



Inabox Group Limited

Securities Trading Policy



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1 INTRODUCTION

1.1 General

This Policy summarises the law relating to insider trading and is designed to prevent breaches of those provisions and outlines mechanisms for disclosure of any breaches of those provisions.

Division 3 of Part 7.10 of the Corporations Act prohibits insider trading in relation to Securities. The Corporations Act and the Listing Rules of the ASX also require disclosure of any trading undertaken by directors or their related entities in Securities.

IAB has developed this Policy to encourage compliance with the law and in the interests of maintaining investor confidence.

This Policy applies to all directors, officers, KMP's and other employees of IAB (**Employees**), whether trading:

- (a) on their own account;
- (b) on behalf of another person, including family members, friends, associates or related entities; or
- (c) on behalf of an IAB Entity.

Although this Policy only applies to Employees, the insider trading prohibitions of the Corporations Act apply to (among others) family members, friends, associates and related entities of Employees.

1.2 Definitions

In this Policy, unless the context otherwise requires:

- (a) **ASX** means the Australian Securities Exchange;
- (b) **Board** means the board of directors of IAB;
- (c) **Business Day** means a day that is not a Saturday, Sunday or a public holiday in Sydney, New South Wales;
- (d) **Corporations Act** means *Corporations Act 2001* (Cth);
- (e) **Exceptional Circumstances** means severe financial hardship that cannot be satisfied otherwise than by Trading the Securities. The burden of proof of severe financial hardship rests with the person seeking the approval, and determination of the matter will be made by the company secretary of IAB. Matters that may be considered severe financial hardship include, but are not limited to, financial commitments or a court order or court imposed undertakings that the Employee or Related Party cannot meet without Trading the Securities (for example, a bona fide family settlement);
- (f) **IAB** means Inabox Group Limited;
- (g) **IAB Entity** means IAB or any of its subsidiaries from time to time;
- (h) **IAB Group** means the IAB Entities collectively;
- (i) Key Management Person or KMP means:
 - (i) a director of IAB;
 - (ii) a company secretary of IAB;
 - (iii) a member of senior management of IAB; and
 - (iv) each other person having authority and responsibility for planning, directing and controlling the activities of IAB (whether directly or indirectly);

- (j) **Related Party** means, in relation to an Employee:
 - (i) that person's spouse, or de facto spouse;
 - (ii) a child of that person;
 - (iii) an entity controlled by that person, or their family;
 - (iv) a trust which that person, any member of their family, or any family controlled company, is a trustee or beneficiary; and
 - (v) a person in partnership with the person, or any of their connected persons mentioned above;
- (k) **Securities** means any 'securities' as defined in section 700(1), or 'derivatives' as defined in section 761D of the Corporations Act and includes:
 - (i) ordinary shares in IAB;
 - (ii) options to acquire, by way of issue, ordinary shares in IAB;
 - (iii) debentures of IAB;
 - (iv) any other type of securities in an IAB Entity provided for under the Corporations Act; and
 - (v) any listed derivatives (including futures contracts) in respect of shares in IAB; and
- (l) **Trade/Trading** includes, but is not limited to, subscribing for, buying, selling or otherwise transferring the beneficial or legal interest in Securities.

2 INSIDER TRADING

2.1 The insider trading prohibitions under the Corporations Act

This policy provides a general overview of the insider trading prohibitions under the Corporations Act. Application of the insider trading provisions of the Corporations Act to Employees is not limited to inside information about IAB. Breach of the insider trading provisions of the Corporations Act could result in civil or criminal penalties. Employees must ensure they comply with the law at all times regardless of whether the information is related to IAB or not.

Under the Corporations Act, if a person (**insider**) possesses 'inside information' and the insider knows or ought reasonably to know that the matters specified in paragraph 2.2(a) are satisfied in relation to that information, it is illegal for that insider to:

- (a) deal in (that is, apply for, acquire or dispose of) the relevant Securities or enter into an agreement to do so;
- (b) procure another person to apply for, acquire or dispose of the relevant Securities or enter into an agreement to do so; or
- (c) directly or indirectly communicate, or cause to be communicated, that information to any other person if the insider knows, or ought reasonably to know, that the person would or would be likely to use the information to engage in the activities specified in paragraphs 2.1(a) or 2.1(b).

