

# TRADING POLICY

## 1 Introduction

Credit Connect Capital Limited's ('Credit Connect' or the 'Group') Trading Policy sets out the circumstances in which Directors, senior executives and employees of Credit Connect and its subsidiaries may deal in shares, options and other securities issued by the Scheme with the objective that no Director or employee will contravene the requirements of the Corporations Act.

## 2 Purpose

The purpose of this policy is to ensure that the Company's directors, officers, consultants, members of senior management and other employees are aware of the legal restrictions on trading shares, options or other securities in the Scheme while such a person is in possession of unpublished price-sensitive information concerning the Scheme.

Additionally, the policy is intended to minimise the chance that misunderstandings or suspicions arise that the Company's directors, officers, consultants, members of senior management and other employees are trading while in possession of unpublished price-sensitive information.

This policy is also designed to protect the reputation of the Group and to ensure that such reputation is maintained or perceived to be maintained by persons external to the Group. The policy provides guidance to Directors and employees as to the times that Directors and employees may invest or divest in the Group's securities.

## 3 Limitations

Consistent with the legal prohibitions on insider trading, all of the Company's directors, officers, consultants, members of senior management and other employees are prohibited from trading in the Scheme's shares, options or other securities while in possession of unpublished price-sensitive information concerning the Scheme.

The Scheme's price-sensitive information is information, which a reasonable person would expect to have a material effect on the price or value of securities in the Scheme.

It is assumed for the purpose of this policy that the Company's directors, officers, consultants, members of senior management and other employees are likely to be in possession of price sensitive information by virtue of their position within the Company. Accordingly, unless there are unusual circumstances, as determined by the Board, trading in the Scheme's shares, options or other securities by directors, officers, consultants, members of senior management and other employees in the possession of price sensitive information, is limited to the following periods:

- (a) within four weeks after the date of release of the Scheme's half year and annual results to the Australian Stock Exchange;
- (b) from the date of lodgement of the Scheme's printed annual report with the Australian Stock Exchange through to one month after the holding of the Scheme's Annual General Meeting; and
- (c) during the period when securities can be acquired under a disclosure document issued by the Scheme and where the person is not in possession of any price sensitive information which has not been made publicly available to the market.

Directors, officers, consultants, members of senior management and other employees are prohibited from trading in the Scheme's shares in the following circumstances:

- (a) if in possession of price-sensitive information;
- (b) outside the permitted trading periods referred to above; and
- (c) trading strategies for a short-term gain.

Directors, officers, consultants, members of senior management and other employees are prohibited from dealing in the securities of outside companies about which they may gain price-sensitive information by virtue of their position with the Company.

In addition, the Company requires that:

- (a) Directors must advise the Chairman of the Board of a proposed trade in the Scheme's shares, options or other securities prior to any trade and confirm they are not in possession of any unpublished price-sensitive information;
- (b) Officers, consultants and members of senior management must advise the Company Secretary or, in his or her absence, the Chairman, of a proposed trade in the Scheme's shares, options or other securities, prior to any trade and confirm they are not in possession of any unpublished price-sensitive information.

#### 4 Requirements

A Director or employee possesses "inside information" in relation to the Group where:

- (a) the person possesses information that 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 Group securities; and
- (b) the person knows, or ought reasonably to know, that the information 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 Group securities.

A reasonable person would be taken to expect information to have a material effect on the price or value of Group securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to deal in Group securities in any way.

If a Director or employee possesses "inside information" in relation to the Group, the person must not:

- (a) deal in Group securities in any way; or
- (b) procure another person to deal in Group securities in any way; or
- (c) directly or indirectly, communicate the information, or cause the information to be communicated, to another person if the person knows, or ought reasonably to know, that the other person would, or would be likely to, deal in Group securities in any way or procure a third person to deal in Group securities in any way.

For the purposes of paragraphs (a) and (b) above:

- (a) "Group securities" includes any shares in the Group, debentures (including convertible notes) issued by the Group, units of shares in the Group and options to acquire or subscribe for shares in the Group;
- (b) to "deal" in Group securities includes subscribing for, purchasing or selling Group securities or entering into an agreement to do any of those things.

A Director or employee who deals in Group securities while they possess "inside information" will be liable to both civil and criminal penalties. Examples of information which may be considered to be "inside information" include the details relating to the items listed below:

- sales figures;
- profit forecasts;
- unpublished announcements;
- proposed changes in capital structure, including share issues, rights issues and the redemption of securities;
- borrowings;
- impending mergers, acquisitions, reconstructions, takeovers, etc;
- significant litigation;
- significant changes in operations or proposed changes in the general character or nature of the business;
- new distributorships, products and technology;
- liquidity and cashflow information;
- major or material purchases or sales of assets;
- management restructuring or Board of Directors changes;
- new significant contracts or customers; and
- a new entity proposing to buy, or a shareholder proposing to sell, a substantial number of shares in the Group.

