

# Securities trading and prevention of insider trading policy

INVESTSMART

InvestSMART Group Limited ACN 111 772 359 (Company)

## Background and purpose

InvestSMART Group Limited (INV) is committed to complying with the Corporations Act and the ASX Listing Rules.

ASX Listing Rule 12.9 requires INV, as a listed entity, to have a trading policy that restricts its restricted personnel from trading in its securities within certain blackout periods. INV has determined that its restricted persons are all Directors, officers and all employees (whether full-time, part-time or casual) of INV and of each of INV's subsidiaries, (together **Restricted Persons**).

The purpose of this Policy is to make Restricted Persons aware of the legal restrictions on trading securities, while such a Restricted Person is in possession of unpublished price sensitive information concerning INV. In addition, the objectives of this Policy are to:

- (a) minimise the risk of Restricted Persons contravening the laws against insider trading;
- (b) allow INV to meet its reporting obligations under the ASX Listing Rules; and
- (c) increase transparency with respect to trading in INV's securities by Restricted Persons.

This policy provides the summary of insider trading restrictions and the procedure to be followed when dealing in INV. The policy is applicable to all Restricted Persons.

This Policy applies to both the issue of new securities of INV and its subsidiaries and the sale and purchase of any securities of INV and its subsidiaries from time to time.

All employees are reminded that it is inappropriate to procure others to buy or sell shares in INV when the employee is precluded from buying or selling. Confidentiality is expected when liaising with external advisers.

## Procedure

INV acknowledges that Restricted Persons may come across price-sensitive information or inside information relating to INV or INV's subsidiaries in the capacity of performing the duties of their role. In determining what price-sensitive information constitutes, the following factors should be considered, if that particular piece of information was made public:

- (a) would it have a material effect on the price or value of INV's securities; or
- (b) influence persons who commonly invest in securities in deciding whether or not to buy or sell INV's securities.

To assist further, price-sensitive or inside information may be distinguished from generally available information. The characteristics of generally available information are:

- (a) it consists of a readily observable matter;
- (b) it has been made known in a manner likely to bring the information to the attention of people who commonly invest in securities of a kind whose price or value might be affected by the information, and, since it was made known, a reasonable period for it to be disseminated among such persons has elapsed;
- (c) it is derived from information which has been made public; or
- (d) it consists of observations, deductions, conclusions or inferences made or drawn from other generally available information.

## Insider Trading (effects all Restricted Persons)

The law requires all Restricted Persons at INV not to buy or sell INV shares at any time when the person is in possession of price-sensitive or inside information.

This is a mandatory requirement of each employee at INV and is legislated in the Corporations Act. There are serious consequences for both INV and the individual(s) involved if found guilty of using price-sensitive information for an unfair advantage. Amongst other consequences, criminal prosecution may be pursued. Please refer to the section, "Consequences of insider trading".

The means by which the individual obtained or came across this inside information is irrelevant and may encompass whether the person learns it in the course of carrying out that person's responsibilities, in passing in the corridor, in the lift or in a social context.

It is an offence to tip the information to another person with the knowledge that the person could deal in INV's securities. Accordingly, the prohibition on insider trading cannot be avoided by a person procuring or arranging for another person to deal on his or her behalf.

## Consequences of insider trading

- (a) Breach of the insider trading prohibition by a Restricted Person or a Restricted Person's family member could expose the Restricted Person to criminal and civil liability, including fines and imprisonment.
- (b) Significantly, a breach of the insider trading prohibition could result in a Restricted Person or a Restricted Person's family member being sued by another party or INV for any loss suffered as a result of insider trading.
- (c) Breach of insider trading laws or this Policy will also be regarded by INV as serious misconduct, which may lead to disciplinary action and/or dismissal.

## Excluded trading

Blackout Periods will be in operation as per the following ruling:

**Two week period prior to the last day of the quarter and ending 24 hours after the release of the quarterly results (or half year or full year results wherever applicable).**

Restricted Persons are not allowed to trade in INV stocks over these periods.

At any other time during the year, Restricted Persons are allowed to trade in INV shares unless they are in possession or aware of inside information. INV may impose a restriction on trading during any period, in addition to the fixed black-out periods covered in this policy.

**Short term trading** in INV shares is prohibited as it is in contradiction of our mantra of value investing. Restricted persons are prohibited from buying and selling (or selling and buying) INV stock within a 3 month period. INV stock should be held for longer than 12 months.

**Short selling** of INV securities is prohibited. Short selling involves selling financial products that you have borrowed (rather than those that you own) with a view to repurchasing them later at a lower price and returning them to the lender.

INV shares are not to be used as collateral in any loan arrangement except under the terms of an employee share incentive scheme loan agreement.

The **hedging** of any unvested shares is prohibited.

