
Wellard
20 November 2015



Securities Trading Policy

Why does Wellard have this Policy?

Insider trading is illegal. Wellard wants to minimise the risk of insider trading in Wellard's shares occurring and eliminate any appearance of possible insider trading. Wellard wants to avoid the associated serious reputational damage and legal consequences.

This Policy:

- summarises the law relating to insider trading, including:
 - the insider trading prohibitions which apply to all of Wellard's people at all times; and
 - the consequences of breaching the prohibitions
- provides a framework for compliance with the relevant law
- sets out Wellard's policy in relation to Confidential Information
- outlines when certain Restricted Persons may and may not Trade in Wellard securities
- describes when clearance to trade may be given to Restricted Persons in exceptional circumstances, and
- explains the restrictions that apply to short-term trading, hedging and margin lending.

Who is covered by this Policy?

This Policy applies to all Directors and Employees and their Closely Connected Persons and to Consultants. Some parts of this Policy apply only to Restricted Persons:

- Directors and Employees and their Closely Connected Persons and Consultants must comply with the insider trading laws; and
- Restricted Persons must also comply with additional trading restrictions.

Breaching this Policy could cause Wellard significant reputational damage and undermine the integrity of the market for Wellard securities.

It is the personal responsibility of each individual to comply with this Policy.

This Policy is important. If you do not understand any part of it, you should contact the Company Secretary.

Insider trading – what is it?

What is insider trading?

If you are in possession of **inside information** you must not:

- Trade in Securities affected by the information;

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- Procure another person to Trade in the Securities; or
 - communicate the information to any other person, if you know, or ought to know, that the other person would, or would be likely to, deal in the Securities or Procure another person to do so.

Doing any of these things is **insider trading**. If you have inside information about Wellard, you cannot Trade Wellard Securities or do any of these things.

Insider trading is prohibited at all times, regardless of how you come to have the information and regardless of whether you Trade in your own name or for yourself or not. Inside information does not need to have been obtained from the Company. It can come from any source.

The prohibitions are set out in detail in the Corporations Act. This is a summary only.

What is inside information?

Inside information (also called price sensitive information) is information that you know, or ought to know:

- is not **generally available**;
- if it were generally available a reasonable person would expect it to have a **material effect** on the price or value of Securities (that is it would, or would be likely to, influence people who commonly invest in Securities in deciding whether to Trade in the Securities).

Inside information can include speculation, supposition or inference and may also relate to the intentions or likely intentions of a person.

Examples of information that may be inside information include information about:

- the financial performance of a company;
- a proposed dividend or issue of securities;
- major acquisitions and disposals of assets;
- a significant change in a company's market share;
- a takeover or merger;
- a large claim against a company or unexpected liability; or
- entry into or termination of a significant contract.

When is information generally available?

Information is **generally available** if:

- it is readily observable;
- it has been brought to the attention of people who commonly invest in Securities (eg through an announcement to ASX), and a reasonable time period has passed; or
- it consists of deductions, conclusions, or inferences made or drawn from the available information.

What are the consequences of insider trading?

Insider trading is a serious criminal offence and can result in:

- criminal penalties, including large fines and/or imprisonment;
- civil penalties, including monetary fines and disqualification from managing a company; and
- liability for the amount of any financial loss suffered as a consequence of the offence.

A breach of the insider trading laws will be treated by Wellard as serious misconduct and will result in disciplinary action, possibly including termination of contract or employment.

Do I have to keep information about Wellard confidential?

Yes. In addition to the insider trading restrictions, you have a duty of confidentiality to Wellard and must not:

- disclose Confidential Information about Wellard;
- use Confidential Information in a manner that may injure, prejudice or cause loss to Wellard; or
- use Confidential Information to gain an advantage for yourself or your Closely Connected Persons.

Employees who breach their confidentiality obligations to Wellard will be subject to disciplinary action which may include termination of their contract or employment and potentially civil action.

Am I a Restricted Person?

In summary, you will be a Restricted Person (and so will your Closely Connected Persons) if you are likely to come into possession of insider information. See the definition of **Restricted Person** at the back of this Policy for more detail.

Restricted Persons – when

When am I prohibited from Trading?

can you Trade?

