



**SALTER  
BROTHERS**

EMERGING COMPANIES LIMITED

# Securities trading policy

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Salter Brothers Emerging Companies Limited  
ACN 646 715 111 (**Company**)

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# Securities trading policy

## 1. Background

- 1.1 The principal insider trading prohibition is section 1043A of the *Corporations Act 2001* (Cth). Subject to limited exceptions, it prohibits a person (insider) who has Inside Information relating to Company Securities or the quoted Securities of another entity from:
- (a) Dealing in relevant Securities;
  - (b) procuring another person to do so; or
  - (c) in relation to quoted securities, communicating, directly or not, Inside Information to someone else when the insider knows, or ought reasonably to know, that the other person would or is likely to:
    - (i) Deal in relevant Securities; or
    - (ii) procure another person to do so.
- 1.2 It does not matter how the insider received the information.
- 1.3 Insider trading is a criminal offence, punishable by substantial fines or imprisonment or both. The Company may also be liable if a Designated Officer or Employee engages in insider trading.
- 1.4 Insider trading may also attract civil penalties. A court may impose substantial pecuniary penalties, and order compensation paid to persons suffering related loss or damage and impose banning orders prohibiting participation in the management of a corporation.

## 2. Interpretation

Capitalised words and phrases are defined terms. For definitions, see section 17.

## 3. Introduction

- 3.1 Securities of the Company will be or are quoted on the Australian Stock Exchange (**ASX**).
- 3.2 This policy outlines:
- (a) when Designated Officers, Employees and Associates must not Deal in Company Securities;
  - (b) when Designated Officers, Employees and Associates must not Deal in quoted Securities of another entity; and
  - (c) certain limited exceptions.

## 4. What is Inside Information?

- (a) Inside Information is information that:
  - (i) is not generally available; and
  - (ii) if it were generally available, would, or would be likely to, influence persons who normally invest in securities in deciding whether to acquire or dispose of relevant securities.
- (b) Information is generally available if it:
  - (i) is readily observable;
  - (ii) has been made known in a way that is likely to bring it to the attention of persons who normally invest in the relevant type of securities, and reasonable time for the information to be circulated has since passed; or

- (iii) consists of deductions, conclusions or inferences drawn from information that has been made known in that way or is readily observable.
- (c) Inside Information is also called 'material price sensitive information'. It need not relate only to the Company. It could also be information about a customer, or supplier of the Company, or a party with whom the Company is discussing future opportunities or negotiating a significant transaction.
- (d) In order to minimise the risk of insider trading, the Company must immediately disclose to the ASX material price-sensitive information not otherwise excluded from disclosure, as set out in the Company's Market Disclosure Policy.
- (e) Material price-sensitive information is Inside Information even if it does not trigger a disclosure obligation under the continuous disclosure regime.

## 5. What is Dealing in Securities?

### 5.1 Dealing in Securities includes:

- (a) applying for, acquiring or disposing of, Securities;
- (b) entering into an agreement to do so; and
- (c) granting, accepting, acquiring, disposing, exercising or discharging an option or other right or obligation to acquire or dispose of Securities.

### 5.2 Dealing in Company Securities can include, but is not limited to:

- (a) buying or selling Company Securities by way of an on-market or off-market transaction;
- (b) granting, acquiring or disposing of a beneficial interest in Company Securities, such as through a trust that holds Company Securities;
- (c) applying for, acquiring or exercising options or rights over Company Securities;
- (d) acquiring Company Securities (or an interest in Company Securities) under any equity incentive plan operated by the Company;
- (e) accepting, or taking up entitlements under, a dividend reinvestment plan, rights issue, bonus issue, share purchase plan or any other offer of Securities made by the Company;
- (f) accepting an offer under a takeover bid for Company Securities;
- (g) entering into a Derivative; and
- (h) agreeing to do any of the above things.

## 6. When Employees or their Associates must not Deal

An Employee (who is not a Designated Officer) or their Associate must not, in any circumstances, Deal or procure another person to Deal in Company Securities or quoted Securities of another entity if they have Inside Information in relation to Company Securities or Securities relating to that other entity.

