

Directors and Senior Executives Dealing In Securities Policy

Navitas Limited
ACN 109 613 309

Document

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Navitas Limited

ACN 109 613 309
(Company)

Corporate Governance Policy – Securities Trading – Directors and Senior Executives

1. Introduction

- 1.1 This policy imposes constraints on Directors and Senior Executives of Navitas Limited ABN 69 109 613 309 or subsidiary companies ("**Company**") dealing in securities of the Company, and imposes disclosure requirements on Directors and Senior Executives. This document also sets out a summary of the law relating to insider trading.
- 1.2 This policy was adopted by the Board on 28 January 2005.

2. Application

- 2.1 This policy applies to all Directors and Senior Executives of the Company.

3. Objectives

- 3.1 The objectives of this policy are to:
- (1) Minimise the risk of Directors and Senior Executives of the Company contravening the laws against insider trading;
 - (2) Ensure the Company is able to meet its reporting obligations under the ASX Listing Rules; and
 - (3) Increase transparency with respect to trading in securities of the Company by Directors and Senior Executives.
- 3.2 To achieve these objectives, this policy is binding on all Directors and Senior Executives, in the absence of specific exemption in accordance with this policy.

4. Dealing in Securities - Legal and Other Considerations

- 4.1 Sections 1042B to 1043O of the *Corporations Act 2001* (Cth) (**Corporations Act**) prohibit persons who are in possession of price sensitive information in relation to particular securities that is not generally available to the public from:
- (1) Dealing in the securities; or
 - (2) Communicating the information to others who might deal in the securities.
- 4.2 The central test of what constitutes price sensitive information is found in section 1042A. It provides that the insider trading and continuous disclosure rules apply to information concerning a company that a reasonable person would expect to have a material effect on the price or value of securities in the company ("**price sensitive information**").
- 4.3 Directors and Senior Executives of the Company will from time to time be in a situation where they are in possession of price sensitive information that is not generally available to the public.

Examples are the period prior to release of annual or half-yearly results to ASX Limited ("ASX") and the period during which a major transaction is being negotiated.

- 4.4 The risk of contravention of insider trading laws in relation to information concerning public companies was substantially reduced in 1994 with the introduction of the continuous disclosure regime. Under that regime, public companies are required to disclose all price sensitive information immediately to ASX, except in limited circumstances. The tests of what constitutes price sensitive information under the insider trading laws and under the continuous disclosure requirements are effectively identical. As a consequence, at least in theory, there is no risk of Directors and Senior Executives contravening insider trading laws as all relevant information will already have been disclosed.
- 4.5 There are a number of limitations and qualifications to the above including:
- (1) Where the ASX Listing Rules and the Corporations Act permit companies to not disclose certain information, for example in the situation where an acquisition is being negotiated and remains confidential;
 - (2) Where, information may be known to a particular Director or Senior Executive but not yet by the Company as a whole (i.e. the Board);
 - (3) Where the Company may not have yet complied with its continuous disclosure obligations in relation to a particular event or circumstance - there will always be some element of delay in doing so; and
 - (4) Where Directors and Senior Executives will generally have a better feel for the performance of the Company than the public.

In these situations there is still potential for contravention. There is also the potential for an appearance of contravention even if there has not been actual contravention. This could reflect badly on the Company as well as on the Director or Senior Executive concerned.

- 4.6 Another circumstance that must be guarded against is where one or more Directors or Senior Executives are aware of an event or circumstance and the remaining Directors or Senior Executives are not yet aware. In such a circumstance it is important that no Director or Senior Executive deals in securities because:
- (1) There is a risk that they will be found to have been guilty of insider trading even if they had no intention of committing a contravention; and
 - (2) Of the potential for such circumstances to reflect badly on the Company.

4.7 For these reasons:

- (1) in respect of Senior Executives, the approval of the Managing Director at first instance and then the Chairman and the Company Secretary must be sought (or the Chairman of the Audit and Risk Committee in the Chairman's absence), in this order; or
- (2) in respect of Directors, the approval of the Chairman and the Company Secretary must be sought (or the Chairman of the Audit and Risk Committee in the Chairman's absence),

prior to any dealings taking place, and steps should be taken to ensure that the Managing Director (as applicable) and the Chairman are apprised of all relevant considerations by the Continuous Disclosure Officer (Company Secretary) appointed under ASX Listing Rule 1.1, condition 12.

Directors and Senior Executives Dealing In Securities Policy



- 4.8 Irrespective of whether this policy provides that trading could occur outside a prohibited period or whether the trading is excluded from the operation of the policy under paragraph 6, Directors and Senior Executives must not deal in securities of the Company at any time if the Director or Senior Executive possesses price sensitive information that is not generally available to the public.