If you are a Restricted Person you cannot Trade in Wellard Securities:

- at any time when you have inside information;
- during a **prohibited period** unless you have **clearance to trade** (subject to some exceptions); or
- at any time if the Trading is for short term or speculative gain.

What are the prohibited periods?

Prohibited periods are all times outside the **permitted trading periods** in this table:

| Event/ASX Announcement | Permitted Trading Period |
|---|---|
| Announcement to ASX of full year results | The 30 day period commencing at 10.00am on the next trading day after the announcement to ASX |
| Announcement to ASX of half year results | The 30 day period commencing at 10.00am on the next trading day after the announcement to ASX |
| Annual general meeting | The 30 day period commencing at 10.00am on the next trading day after the holding of the annual general meeting |
| Release of a document offering Wellard Securities (eg prospectus or cleansing notice) | While the offer remains open for acceptance |

The Board may vary the prohibited periods from time to time by providing notice (written or electronic) to all Restricted Persons.

If you are unsure of the precise start and finish dates of a permitted trading period, contact the Company Secretary before Trading.

What are the exceptions?

Subject to the insider trading laws, if you are a Restricted Person you can Trade if the Trade:

- **(acting as trustee)** is by or on behalf of a trust of which you are a trustee or director of a corporate trustee, provided you are not a beneficiary of the trust and the decision to Trade is taken by other directors or trustees of the trust independent of you;

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- **(third parties)** is the result of a third party fund or scheme investing in Wellard Securities (but not exclusively) at the discretion of a third party (eg managed investment scheme or listed investment fund);
 - **(takeover, scheme or buyback)** results from a scheme of arrangement or acceptance of a takeover or equal access buyback;
 - **(security purchase plans and dividend reinvestment plans)** arises under an offer to some or all holders of Wellard Securities under a security purchase plan or dividend reinvestment plan, provided that you do not commence, terminate or amend your participation in the plan during a prohibited period and/or the plan otherwise determines the timing and the structure of the offer which is approved by the Board;
 - **(incentive scheme)** results from the exercise (but not the sale following exercise) of an option or performance 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 conversion of the Security falls during a prohibited period and you could not reasonably be expected to have exercised the option or right during a permitted trading period; or
 - **(lender disposal)** arises through the disposal of Wellard Securities by a lender exercising their rights, except under a margin lending or other funding arrangement that is not permitted under this Policy.

Can I ask for clearance to Trade?

When can I ask for clearance to Trade?

In **exceptional circumstances**, approval may be given by an **Authorising Officer** for you to Trade during a prohibited period.

Exceptional circumstances may include, but are not limited to:

- severe financial hardship – an immediate and pressing financial commitment that cannot be satisfied otherwise than by selling the relevant Securities;
- where there is a court order or other legal or regulatory obligation to transfer or accept a transfer of Wellard Securities; or
- other circumstances determined by the Authorising Officer to be exceptional.

How do I ask for clearance to Trade?

To request a clearance to Trade, apply in writing to the Authorising Officer in the table below:

- detailing the exceptional circumstances;
- including sufficient evidence that the requested Trade is the most reasonable course of action available in the

circumstances; and

- including a statement that you are not in possession of any inside information that might preclude you from Trading.

| Applicant | Authorising Officer |
|--|---------------------|
| Employee other than a senior executive | CEO |
| Director (other than the Chair), CEO or senior executive | Chair |
| Chair | Board |

When and how will a decision be made?

The Authorising Officer will notify you in writing within three business days of receiving your application whether or not clearance to Trade is granted.

The decision of the Authorising Officer is made in their sole discretion and is final and binding. The Authorising Officer does not need to provide reasons.

In considering an application, the Authorising Officer will have regard to the purpose of this Policy which is not only to minimise the risk of insider trading but also to avoid the appearance of insider trading and the reputational damage it can cause and any other matters the Authorising Officer thinks fit.

Clearance to Trade should generally not be granted if:

- Wellard is considering any market announcement regarding trading results, corporate transactions or otherwise, or is relying on Listing Rule 3.1A;
- the Authorising Officer considers there is information that is not generally available, but if it were, it would be likely to have a material effect on the price or value of Wellard Securities; or
- there is a risk that the market will suspect you had inside information, or there is a risk of reputational damage to Wellard.

