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# **Corporate Governance Policy – Securities Trading**

**NRW Holdings Limited**  
ACN 118 300 217

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(Company)

# **Corporate Governance Policy – Securities Trading**

## **1. Introduction**

- 1.1 This policy imposes constraints on directors, employees and consultants of the Company dealing in securities of the Company.
- 1.2 This policy has been adopted by the Board of the Company.

## **2. Objectives**

- 2.1 The objectives of this policy are to:
  - (1) minimise the risk of directors, employees and consultants 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 its key management personnel.
- 2.2 To achieve these objectives, directors, employees and consultants should treat this policy to be binding on them in the absence of specific exemption by the Board.

## **3. What is insider trading?**

- 3.1 The *Corporations Act 2001* (Cth) 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 in the Company (**Price Sensitive Information**) from:
  - (1) dealing in the securities; or
  - (2) communicating the information to others who might deal in the securities.

- 3.2 Information is 'generally available' if, amongst other things, it consists of readily observable matters or it has been brought to the attention of investors by an ASX announcement and a reasonable period for its dissemination has elapsed since the announcement.
- 3.3 Directors, employees and consultants 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.
- 3.4 For these reasons, the advice of the designated officers should be sought prior to any dealings taking place, and steps should be taken to ensure that those acting as designated officers are apprised of all relevant considerations by the Disclosure Officer (Company Secretary) appointed under ASX Listing Rule 1.1, condition 12.

#### **4. No dealing in securities of the Company when in possession of Price Sensitive Information**

- 4.1 Directors, employees and consultants of the Company in possession of Price Sensitive Information must not at any time:
- (1) deal in securities of the Company;
  - (2) advise, procure, encourage or suggest another person deal in securities of the Company; or
  - (3) communicate the Price Sensitive Information, or cause the Price Sensitive Information to be communicated, to a person who may deal in securities of the Company or may procure another person to deal in securities of the Company.
- 4.2 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 penalty for a breach of the insider trading prohibition is a fine up to \$220,000 for a natural person (and up to five times the maximum for a body corporate) or 5 years imprisonment, or both.
- 4.3 Key management personnel must ensure that external advisers who may receive Price Sensitive Information are bound by confidentiality agreements or other enforceable confidentiality obligations.
- 4.4 The Company may also publish from time to time a list of securities in other companies which directors and employees of the Company are prohibited from dealing in due to the Company being in possession of Price Sensitive Information in respect of those companies (**Restricted**

**Securities List**). Directors and employees of the Company must not at any time deal in securities on the Restricted Securities List.

**5. No short-term dealing in securities of the Company**

- 5.1 Key management personnel of the Company must not at any time engage in short-term dealing in securities of the Company.
- 5.2 Short-term dealing is considered to be dealing where the acquisition and disposal of securities occurs within 6 month of each other.

**6. Key management personnel not to deal in securities of the Company during Restricted Periods**

- 6.1 In addition to the restrictions in clauses 4 and 5, key management personnel must not deal in securities of the Company during the following periods:
  - (1) within 2 hours following the release of Price Sensitive Information to the ASX;
  - (2) within the period 1 month prior to the issue of a prospectus;
  - (3) from the balance date to the release of the Company's annual or half-yearly results until the second trading day after the results have been released to ASX; and
  - (4) any other period designated by the Board,

**(Restricted Periods)**.

**7. Trading in exceptional circumstances during Restricted Periods**

- 7.1 Key management personnel who are not in possession of Price Sensitive Information may deal in securities of the Company during Restricted Periods or may engage in short term dealing if there are exceptional circumstances and he or she receives prior written clearance from the designated officer.
- 7.2 Exceptional circumstances are:
  - (1) financial hardship which cannot be satisfied otherwise than by dealing in securities of the Company; or
  - (2) a court order directing the dealing in securities of the Company.
- 7.3 Key management personnel wishing to deal in securities of the Company during a Restricted Period or engage in short term dealing based on

exceptional circumstances must apply in writing (email is acceptable) to the designated officer for prior written clearance to deal in those securities. The application must include the following information:

- (1) details of the exceptional circumstances;
- (2) the number of securities of the Company that he or she wishes to deal in;
- (3) the way in which he or she wishes to deal in those securities;
- (4) a request for clearance to deal in those securities; and
- (5) confirmation that he or she is not in possession of any Price Sensitive Information.

7.4 The designated 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 during a Restricted Period.

7.5 Any consent provided by the designated officer under this policy must:

- (1) be in writing (email is acceptable); and
- (2) outline the duration of the clearance (no more than 5 trading days).

## **8. Key management personnel to provide obtain prior written clearance for dealings in securities of the Company**

8.1 Key management personnel of the Company must not deal in securities at any time outside of the Restricted Period unless they have contacted the designated officer in writing (email is acceptable) and notified them of their intention to do so and the designated officer indicates in writing (email is acceptable) that there is no impediment to them doing so.