5. Dealing in Securities – Trading Policy

5.1 Directors and Senior Executives must not deal in securities of the Company unless:

- (1) They have satisfied themselves that they are not in possession of any price sensitive information that is not generally available to the public;
- (2) If they are a Senior Executive, they have first contacted the Managing Director and then the Chairman and the Company Secretary, in that order (or in the Chairman's absence, the Chairman of the Audit and Risk Committee) and notified them of their intention to do so and the Managing Director, Chairman and Company Secretary indicate that there is no impediment to them doing so;
- (3) If they are a Director (including the Managing Director), they have contacted the Chairman and the Company Secretary (or in the Chairman's absence, the Chairman of the Audit and Risk Committee) and notified them of their intention to do so and the Chairman and Company Secretary indicate that there is no impediment to them doing so; and
- (4) Where the Chairman wishes to deal in securities, he has contacted the Managing Director and the Company Secretary, and notified them of his intention to do so and the Managing Director and the Company Secretary indicate that there is no impediment to him doing so.

5.2 Subject to paragraph 5.3, the Managing Director (where applicable) and Chairman will not allow Directors or Senior Executives to deal in securities of the Company as a matter of course in the following prohibited periods:

- (1) From the balance date to the release of annual or half yearly results;
- (2) Within the period of 1 month prior to the issue of a prospectus or similar disclosure document; and
- (3) Where there is in existence price sensitive information that has not been disclosed because of an ASX Listing Rule exception.

Directors and Senior Executives should wait at least 2 hours after the relevant release before dealing in securities so that the market has had time to absorb the information.

5.3 In exceptional circumstances however, the Managing Director (where applicable), Chairman and another Director not involved in the dealing in securities may waive the requirement of a Director or Senior Executive to deal in securities outside the prohibited periods on the condition that the Director or Senior Executive can demonstrate to them that they are not in possession of any price sensitive information that is not generally available to the public. Exceptional circumstances exist where the relevant Director or Senior Executive satisfies the Managing Director (where applicable), Chairman and another Director not involved in the dealing in securities that one of the following circumstances apply:

- (1) severe financial hardship – if the Director or Senior Executive has a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant securities of the Company;
- (2) if the Director or Senior Executive is required by a court order, or there are court enforceable undertakings, for example, in a bona fide family settlement, to transfer or sell the securities of the Company or there is some overriding legal or regulatory requirement for the Director or Senior Executive to do so;

- (3) other circumstances that may be deemed exceptional by the Managing Director (where applicable) and Chairman, or the Managing Director (where the Chairman is involved).

In the event that the Managing Director (where applicable) and the Chairman determine that exceptional circumstances do exist, then they may approve the dealing in the securities of the Company by providing a written clearance letter (which may include electronic clearance via email), which must be signed by both the Managing Director and Chairman when provided for a Senior Executive, or the Chairman and another Director not involved in the dealing in securities when provided for a Director, approving such dealing for a prescribed period not to exceed thirty working days following which time, the dealing in the Company's securities in prohibited periods will again be prohibited. If approval is sought by the Chairman, then the determination of whether exceptional circumstances exist must be made by the Managing Director, and the written clearance letter (or electronic clearance via email) must be signed by the Managing Director of the Company and another Director not involved in the dealing in securities.

- 5.4 Directors and Senior Executives must not at any time engage in short-term trading in securities of the Company.
- 5.5 Directors and Senior Executives must not communicate price sensitive information to a person who may deal in securities of the Company. In addition, a Director or Senior Executive should not recommend or otherwise suggest to any person (including a spouse, relative, friend, trustee of a family trust or directors of a family company) the buying or selling of securities in the Company.
- 5.6 Directors and Senior Executives must ensure that external advisers who may receive price sensitive information are bound by confidentiality agreements or other enforceable confidentiality obligations.
- 5.7 The above principles also apply to the following:
 - (1) Trading in financial products issued or created over the Company's securities and associated products; and
 - (2) Entering into transactions in associated products which operate to limit the economic risk of security holdings in the Company.