If clearance to Trade is:

- granted:
 - it is valid for five business days unless another period is stated in the clearance to Trade;

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- the Authorising Officer may withdraw the clearance to Trade if new information becomes available or there is a change in circumstances;
 - it is not an endorsement of the proposed Trade and you are responsible for your own investment decisions and ensuring you comply with the insider trading laws; or
 - refused, you must keep that information confidential and must not disclose it to anyone.

What other restrictions are there?

If you are a Restricted Person:

- You must obtain the Board's approval to enter into a margin lending, hedging or any other secured financing arrangement in relation to Wellard Securities, providing the Board with the material terms of the proposed arrangements, including the right of the lender to sell unilaterally and trigger events.
- You must not enter into margin lending, hedging or any other secured financing arrangement in relation to Wellard Securities that would have the effect of limiting your exposure to risk in relation to part or all of your remuneration that has not vested, or has vested but remains subject to a restriction arrangement (eg a holding lock).
- If you have entered into any margin lending arrangement, hedging or any other secured financing arrangement with the Board's approval, you must keep the Company Secretary informed of any change in circumstances that may be relevant to Wellard's continuous disclosure obligations.
- You must not engage in 'short term' (less than 90 days) or speculative trading in Wellard Securities or in financial products associated with Wellard Securities.
- You must not engage in short selling Wellard Securities.

Similar restrictions will also apply if you participate in any equity based remuneration scheme of Wellard.

Do I need to give notice if I intend to trade?

If you are a Restricted Person, you are required to notify Wellard of intended dealings in Wellard Securities, by yourself or your Closely Connected Persons, at least three days prior to the intended Trading. This should be done by notice to the relevant Authorising Officer outlining:

- name of security holder;
- proposed date of Trading;
- type of Trading (purchase, sale, etc); and
- number of Securities involved.

Following completion of the proposed Trade, you must confirm to the Authorising Officer that the Trade has occurred, and details of the price per Security.

The Company Secretary maintains a register of Restricted Persons and monitors your Trading in Wellard Securities.

Wellard may require you to provide details about any Trading in Wellard Securities and you must respond in a timely manner.

Will this Policy change?

This Policy has been adopted by the Board.

The Board will review this Policy regularly to ensure it complies with the Listing Rules and applicable governance policy.

Definitions

| | |
|----------------------------------|---|
| ASX | ASX Limited ACN 008 624 691 or the securities exchange operated by it, as the context requires. |
| Board | The board of directors of Wellard. |
| CEO | The chief executive officer of Wellard. |
| Chair | The chair of the Board. |
| Closely Connected Persons | <ul style="list-style-type: none">• a spouse or de facto partner of a Restricted Person;• a child or dependant of a Restricted Person; and• a company or trust controlled by a person referred to in (a) or (b) or in which a person referred to in (a) or (b) has a beneficial interest. |
| Company Secretary | The company secretary of Wellard. |
| Confidential Information | All sensitive, non-public information concerning Wellard, including any part of that information. |
| Consultant | A contractor or consultant to Wellard. |
| Corporations Act | <i>Corporations Act 2001</i> (Cth). |
| Director | A director of Wellard. |
| Employee | A Director or a full time, part-time or casual employee of Wellard. |
| Listing Rules | The listing rules of ASX. |
| Policy | This securities trading policy as amended from time to time. |
| Procure | Incite, induce or encourage an act or omission by another person. |
| Wellard | Wellard Limited ACN 607 708 190, including all subsidiaries. |
| Restricted Person | <ul style="list-style-type: none">• All directors, officers and other key management personnel of Wellard;• any other nominated employee or person advised by Wellard; and• Closely Connected Persons of the persons listed above. |

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| Security or Securities | Ordinary shares, preference shares, convertible notes, debentures, warrant contracts, options, derivatives, performance rights and other hedging instruments and mechanisms. |
| Trade or Trading | <ul style="list-style-type: none"> • Apply for, acquire or dispose of Securities; • enter into an agreement to apply for, acquire or dispose of Securities; or • grant, accept, acquire, dispose, exercise or discharge an option or other right or obligation to acquire or dispose of Securities; • procure another person to: <ul style="list-style-type: none"> • apply for, acquire or dispose of Securities; or • enter into an agreement to apply for, acquire or dispose of Securities. |
| you | A person to whom this Policy applies. |
