


# Share Trading Policy


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**1 Application**

- 1.1 This Share Trading Policy (**Policy**) applies to:
- (a) all executive and non-executive directors, officers, employees, consultants, advisors and contractors (**Employees**) of Emeco Holdings Limited and its subsidiaries (**Emeco**); and
  - (b) all shares, options, debentures, bonds, notes and other traded securities in Emeco (**Securities**) that an Employee has either a direct or indirect interest (eg. under a trust or which are held by a company that the Employee controls).

**2 Purpose**


- 2.1 Emeco has adopted this Policy for the purposes of:
- (a) educating all Employees of the restrictions under the law and this Policy regarding dealing in Securities;
  - (b) ensuring Emeco meets the best practices established by the ASX Corporate Governance Council;
  - (c) maintaining investor confidence in the integrity of Emeco's internal controls and procedures;
  - (d) providing guidance on avoiding any breach of the insider trading laws; and
  - (e) ensuring Emeco's reputation is not damaged by market or general public perception that employees might be taking advantage of their position to make financial gains (by dealing in securities on the basis of confidential information).

**3 Insider trading laws**

- 3.1 The *Corporations Act 2001* (Cth) (**Act**) prohibits the trading in securities, derivatives and other financial products of a company (**securities**) by any person who is in possession of inside information regarding that company. The Act imposes substantial penalties on persons who breach those provisions.
- 3.2 Although this Policy specifically relates to dealing in Emeco Securities, Employees should be aware that the laws prohibiting insider trading apply:
- (a) at all times;
  - (b) to all Employees;
  - (c) to all dealings in Securities; and
  - (d) to all securities in other companies including suppliers, contractors and customers of Emeco.

**What is inside information?**

- 3.3 Under the Act, 'inside information' is any information which is both **price sensitive** and **not generally available**.

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- 3.4 An Employee who possesses price sensitive non-public information is subject to insider trading laws and is prohibited from buying or selling Securities at any time, even where such dealing falls within an exclusion to this Policy and a clearance has been given.
- 3.5 Further, if an Employee comes into possession of inside information after receiving a clearance to trade, that Employee must not trade Securities despite having received the clearance.
- 3.6 The penalties for breaching insider trading laws can be significant and are outlined in section 8 of this Policy.

**Price sensitive**

- 3.7 Information does not have to originate within Emeco to be inside information, so long as it affects, or would (if made public) affect, Emeco or Emeco’s share price.
- 3.8 Information is price sensitive if it:
  - (a) would have a material effect on the price or value of Securities; or
  - (b) is likely to influence people who follow the market in deciding whether to deal in Securities.

3.9 Examples of price sensitive information include:


- (a) Emeco considering making a major acquisition;
- (b) a significant business development;
- (c) a proposed new share issue;
- (d) a proposed change in dividend policy; or
- (e) a major change in senior management.

**Generally available**

3.10 Information is not considered generally available until it has been released to the market with enough time to circulate among investors. In most cases, price sensitive information is not generally available until it has been formally released by the ASX.

**4 Connected Persons**

- 4.1 Where this Policy restricts or prohibits an Employee from acting in a certain way, those restriction and prohibitions also apply to each close family member and any company or trust which the Employee or close family member may control or influence (**Connected Persons**).
- 4.2 Employees are responsible for ensuring that their Connected Persons are aware of, and comply with, this Policy.

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**5 Black-out periods**

**Trading prohibited during black-out periods**

5.1 Employees are prohibited from trading in Securities during the following black-out periods:

- (a) from 7 days prior to the end of the:
  - (i) financial year, until one business day after the public release of Emeco’s audited financial statements for that full year;
  - (ii) half financial year, until one business day after the public release of Emeco’s half year financial statements; and
- (b) such other period designated as a black-out period by the Company Secretary from time to time.

5.2 An Employee must:


- (a) not procure others to deal in Securities; and
- (b) ensure that each of their Connected Persons do not deal in Securities, during black-out periods.

5.3 The Company Secretary will notify Employees by email when a black-out period commences and expires. Emeco may impose a trading black-out at any time for any or all Employees, in its absolute discretion and without prior notice.