6. Exclusions from Trading Policy

- 6.1 Dealings of securities in the Company by Directors or Senior Executives are permitted where such dealings occur:
 - (1) Transfers of securities of the Company already held by such Director or Senior Executive into a superannuation fund or other saving scheme in which the person is a beneficiary;
 - (2) An investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the securities of the Company) where the assets of the fund or other scheme are invested at the discretion of a third party;
 - (3) Where the Director or Senior Executive is a trustee, trading in the securities of the Company by that trust provided the Director or Senior Executive 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 managements independently of the Director or Senior Executive;
 - (4) Undertakings to accept, or the acceptance of, a takeover offer;

- (5) Trading 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 entitlements under a renounceable pro rata issue;
- (6) Trading under an offer or invitation made to all or most of the employees of the Company such as, pursuant to an employee share plan or employee option plan, where the plan that determines the timing and structure of the offer has been approved by the Managing Director;
- (7) 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, where the final date for the exercise of the option or right, or the conversion of the security, falls during a prohibited period and the Company has been in an exceptionally long prohibited period or a has had a number of consecutive prohibited periods and the Director or Senior Executive could not reasonably have been expected to exercise it at a time when free to do so; and
- (8) Where the Board has resolved that such dealings are excluded from this policy.

7. Notification of Dealing in Securities

- 7.1 Directors and Senior Executives must notify the Company Secretary immediately on acquiring or disposing of a relevant interest in any securities in the Company.
- 7.2 Directors have entered into an agreement with the Company under which they are obliged to notify changes in interests in shares and other relevant matters.

8. Notification of Dealings in Securities — Directors - Legal and Other Considerations

- 8.1 ASX Listing Rules 3.19A and 3.19B require the Company to notify dealing in securities by Directors within 5 business days, and whether the dealing occurred during a closed period. Three appendices are included in the Listing Rules for the purpose of this notification, being 3X Initial Director's Interest Notice, 3Y Change of Director's Interest Notice and 3Z Final Director's Interest Notice.
- 8.2 Section 205G of the Corporations Act requires a Director of a listed company to notify ASX within 14 days of acquiring or disposing of a relevant interest in any securities of the Company. This is an obligation of the Director, not the Company. There is no prescribed form for such notifications. ASIC has granted relief from the requirements of section 205G where notifications are made by the Company under Listing Rules 3.19A and 3.19B.
- 8.3 Senior Executives are required to notify the Managing Director and the Chairman, or in the Chairman's absence, the Company Secretary of any dealing in securities within 5 business days.

9. Penalties

A trade in any securities by a person who is in possession of price sensitive information not publicly available could contravene the Corporations Act and expose the person to civil and criminal penalties.

A contravention of this policy by a Senior Executive may result in summary dismissal.

10. Definitions

For the purposes of this policy:

"closed period" means the fixed periods set out in paragraphs 5.2(1) and (2).

"deal in securities" means apply for, buy or sell shares, options or other securities in the Company, or enter into transactions in relation to shares, options or other securities in the Company. It includes procuring another person to do any of these things;

"price sensitive information" means information concerning the Company that a reasonable person would expect to have a material effect on the price or value of securities in the Company.

"prohibited period" means the periods set out in paragraph 5.2.

"Senior Executives" means the Managing Director, members of the Navitas Leadership Team, direct reports to the Group Chief Executive Officer and those executives of the Company or its subsidiaries specified in Schedule A and any other executive of the Company or its subsidiaries which the Board may from time to time include, or who falls within the definition of "key management personnel" (as that term is defined in Accounting Standard AASB 124 Related Party Disclosure).

For the purposes of paragraph 4, directors' or Senior Executives' "dealing" includes associates of directors and Senior Executives dealing in securities, and it is incumbent on each director and Senior Executive to ensure that an associate does not deal in circumstances where the dealing could be attributed to the director or Senior Executive concerned.

11. Policy Administration

11.1 Responsible Officer

The Company Secretary is the responsible officer for the control and administration of the Company's policy on *Directors And Senior Executives Dealing In Securities*.

11.2 Authority for Approving Amendments to the Policy on *Directors And Senior Executives Dealing In Securities*.

The Board shall have authority for approving amendments to the Company's policy on *Directors And Senior Executives Dealing In Securities*.

11.3 Inclusion of Policy Statement in Policy Manual

Once approved by the Board, the Policy statement on *Directors And Senior Executives Dealing In Securities* shall be included in the Company's Policies and Procedures manual.

11.4 Effective Date

This policy shall have effect from the date approval is given by the Board.

11.5 Review of Policy

This policy shall be reviewed every three years by the Board. Proposed amendments to the policy shall be reviewed and approved by the Board.

Distribution

Company wide

Schedule A

- Members of the UPA Senior Leadership Team.
- Members of the UP NA Senior Leadership Team.
- Members of the UPE Senior Leadership Team.
- Members of the Careers and Industry Division Senior Leadership Team.
- Any executive who reports directly to a direct report to the Group Chief Executive Officer or a member of the Navitas Leadership Team.