## 7. Exception for Employees and their Associates

An Employee (who is not a Designated Officer) or their Associate may Deal in Company Securities if they do not have Inside Information in relation to Company Securities, and may deal in quoted Securities of another entity if they do not have Inside Information in relation to that other entity.

## 8. When a Designated Officer or their Associates must not Deal

- 8.1 A Designated Officer or their Associate must not, in any circumstances, Deal or procure another person to Deal in Company Securities if they have Inside Information in relation to Company Securities.
- 8.2 A Designated Officer or their Associate must not Deal, or procure another person to Deal, in Securities relating to another entity if they have Inside Information in relation to those Securities.

## 9. Exceptions for Designated Officers and their Associates

- 9.1 A Designated Officer or their Associate may Deal or procure another person to Deal in Company Securities only if they:
- (a) do not have Inside Information; and
  - (b) have complied with section 9.2.
- 9.2 A Designated Officer or their Associate must not Deal or procure another person to Deal in Company Securities during the following prohibited periods:
- (a) during the period beginning one month before the start of trading on the day on which:
    - (i) the Company announces its half-yearly results to ASX;
    - (ii) the Company announces its full year results to ASX; and
    - (iii) the Company holds its annual general meeting (assuming an update of the full year's results is given at the meeting); and
    - (iv) any additional periods determined by the Board from time to time, each a **Closed Period**, and together **Closed Periods**; and
  - (b) unless they have complied with section 10.
- 9.3 Section 9.2 does not apply to Dealing by a Designated Officer or their Associate that involves or results directly from any of the following (for the avoidance of doubt, this clause 9.3 does not waive or affect the Designated Officer's or their Associate's obligation to provide notification in accordance with section 10):
- (a) Dealing in Company Securities under an offer or invitation made by the Company to all or most of its ordinary shareholders - such as an offer or invitation under a rights issue, bonus issue, share purchase plan, dividend reinvestment plan, equal access buy-back or in lieu of a cash dividend (and 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) - or under an equal reduction of capital undertaken by the Company;
  - (b) undertaking to accept, or accepting, an offer for Company Securities made under a takeover bid or disposing of Company Securities under a court-approved compromise or arrangement under Part 5.1 of the Corporations Act;
  - (c) Dealing in units of or interests in, a fund or other scheme (other than a scheme investing primarily in Company Securities) where the assets of that fund or scheme are invested at a third party's sole discretion;
  - (d) where the Designated Officer or their Associate is the trustee of a trust, Dealing in Company Securities by that trust provided that neither the Designated Officer nor any Associate is a beneficiary of the trust and any decision to trade during a prohibited period is taken entirely independently of the Designated Officer or their Associate;
  - (e) disposal of Company Securities effected by a change in the trustee of a trust;
  - (f) accepting an offer to acquire Company Securities, or acquiring Company Securities, under any equity incentive plan that the Board from time to time determines is a plan to which this section applies;

- (g) the exercise (including automatic exercise on vesting, but not the sale of Company Securities following exercise) of an option or right under an equity incentive plan, or the conversion of a convertible security, where the final date for exercise or conversion falls during a prohibited period; and the Company has been in an exceptionally long prohibited period or has had a number of consecutive prohibited periods and exercise or conversion could not reasonably have occurred outside a prohibited period;
  - (h) the forfeiture, lapse, cancellation or surrender of Company Securities under an equity incentive plan;
  - (i) where the Clearance Officer gives a Clearance in exceptional circumstances under section 10.4; or
  - (j) an off-market transaction involving the transfer or other disposal of Company Securities between a Designated Officer or Associate and any of the following:
    - (i) an Associate of the relevant Designated Officer (or, in the case of an Associate, the Designated Officer);
    - (ii) a company, trust or other entity over which the relevant Designated Officer or Associate of that Designated Officer has control or significant influence (whether alone or jointly with any of their Close Associates); or
    - (iii) a superannuation fund or other pension or saving scheme in which the relevant Designated Officer or an Associate of that Designated Officer is a beneficiary.
- 9.4 All such Dealing is subject to the overriding insider trading prohibition - that is, a Designated Officer or Associate must not Deal if they possess Inside Information in relation to Company Securities.
- 9.5 A Designated Officer may Deal in the quoted Securities relating to another entity if they do not have Inside Information in relation to those Securities.