**Exceptions**

5.4 The prohibition on trading during black-out periods does not apply in the following circumstances:

- (a) if the Employee can satisfy the Chairman that there are exceptional circumstances, such as financial hardship;
- (b) transfers of Securities by a managed securities portfolio, where the Employee is not in a position to influence choices in the portfolio;
- (c) transfers of Securities between an Employee and a Connected Person, or by an Employee to their superannuation fund;
- (d) dealings under a dividend reinvestment plan where the Employee has given ongoing instructions to reinvest dividends;
- (e) an acquisition of Securities under an employee incentive scheme;
- (f) a disposal of Securities under an employee incentive scheme to a nominee of Emeco in accordance with the rules of the relevant employee incentive scheme;
- (g) a disposal of Securities arising from an equal access buy-back; or
- (h) an acquisition of Securities under a pro rata issue.

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**6 Clearance required for all trading**

- 6.1 Employees must obtain clearance for any proposed dealings in Securities by notifying the Company Secretary and seeking clearance from:
  - (a) in respect of the Chairman – the chair of the Audit and Risk Management Committee;
  - (b) in respect of Directors – the Chairman; and
  - (c) in respect of all other Employees – the Company Secretary.
- 6.2 Clearance must be sought in writing (which can be by email) prior to any dealing. In a request for clearance, the Employee must confirm that they are not in possession of any unpublished price-sensitive information and, if an exemption in this Policy is relied upon by an Employee, describe the nature of the dealing.
- 6.3 A request for clearance to deal with Securities will be answered as soon as practicable.
- 6.4 Any clearance to deal with Securities can be given, refused or subject to conditions imposed by the approver in their discretion.
- 6.5 Clearance will generally be effective for five business days or such other period as the approver considers appropriate, subject always to earlier termination by the approver.
- 6.6 Clearance can be withdrawn at any time if new information is received or there is a change in circumstances.
- 6.7 Directors must ensure that any changes in a director's direct or indirect interest in Securities are immediately reported to the Company Secretary so that notification can be given to the ASX.
- 6.8 Any decision to refuse clearance is:
  - (a) final and binding on the Employee seeking the clearance;
  - (b) must be kept confidential; and
  - (c) must not be disclosed by the Employee.

**7 Other types of trading**

**Takeovers and schemes of arrangement**

- 7.1 The restrictions in this Policy do not prevent Employees from accepting takeover bids or from selling Securities under a scheme of arrangement in respect of Emeco.

**Other prohibited activities**

- 7.2 Notwithstanding any provision of this Policy, Employees must not:
  - (a) fund the purchase of Securities with margin loans;
  - (b) enter into any arrangement where a security interest is granted over their Securities that could result in the disposal of their Securities without their consent, without receiving clearance from the Chairman (in respect of Directors) or the Company Secretary (in respect of all other Employees);

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- (c) enter into any transaction intended to hedge Employee’s exposure to Securities, which have been issued to the Employee as part of the Employee’s remuneration by Emeco;
- (d) engage in short-term trading and short-selling of Securities; or
- (e) knowingly allow their Securities to be used for short-term trading and short-selling.

**8 Compliance with this Policy**

8.1 It is important that all Employees:

- (a) comply with this Policy and uphold the law;
- (b) do not participate in any insider trading activities or any other activity prohibited by this Policy; and
- (c) avoid any appearance of insider trading or any other activity prohibited by this Policy.

8.2 Breaches of this Policy will be viewed seriously and may lead to:

- (a) disciplinary action being taken against the relevant Employee;
- (b) in serious cases, termination of the Employee;
- (c) Emeco notifying relevant authorities the breach.


8.3 Any Employee who becomes aware of a violation of this Policy must immediately report the violation to the Company Secretary.

8.4 For breaches of insider trading laws, criminal penalties may be imposed, including a fine of \$765,000 or three times the benefit gained (whichever is greater) and a jail term of up to ten years for individuals. Further, an insider trader and any other persons involved in the contravention may also be held liable to compensate third parties for any resulting loss.

**9 Policy information & review**

9.1 This Policy will be reviewed regularly by the Board having regard to Emeco’s changing circumstances and any changes to this Policy will be notified in writing to Employees and, where required, the ASX.

9.2 For questions about the operation of this Policy, please contact the Company Secretary.

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