8.2 Clearance by the designated officer is intended as a compliance monitoring function only and is not an endorsement of the proposed dealing. Key management personnel remain responsible for their own investment decisions and compliance with the law.

## **9. Notification of dealings in securities**

9.1 The ASX Listing Rules require the Company to notify ASX of dealings in notifiable interests in securities of the Company by Directors within 5 business days.

9.2 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 in sufficient detail to allow the Company to comply with the ASX Listing Rules.

- 9.3 Key management personnel must notify the Company secretary immediately after acquiring or disposing of a relevant interest in any securities of the Company. .

## **10. No Hedging**

- 10.1 Notwithstanding any other part of this policy, directors and employees of the Company must not at any time enter into transactions in associated products which operate to limit the economic risk of security holdings in the Company.

## **11. Margin Lending**

- 11.1 ASX, in its Companies Update of 29 February 2008, has also highlighted that in certain circumstances, the Company may be required to disclose details of the margin lending arrangements of Key Management Personnel in respect of their securities of the Company (if any) if that information would be price sensitive under ASX Listing Rule 3.1. To enable the Company to comply with ASX Listing Rule 3.1, any directors or employees of the Company who enter into margin lending arrangement or otherwise encumber their securities of the Company (**Security Arrangements**) is required to provide details of those Security Arrangements to the Relevant Officers (who will notify the Company secretary) upon entering into, and on any change occurring to, the Security Arrangements. Security Arrangements may be subject to prohibitions on dealing in securities in the Company contained in this policy.
- 11.2 The details of the Security Arrangements that must be provided pursuant to paragraph 11.1 must include the number of securities of the Company involved, any trigger points, the right of the lender or security holder to sell the securities unilaterally and any other material details.

## **12. Penalties**

- 12.1 A contravention of this policy by a director, employee or consultant of the Company may result in summary dismissal.

## **13. Application**

- 13.1 This policy applies to all directors, employees and consultants of the Company.
- 13.2 For the purposes of this policy, directors, employees and consultants dealing in securities of the Company includes associates of directors, employees and consultants of the Company dealing in securities of the

Company. It is incumbent on each director, employee and consultant of the Company to take reasonable steps to ensure that an associate does not deal in securities of the Company in contravention of this policy where the dealing could be attributed to the director, employee or consultant concerned. Associates include your relatives, entities which you control and entities you are acting in concert with.

- 13.3 This policy does not apply to dealings in securities of the Company where the dealing:
- (1) transfers of securities of the Company 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;
  - (2) an investment in, or dealing in units of, a fund or other scheme (other than a scheme only investing in securities of the Company) where the assets of the fund or other scheme are invested at the discretion of a third party;
  - (3) where a restricted person is a trustee, trading in securities of the Company 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;
  - (4) undertakings to accept, or the acceptance of, a takeover offer;
  - (5) 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 of the Company. 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;
  - (6) a disposal of securities of the Company that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement; and
  - (7) the exercise (but not the sale of securities of the Company following exercise) of an option or a right under an employee incentive scheme, or the conversion of a convertible security.

The Board of the Company has absolute discretion to prohibit directors, employees and consultants from dealing in securities of the Company at any time.

## 14. Explanation of terms

14.1 For the purposes of this policy:

- (1) **Corporations Act** means the *Corporations Act 2001* (Cth);
- (2) **deal in securities** includes:
  - (a) applying for, acquiring or disposing of, securities;
  - (b) entering into an agreement to apply for, acquire or dispose of, securities;
  - (c) granting, accepting, exercising or discharging an option or other right or obligation to acquire or dispose of securities; and
  - (d) trading in financial products issued or created over securities of the Company;
  - (e) entering into transactions in financial products which operate to limit the economic risk of security holdings; and
  - (f) procuring another person to do the above things;
- (3) **designated officer** means:
  - (a) in the case of the Chairman, the Managing Director or in their absence, the Chair of the Audit and Risk Management Committee;
  - (b) in the case of the Managing Director, the Chairman; and
  - (c) in the case of all other key management personnel of the Company, the Chairman or the Managing Director, or in their absence, the Company secretary.
- (4) **key management personnel** has the meaning given to it in the ASX Listing Rules and includes the persons described in schedule 1;
- (5) **securities** includes shares in the Company, options over those shares and any other financial products of the Company traded on ASX; and
- (6) **trading day** means any day that the ASX is open for trading.

## Schedule1. (as amended)

- Mr Ian Burston
- Mr Michael Arnett
- Mr Jeff Dowling
- Mr Jules Pemberton
- Mr Andrew Walsh
- Mr Kim Hyman
- All members of the board of subsidiaries of the Company
- Any other director appointed to the Board of the Company or a board of a subsidiary of the Company.
- All other executives who directly report to the Managing Director
- Other executives as determined by the board from time to time.
- Other than any of the persons listed above, an employee having authority and responsibility for planning, directing and controlling the activities of the Company or any subsidiary of the Company
- Other than any of the persons listed above, any person that is involved in tendering for projects on behalf of the Company.