## 10. Obtaining Clearance

- 10.1 If a Designated Officer proposes to Deal in Company Securities (whether subject to a Clearance or in circumstances not prohibited by this policy), he or she must, prior to such Dealing, provide:
- (a) written notice of his or her intention to the Clearance Officer; and
  - (b) confirmation that he or she is not in possession of Inside Information,
- in the form of the template in Appendix A. After such Dealing, the Designated Officer must provide the Clearance Officer with a transaction confirmation.
- 10.2 A notice provided in accordance with section 10.1 is not a Clearance request.
- 10.3 The Clearance Officer may give a Clearance in exceptional circumstances.
- 10.4 Exceptional circumstances may include:
- (a) if a person is required by court order, or enforceable undertaking (e.g. in a bona fide family settlement) to transfer or sell Company Securities or there is another overriding legal requirement to do so; or
  - (b) if a person has a pressing financial commitment that cannot otherwise be satisfied and all reasonable alternatives have been investigated.
- 10.5 A tax liability will not generally constitute a pressing financial commitment unless it fits the definition in section 10.4(b).
- 10.6 A Clearance Officer may delegate his or her authority in writing to an appropriate person in the event of illness or absence, provided that person is not a member of the class for which they are the Clearance Officer.
- 10.7 The Clearance Officer has discretion to determine that circumstances other than in section 10.3 nevertheless warrant Clearance.

- 10.8 Clearance will not be given:
- (a) retrospectively,
  - (b) if there is a matter about which there is Inside Information in relation to Company Securities (regardless of whether the applicant is aware of it) when Clearance is requested; or
  - (c) if there is other reason to believe that the proposed Dealing breaches this policy.
- 10.9 A notice or request for Clearance provided in accordance with section 10.1 must:
- (a) be in writing and given by hand or email to the Clearance Officer at least five business days prior to the proposed disposal of Company Securities;
  - (b) set out the number of Company Securities proposed to be disposed of, and whether the proposed transaction will be on-market or off-market; and
  - (c) include:
    - (i) to the extent applicable, sufficient information to demonstrate exceptional circumstances and that the proposed disposal is the only reasonable course of action available to the applicant; and
    - (ii) a declaration that the applicant does not believe they have any Inside Information.
- The template in Appendix A can also be used for a Clearance request.
- 10.10 The Clearance Officer must:
- (a) keep a written record of:
    - (i) any information, notice or request received in connection with this policy; and
    - (ii) any Clearance given; and
  - (b) send a copy of that record to the Company Secretary for keeping.
- 10.11 The Company Secretary must keep a file of material received under sections 10.1 and 10.9.
- 10.12 The Clearance Officer may, but need not, respond to a notice or Clearance request under section 10.1, and the absence of a response is not deemed to be an endorsement or the granting of Clearance.
- 10.13 A Clearance:
- (a) can be given or refused by the Clearance Officer in his or her discretion, without giving any reasons;
  - (b) must be in writing and may be given by hand or emailed;
  - (c) will only be given if the Clearance Officer is satisfied that the applicant does not possess Inside Information and the circumstances are exceptional;
  - (d) cannot extend for more than 10 business days (with the effect that the relevant sale or disposal must be commenced within that period); and
  - (e) lapses immediately if the applicant begins to possess Inside Information.
- 10.14 A Clearance (or a lack of objection to a notice under section 10.1) is not an endorsement. Designated Officers, Employees and Associates (as applicable) remain responsible for their compliance with this policy and the Corporations Act.