## 5 Policy Application

The policy applies to all Directors, all employees who from time to time possess information that could be considered inside information, or who are nominated as such by the Board of Directors ("Senior Executives") and other employees, and to their respective associates (including a Company or trust controlled by the Director or employee, a spouse, dependent children, a close relative, a person acting in concert with the Director or employee, etc).

## 6 Policy

### General Principles

Directors and employees of the Group and its subsidiaries should note the following general principles regarding their personal trading of Group securities:

- (a) avoid and be seen to avoid, actual or potential conflict between their personal interest and their duty to the Group and its shareholders;
- (b) not to derive personal advantage from information which is not generally available, and which has been obtained by reason of, or in the course of, their directorship or employment;
- (c) seek prior approval of the Chief Executive Officer or the Chairman in the case of the Chief Executive Officer to trade to ensure the Group's and shareholder's interests are not compromised;
- (d) ensure any personal trading is on a scale that reflects your individual financial ability to fund and maintain an appropriately sized portfolio;
- (e) ensure any personal trading does not adversely impact on your ability to perform normal duties;
- (f) not utilise broker credit - relevant exchange settlement terms must apply on all occasions and all transactions must be settled according to industry standards. Such prohibition does not extend to normal documented margin lending or loan facilities offered to the general public by brokers, banks or other lending institutions; and
- (g) Directors and employees who have access to price sensitive information or "inside information" should not conduct personal trading in Group securities.

### Short term trading

Notwithstanding the following, Directors and employees of the Group and its subsidiaries should never engage in short term trading of any Group securities. In general, the purchase of securities with a view to resale within a 12-month period and the sale of securities with a view to repurchase within a 12-month period would be considered to be transactions of a "short term" nature. However, the sale of shares immediately after they have been acquired through the conversion of a security (e.g. exercise of an option) will not be regarded as short-term trading.

### Trading windows

Provided that the individual is not in possession of any inside information relating to the securities, the recommended time (in terms of avoiding suggestions of insider trading) for any Director or employee to deal in Group securities is during the four-week period immediately after the:

- (a) date of the Group's AGM;
- (b) release by the Group of its half yearly results;
- (c) release by the Group of its yearly results; or
- (d) release of a disclosure document offering securities in the Scheme,

### Trading Embargo

In addition, a "closed season" operates in respect of which Directors and employees must refrain from dealing in scheme securities during the two-month period prior to release of the interim and full year results announcements. All holders of executive options are automatically regarded as being subject to this "closed season" restriction.

### **Directors and Senior Executives**

A Director or Senior Executive may not deal in Group securities or enter into transactions or arrangements which operate to limit the economic risk of their holdings of Group securities without the prior consent of the Chief Executive Officer or Chairman of the Board in the case of the Chief Executive Officer before commencing the transaction. A Director or Senior Executive must also provide the Chief Executive Officer or Chairman of the Board in the case of the Chief Executive Officer with subsequent confirmation of the trading that has occurred. No prior consent is required prior to a Director or senior executive participation in a Dividend Reinvestment Plan.

### **Designated Officers**

A Designated Officer being those persons so determined by the Board, are prohibited from entering into transactions or arrangements which operate to limit the economic risk of their holdings of Group securities.

Prudence will dictate that dealings should generally be limited to the recommended times referred to above and that the Chairman will generally refuse consent to deal in Group securities outside these recommended times unless special circumstances exist (such as financial hardship). In any event, the Director or Senior Executive should not deal in Group securities at any time if the Director or Senior Executive is in possession of any inside information relating to those securities.

### **Employees other than Senior Executives**

Employees of the Group other than Senior Executives may deal in Group securities at any time if the employee notifies the Group Company Secretary before commencing the transaction and after the transaction has occurred, providing confirmation of the trading. Employees are strongly advised to limit dealing in Group securities to the recommended timing referred to above. In any event, the employees should not deal in Group securities at any time if the employee is in possession of any inside information relating to those securities.

### **Exceptional Circumstances**

All Directors and employees of the Group and its subsidiaries, who are not in possession of price sensitive information, may be given prior written clearance to buy, sell or otherwise dispose of the securities of the Group during a prohibited period under this Trading Policy due to the following exceptional circumstances:

- (a) the person is in severe financial hardship; or
- (b) the person is required by a court order; or
- (c) any other circumstance determined by the Board or its delegate to be exceptional.

In recognition of the case that exceptional circumstances, by their nature, cannot always be specified in advance, it is envisaged that there may be other circumstances that have not been specified in this policy. The Board may deem that a circumstance not listed above is exceptional based on evidence presented to them and may grant written approval.

At all times consideration must be given to the Corporations Act 2001 and any discretion made under the section should be exercised with caution. Any approval should include details of the duration for which clearance to trade under the exceptional circumstances may be granted.