## Approval process

Approval is required from the CEO or CFO for all Restricted Persons except for senior management personnel. Senior management personnel require approval from the Chairman or, if the Chairman is unavailable, The Head of the Audit, Risk and Compliance committee. A request form has been included in Appendix 2 which must be filled out, signed and sent back to one of the main approvers. Approval to trade is subject to the following conditions:

- Approval to trade can be given or refused by InvestSMART in its discretion, without giving any reasons
- Approval may be withdrawn without giving any reasons
- If approval is refused, the person seeking approval must keep that information confidential and not disclose it to anyone

This approval expires on the earlier of the beginning of the following blackout period or close of business on the fifteenth trading day after the approval date.

## Exceptions

INV shares may be traded during a blackout period under one of these categories:

- transferring shares which are already held by that person into a superannuation fund in which that person is a beneficiary through an off-market transfer.
- trading shares where the trading results in no change in the beneficial interest in the shares
- an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in shares in INV) where the assets of the fund or other scheme are invested at the discretion of a third party.
- Undertakings to accept, or the acceptance of, a takeover offer.
- Trading under an offer or invitation made to all or most of INV's members such as, a rights issue, a security purchase plan, a dividend or distribution reinvestment plan or an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board.
- "Severe financial hardship" and the individual has demonstrated that there is a pressing need to sell their holdings in INV.
- a court order, a court enforceable undertaking (for example in a bona fide family settlement, to transfer or sell securities of INV) or there is some other overriding legal or regulatory requirement to do so.
- an acquisition of securities under an employee incentive scheme
- an exercise (but not the sale of INV's securities following exercise) of an option or a right granted under an employee incentive plan, or the conversion of a convertible security.

Approval granted under these circumstances expires on the earlier of the beginning of the following blackout period or close of business on the fifth trading day after the approval date.

## Sales of securities

Restricted Persons need to be mindful of the market perception associated with any sale of INV's securities and possibly the ability of the market to absorb the volume of shares being sold. With this in mind, the management of the sale of any significant volume of INV's securities (i.e. a volume that would represent a volume in excess of 10% of the total securities held by the seller prior to the sale, or a volume to be sold that would be in excess of 10% of the average daily traded volume of the shares of INV on the ASX for the preceding 20 trading days) by a Restricted Person needs to be discussed with the Board prior to the execution of any sale. These discussions need to be documented in the form of a file note, to be retained by the Company Secretary.

## Review

The Board will review this Policy at least annually and it may be amended at any time by resolution of the Board.

## Disclosure of Policy

This Policy and any updates, is to be made available on INV's website through the Corporate Governance section.

A copy of this policy can also be found in the HR Manual and new employees will be briefed about this policy during their induction to the Group.

## Appendix 1: What is price sensitive' information?

Price-sensitive information is information relating to INV or INV's subsidiaries that would, if the information were publicly known, be likely to:

- (a) have a material effect on the price or value of INV's securities; or
- (b) influence persons who commonly invest in securities in deciding whether or not to buy or sell INV's securities.

Examples of possible price-sensitive information include, but are not limited to, the following:

- (a) a material acquisition, joint venture, realization or disposal of assets;
- (b) a threat of material litigation against INV;
- (c) INV's sales and profit results materially exceeding or falling short of the market's expectations;
- (d) a material change in debt, liquidity or cash flow;
- (e) a significant new development proposal i.e., a new product or technology;
- (f) the granting or loss of a major contract;
- (g) a management or business restructuring proposal;
- (h) a change in the capital structure, such as a capital return or the buy back of a financial product;
- (i) a payment of dividends or a share issue;
- (j) a change to the Board or significant changes in senior management;
- (k) the entering into of an agreement or option to acquire an interest in an asset or business, or to enter into a joint venture or other arrangement in relation to an asset or business; and
- (l) any information required to be announced to the market pursuant to ASX Listing Rule 3.1 (the Continuous Disclosure rule) which is yet to be released to the market.

## Appendix 2

## Approval to trade request

In accordance with the procedures of the InvestSMART Group Limited Share Trading and Prevention of Insider Trading Policy, I request written clearance to trade in shares of InvestSMART Group Limited (ACN 111 772 359) (ASX Code: INV).

I hereby acknowledge and confirm that I am not in the possession of any unpublished information that would have or could be expected to have, a material effect on the price of the shares. I confirm that I have formed this opinion without relying on advice from any director, other officer or employee of the Company.

**Please complete the following information**

Details	
Director/Employee name	
Name of Proposed Shareholder	
Number of Shares	

**Please mark appropriate box**

☐ Buy ☐ Sell

**Sign and date**

Signature

Director/Employee name

/ /  
 \_\_\_\_\_  
 Date

Approved by

Signature

Name

\_\_\_\_/\_\_\_\_/\_\_\_\_  
Date

**This approval expires on the earlier of the beginning of the following blackout period or close of business on the fifteenth trading day after the approval date.**

Version	Reviewed
2022.05	ARC May 2022