## 11. Dealings by an Associate

- 11.1 If a Designated Officer must not Deal in Company Securities, they must prevent such Dealing by their Associate.
- 11.2 A Designated Officer must:
- (a) inform any Associate of the periods during which the Designated Officer must not Deal in Company Securities;

- (b) inform any Associate that they must not Deal in Company Securities on a speculative basis; and
  - (c) request any Associate to inform the Designated Officer immediately after Dealing in Company Securities.
- 11.3 A Designated Officer does not have to comply with sections 11.1 and 11.2 to the extent that compliance would breach their obligation of confidence to the Group.

## 12. Communicating Inside Information

- 12.1 A Designated Officer, Employee or Associate must not directly or indirectly communicate Inside Information in relation to Company Securities or quoted Securities relating to another entity, if they know, or ought reasonably to know, that the other person would be likely to:
- (a) Deal in relevant Securities; or
  - (b) procure another person to so Deal.
- 12.2 The provisions of section 12 do not limit, and are additional to, other duties of confidentiality.

## 13. Notice of change in director's interest

- 13.1 If a Designated Officer is a director, they must ensure that an Appendix 3Y Change of Directors' Interest Notice is completed and provided to the Company Secretary within 2 business days after the completion of any Dealing in Company Securities or the Securities of a related body corporate.
- 13.2 The Company Secretary must provide the Appendix 3Y notice to ASX within 5 business days after the transaction's commencement.

## 14. Speculative dealing

A Designated Officer must not Deal in Company Securities on considerations of a Short Term Nature.

## 15. Derivatives

- 15.1 The Company may grant securities, options or performance rights to its employees as part of their remuneration entitlements. These grants will usually be subject to the satisfaction of performance or time based hurdles before they vest in the Employee or Designated Officer. The use of Derivatives over unvested Company 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. Additionally, the hedging of remuneration by key management personnel of the Group is prohibited by Part 2D.7 of the Corporations Act.
- 15.2 Accordingly, Employees and Designated Officers are not permitted to use Derivatives in relation to any unvested Company Securities in any way.
- 15.3 Employees and Designated Officers may use Derivatives in relation to vested Company Securities, provided any Dealing complies with the balance of this policy.

## 16. Margin loans

- 16.1 Margin loans to support an investment in Company Securities can compromise compliance with this policy, as the loan's terms may compel the sale of Company Securities during a prohibited period or when the Employee or Designated Officer has relevant Inside Information.

- 16.2 Accordingly, Employees and Designated Officers are prohibited from entering into margin loan arrangements to fund the acquisition of Company Securities or in relation to which Company Securities may be used as security against loan repayment.

## 17. Defined terms

**Associate** means someone that a Designated Officer or Employee (the **Principal**) can be regarded as having investment control or influence over, including:

- (a) any family member of the Principal (including a child);
- (b) a nominee of the Principal (including an investment manager managing funds on the Principal's behalf);
- (c) a trust of which the Principal, or any family member, or any family-controlled company is the trustee or a beneficiary (including through the exercise of a discretion);
- (d) a person in partnership with the Principal or a connected person mentioned above; and
- (e) a company which the Principal controls.

**ASX** means ASX Limited or the financial market operated by it, as the context requires.

**Board** means the directors of the Company from time to time, acting as a board.

**Clearance** means permission given to a Designated Officer, Employee, or Associate to sell or otherwise dispose of, but not buy, Company Securities in circumstances otherwise prohibited by this policy.

**Clearance Officer** means:

- (a) for an Employee, the Company Secretary;
- (b) for a Designated Officer who is not a director, the chairperson of the Board;
- (c) for the Investment Manager, the chairperson of the Board;
- (d) for a director (except the chairperson of the Board), the chairperson of the Board;
- (e) for the general counsel or Company Secretary, the chairperson of the Board;
- (f) for the chairperson of the Board, the chairperson of the Audit, Risk and Compliance Committee; and
- (g) for an Associate, the Clearance Officer of their Principal.