2.2 Inside information

- (a) Inside information means information that is:
 - (i) not generally available; and
 - (ii) if the information was generally available, a reasonable person would expect it to have a material effect on the price or value of the Securities.
- (b) Information is regarded as being likely to have a 'material effect' if a reasonable person

would be taken to expect that such information would, or would be likely to, influence persons who commonly invest in the Securities or other traded securities in deciding whether or not to deal in the Securities.

- (c) Information can include matters of speculation or supposition and matters relating to intentions or likely intentions of a person.
- (d) Examples of inside information, include, but are not limited to, information regarding:
 - (i) the financial performance of a company, including reaching or failure to meet forecast earnings;
 - (ii) a major acquisition or disposal;
 - (iii) an actual or proposed takeover, merger or sale;
 - (iv) entering into or terminating a material contract;
 - (v) an actual or proposed change to capital structure; and
 - (vi) a material claim or other unexpected liability.

2.3 Information that is generally available

Information is usually considered to be 'generally available' if:

- (a) it consists of a readily observable matter; or
- (b) it has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in any of the classes of Securities issued by IAB and a reasonable period for it to be disseminated among such persons has elapsed; or
- (c) it consists of deductions, conclusions or inferences made or drawn from other information that is generally available.

2.4 Consequences of breaching the insider trading laws

A breach of the insider trading laws can result in:

- (a) criminal liability - penalties include heavy fines and imprisonment; and
- (b) civil liability - a person who breaches the insider trading laws can be sued by another party (including IAB) for any loss suffered as a result of illegal trading activities.

Breach of the law or this Policy (or both) will also be regarded by IAB as serious misconduct which may lead to disciplinary action or dismissal.

3 PROHIBITIONS AND RESTRICTIONS

3.1 General prohibitions

- (a) If an Employee possesses inside information relating to an IAB Entity, that person must not:
 - (i) deal in Securities of IAB or enter into an agreement to do so;
 - (ii) procure another person to deal in those Securities or enter into an agreement to do so; or
 - (iii) pass on that information to anyone who is likely to engage in the activities specified in paragraphs 3.1(a)(i) or 3.1(a)(ii).
- (b) At all times Employees are prohibited from Trading in Securities in IAB in the following situations:
 - (i) where such trading amounts to 'shortselling';

- (ii) where the Trading is directed at limiting the economic or financial risk associated with that Employee's holding of Securities (including options over Securities); or
 - (iii) where such Trading would otherwise enable that Employee to profit from or limit the economic or financial risk of a decrease in the market price of the Securities.
- (c) These general prohibitions are overriding obligations and apply at all times despite any other term of this Policy.
 - (d) These prohibitions apply equally to the application for, grant, exercise or transfer of options over Securities.
 - (e) It does not matter how or in what capacity an Employee becomes aware of the inside information. Information does not have to be obtained from IAB to constitute inside information.
 - (f) Employees cannot avoid the insider trading prohibition by arranging for a member of that person's family or a friend to deal in Securities, nor may any member of Employees give 'tips' to others concerning inside information relating to an IAB Entity.

3.2 Exceptions to general prohibitions

- (a) Subject to paragraph 3.2(b), this Policy does not preclude any Employees from taking up or renouncing an entitlement to the Securities through any employee share plan or dividend (or distribution) reinvestment plan (**DRP**) of IAB, if available.
- (b) Employees may only elect to participate in a DRP when they are not in possession of inside information and may not change that election until such time as they are not in possession of any such inside information.

4 PRIOR NOTICE OF DEALING IN SECURITIES

An Employee or Related Party wishing to:

- (a) Trade in Securities; or
- (b) procure on behalf of that person, another person to Trade in Securities,

MUST first obtain written approval from the company secretary of IAB.

- (c) An Employee or Related Party seeking approval in relation to Trading in Securities must confirm with the company secretary of IAB that the proposed Trading in Securities is not as a result of access to, or the receipt of, inside information.
- (d) Approval for an Employee or Related Party to Trade in Securities will not be given pursuant to this section 4 where non-public, price sensitive information exists in relation to a matter, even though such party may not be aware of it.
- (e) Where approval is given to Trade Securities, the Employee or Related Party must undertake the Trade within 10 business days of approval being granted, unless specifically approved for some other time period at the time of approval. If the Trade is not undertaken within that period of time, the Employee or Related Party must re-submit their application to Trade if they still wish to Trade.
- (f) The Employee or Related Party must notify IAB's company secretary that the Trade has been executed and details of the transaction on completion of the Trade.

