would have the effect of limiting their exposure to risk relating to an element of their remuneration that either has not vested or has vested but remains subject to a holding lock (“hedging transactions”).
- 4.11 Designated Persons must not trade in Company Securities during a prohibited period unless:
- (a) the proposed trade is an exempt trade (paragraph 9);
  - (b) the Designated Person has been granted a prior written clearance for the proposed trade on the basis that exceptional circumstances exist (paragraph 7).

## 5 Closed Periods

- 5.1 For the purpose of this policy, a “**closed period**” is:
- (a) the period commencing six weeks prior to the announcement to the ASX of the Company’s half-year results to and including the trading day after the announcement;
  - (b) the period commencing six weeks prior to the announcement to the ASX of the Company’s full-year results to and including the trading day after the announcement;
  - (c) any other period when the Directors of the Company are of the opinion that trading in Company Securities should be restricted.
- 5.2 The Company Secretary will advise Designated Persons by notice in writing of the commencement and end dates for Closed Periods. Notification by email is considered to be in writing.

## 6 Clearance to trade

- 6.1 A Director must not trade in Company Securities at any time without the prior written consent of the Chairman of the Board (“Chairman”). A Director must also notify the Company Secretary of his or her intention to trade and provide the Company Secretary with subsequent confirmation of the trading that has occurred.
- 6.2 The Chairman must not trade in Company Securities at any time without the prior written approval of the next most senior Director. The Chairman must notify the Company Secretary of his intention to trade and provide the Company Secretary with subsequent confirmation of the trading that has occurred.
- 6.3 Designated Persons other than Directors may trade in Company Securities at any time provided they are not prohibited by this policy and they notify the Company Secretary prior to undertaking any transaction. If a Designated Person is considered to possess non-public price sensitive information, they will be precluded from making any trade until one (1) trading day after the time of public release of that information.
- 6.4 Details to be provided when requesting clearance, or advising of a proposed trade, include:
- (a) name of the security holder;
  - (b) nature of the proposed transaction (e.g. buy, sell);
  - (c) number of securities involved.

## 7 Exceptional circumstances

- 7.1 A Designated Person who is not in possession of non-public price sensitive information may be given clearance to trade in Company Securities during a prohibited period if exceptional circumstances exist.
- For the purpose of this policy “**exceptional circumstances**” are:
- (a) if a Designated Person is in severe financial hardship. Severe financial hardship may exist if a person has a pressing financial commitment that cannot be satisfied otherwise than by selling the Company Securities;
  - (b) if a Designated Person is required to trade the Company Securities by a court order, or there are court enforceable undertakings or there is some other overriding legal or regulatory requirement to do so;
  - (c) if other circumstances exist which are accepted as being exceptional in nature.
- 7.2 All applications for a waiver of the policy must be made in writing to the Company Secretary. The application must set out full details of the circumstances asserted to be exceptional. The details must satisfy the requirement that there exists severe financial hardship or other exceptional circumstances and that the proposed trade of the Company Securities is the only reasonable course of action available. All applications will be treated as confidential.
- 7.3 The determination of whether to grant the waiver will be made by the Chairman, or if he is unavailable, the CEO. The determination to either grant or withhold the waiver, or to request further information, will be made, where circumstances permit, within two (2) business days of receipt of the application. Any response will be in writing.
- 7.4 Where a waiver of this policy is granted, the Designated Person must execute the proposed trade within five (5) trading days after the day on which the waiver is granted.

## **8 Clearance records**

A written record must be maintained by the Company of the receipt of any advice received from a Designated Person pursuant to paragraphs 6 and 7 of this policy and of any clearance given. If requested by the Designated Person concerned, written confirmation from the Company that such advice and clearance (if any) have been recorded must be given to the Designated Person concerned. The Company Secretary will maintain the register of Clearance Records.

## **9 Exempt trading**

The following trading is not subject to the provisions of this Policy:

- (a) where trading results in no change in beneficial interest in the Company Securities, such as transfers of Company Securities already held into a superannuation fund or other saving scheme in which the Designated Person is a beneficiary;
- (b) undertakings to accept, or the acceptance of, a takeover offer or scheme of arrangement;
- (c) undertakings or elections to take up, the take up, or allowing the lapse of, entitlements under a rights issue or other offer (including an offer of securities in lieu of a cash dividend);
- (d) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in Company Securities) where the assets of the fund or other scheme are invested at the discretion of an independent third party;
- (e) where a Designated Person is a trustee, trading in the Company Securities by that trust provided the Designated 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 Designated Person;
- (f) the exercise of an option or right under any executive or employee share option scheme, or the conversion of a convertible security, where the final date for the exercise of such option or right, or conversion of such security, falls during any prohibited period and the Company has been in an exceptionally long prohibited period and the Designated Person could not reasonably have been expected to exercise it at an earlier time when free to do so.

## 10 Corporations Act

- 10.1 The requirements imposed by this policy are separate from the insider trading provisions contained in the *Corporations Act 2001*.
- 10.2 Designated Persons and other employees may obtain inside information in relation to another company. For example in the course of negotiating a transaction with the Company, another company might provide confidential information about itself. The prohibition on insider trading is not restricted to information affecting Company Securities. Designated Persons or other employees in possession of the inside information must not deal in securities of those other companies.
- 10.3 Anyone who contravenes the prohibitions against insider trading contained in the *Corporations Act 2001* will be guilty of an offence and risks substantial fines and/or imprisonment. Civil penalties and compensation may also be ordered.

## 11 ASX notifications by Directors

- 11.1 The *Corporations Act 2001* and the *ASX Listing Rules* require trading by a Director in the Company's securities ("**director transactions**") to be disclosed to the ASX.
- 11.2 In accordance with the provisions of the *Corporations Act 2001* and the *ASX Listing Rules*, each Director has entered into an agreement with the Company that requires disclosure to the Company of all information needed for it to comply with the obligation to notify the ASX of Director's holdings and interests in its securities.
- 11.3 In order to comply with the *ASX Listing Rules*, each Director must inform the Company Secretary in writing of all Director transactions as soon as reasonably possible after the date of the transaction and in any event no later than three (3) business days after the date of the transaction.

## 12 Summary

- 12.1 This policy is designed to clarify the obligations on Designated Persons in relation to trading in Company Securities, and to help them should they wish to buy and sell Company Securities.
- 12.2 All queries regarding issues raised in this policy should be directed to the Company Secretary.

Approved by the Servcorp Limited Board on 7 December 2016