**Closed Periods** has the meaning given to it in section 9.2(a).

**Company** means Salter Brothers Emerging Companies Limited ACN 646 715 111.

**Company Secretary** means the company secretary of the Company.

**Company Securities** include Securities and Derivatives of the Company.

**Corporations Act** means *Corporations Act 2001* (Cth), as amended or modified from time to time.

**Dealing** has the meaning given in section 5, and Deal has a corresponding meaning.

**Derivatives** has the meaning given in the Corporations Act, and includes the following if they relate to or derive their value from Company 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.

**Designated Officer** means any director and company secretary of the Group, the Investment Manager and each other person with authority and responsibility, whether direct or not, for the planning, direction and control of the Company's activities (i.e. key management personnel).

**Employee** includes, in addition to Group employees (if any) and employees of the Investment Manager, any contractor or consultant whose terms of engagement incorporate this policy.

**Group** means the Company and each of its controlled entities.

**Inside Information** has the meaning given in section 4.

**Investment Manager** means Salter Brothers Funds Management Pty Ltd ACN 608 295 683.

**Securities** include CHESS Depository Interests (as defined in the ASX Listing Rules), shares, debentures, any legal or equitable right or interest in shares or debentures, options, convertible notes, Derivatives, interests in managed investment schemes and other financial products as defined by the Corporations Act.

**Short Term Nature** means any purchase and sale of Company Securities where both transactions occur within a period of six months or less.

## 18. Breach

A breach of this policy is serious and may lead to disciplinary action, up to and including dismissal.

## 19. Assistance and additional information

Anyone who has information that they consider might be Inside Information and is unsure whether they can Deal in Company Securities or Securities of another quoted entity, should contact their Clearance Officer for assistance and additional information.

## 20. Distribution

This policy must be distributed to all Employees and Designated Officers.

## 21. Amendment

21.1 Amendments to this policy not of a purely administrative nature must be approved by the Board.

21.2 Amendments to this policy that relate to:

- (a) prohibited periods;
  - (b) exclusions from its operation; or
  - (c) exceptional circumstances in which trading may be permitted during a prohibited period,
- or are otherwise material, must be given to ASX by the Company Secretary for release to the market.

## 22. Review and changes to this policy

22.1 The Board will review this policy periodically to ensure that it is operating effectively and whether any changes are required.

22.2 The Board may change this policy from time to time by resolution.

## 23. Approved and adopted

This policy was approved and adopted by the Board on 20 April 2021.

# Appendix A – Notice / Request for Clearance

[date]

The Chairperson / [insert Clearance Officer]  
Salter Brothers Emerging Companies Limited  
Level 9, 477 Collins Street  
Melbourne VIC 3000

## Trading of Company Securities

In accordance with the Salter Brothers Emerging Companies Limited securities trading policy, I:

**Option 1:** give notice to you that I am proposing to Deal with Company Securities in the following manner

or

**Option 2:** give notice to you, and request Clearance, for my proposed Dealing with Company Securities in the following manner

[Select as many of the below as applicable]

- buy Company Securities;
- sell Company Securities;
- transfer Company Securities vested under an equity incentive plan to me;
- transfer Company Securities to a related party (e.g. family company, trust or superannuation fund);
- exercise options over Company Securities;
- utilise derivatives and enter into a hedging transaction;
- the Dealing is proposed to take place during a Closed Period.

The number of shares that I propose to Deal with is [insert number of securities].

The transaction will be carried out [select either ~on-market~off-market].

I confirm that:

I have no Inside Information and will comply with the balance of Salter Brothers Emerging Companies Limited securities trading policy in relation to my Dealing. I agree to notify the Company Secretary of the results of this action for the purposes of disclosure in the annual report or to ASX.

I [~~attach / set out~~] the following information required under section 10.9(c) of the Company's Securities Trading Policy [*director to set out relevant information or summarise relevant information attached*].

[~for Clearance requests only] Please confirm that I am cleared to Deal in Company Securities.

.....  
[select option ~Designated Officer~Employee~Associate]

Date:

[~for Clearance requests only] I confirm that subject to you not possessing any Inside Information, you are authorised to Deal in Company Securities within a 10 business day window starting on 20      and ending on      20      as outlined above.

.....  
Clearance Officer

Date