5 PERMITTED TRADING WINDOWS, CLOSED PERIODS AND BLACKOUT PERIODS

Subject to the terms of section 6 of this policy, KMP's and their Related Parties are permitted to trade in Securities only at the following times (each a **Permitted Trading Window**):

- (a) periods commencing on a date to be notified to KMP's by a company secretary of IAB and ending 20 business days after that date, where the date notified may be:
 - (i) no earlier than 24 hours after the release of the annual results announcement (or half yearly results announcement, as applicable) to the ASX by IAB (for the avoidance of doubt, the 24 hour period excludes weekends, public holidays and non-trading days); and
 - (ii) no later than fourteen days after the release of the annual results announcement (or half yearly results announcement, as applicable) to the ASX by IAB.

Irrespective of any Permitted Trading Windows, KMP's and their Related Parties are excluded from Trading in Securities at the following times (each a **Closed Period**):

- (b) on the day any price sensitive information is released to the ASX; and
- (c) from seven days prior to the date of the Annual General Meeting and on the day of the Annual General Meeting.

In addition to the Closed Periods specified above, the Board may, in its sole discretion, impose one or more further Closed Periods by notice at any time, which may apply to KMP's only or may apply to all Employees (each a '**Blackout Period**'). A Blackout Period imposed by the Board is subject to any conditions and exceptions determined by the Board from time to time in its sole discretion.

6 TRADING UNDER EXCEPTIONAL CIRCUMSTANCES

A KMP or Related Party may be permitted to Trade during a Closed Period under Exceptional Circumstances. A KMP seeking an exception to Trade will need to provide all relevant information to the company secretary of IAB in accordance with section 4 of this Policy.

An exception will not be granted if the KMP or Related Party is in possession of inside information under any circumstances.

7 EXCEPTIONS TO THE GENERAL RULE IN THIS POLICY

This Policy does not apply in the following circumstances:

- (a) where the Trade does not result in a change in beneficial interest in Securities;
- (b) Trading of Securities is through a fund or scheme (other than a fund or scheme only investing in Securities) where the assets of the fund or scheme are invested at the discretion of a third party;
- (c) where the Employee or Related Party is a trustee, trading in Securities by that trust provided the Employee or Related Party is not a beneficiary of the trust and any decision to Trade (including in the case of a KMP during a Closed Period) is taken by the other trustees or by the investment manager independent of the Employee, KMP or Related Party;
- (d) undertakings to accept, or the acceptance of, a takeover offer;
- (e) Trading under an offer or invitation made to all or most of IAB's 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;
- (f) a disposal of Securities that is the result of a secured lender exercising their rights; and
- (g) 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, including in the case of a KMP, where the final date for the exercise of the option or right, or the conversion of the security, falls during a Closed Period and IAB has had an exceptionally long Closed Period or IAB has had a number of Closed Periods and the KMP or Related Party could not reasonably have been expected to exercise it at a time when free to do so.

8 COMPULSORY NOTIFICATIONS OF DIRECTORS

- (a) Each director of IAB must notify the company secretary of IAB and the ASX of:
 - (i) any change to their holding of relevant interests in securities of IAB;
 - (ii) whether the change to their holding occurred during a Closed Period; and
 - (iii) whether prior written clearance was required and, if required, whether it was obtained.
- (b) While the Corporations Act requires directors to notify the ASX of any changes to their holdings within 14 days, IAB is required under the ASX Listing Rules to notify these changes to the ASX within five business days of the change.
- (c) To enable IAB to comply with the above obligation, IAB directors must provide the relevant information within three business days to the company secretary of IAB, who will facilitate the transmission of these notifications to the ASX.
- (d) All notifications will also be tabled at the next scheduled meeting of the Board.

9 PROMOTING UNDERSTANDING OF COMPLIANCE

- (e) This Policy must be distributed to all Employees.
- (f) It is the responsibility of IAB's company secretary to ensure that this Policy is drawn to the attention of all Employees every six months.
- (g) If you do not understand the summary of the insider trading laws set out in this Policy or the prohibitions and restrictions imposed on you by this Policy, please contact IAB's company secretary. You may wish to seek your own professional legal advice before dealing in Securities.

10 REVIEW OF POLICY

It is the responsibility of the Board to ensure that this Policy is reviewed every 12 months so that it remains consistent with IAB's obligations to prevent insider trading in relation to Securities. Any changes to this Policy must be approved by the Board.

11 APPROVAL OF POLICY

The Board approved and adopted this Policy on 24 February 2015.