

XTEK LIMITED
BOARD OF DIRECTORS

CORPORATE GOVERNANCE POLICY

SECURITIES TRADING POLICY

Prepared by	Reviewed by	Approved by
Laurie Gardiner	All Directors	Mark Stevens
Company Secretary	Board of Directors	Chairman of the Board
Date: 9 August 2022	Date: 24 August 2022	Date: 24 August 2022
	Reviewed at Board Meeting	

1. Introduction

- 1.1 XTEK Limited (**Company**) is a listed public company on the Australian Securities Exchange (ASX).
- 1.2 This trading policy sets out the Company's policy regarding the trading in Company securities, which includes shares, options, warrants, debentures, and any other security on issue from time to time. This policy is separate from and additional to the legal constraints imposed by the common law, the *Corporations Act* and ASX Listing Rules.
- 1.3 Overall responsibility for share trading policy rests with the Board, who has obligations to ensure that trade in its securities, is conducted in a manner that is responsible and meets all compliance requirements.

2. Policy

- 2.1 This policy applies to all Directors and employees of the Company and their associates (including spouses, children, family trusts and family companies) as well as consultants, advisers, and auditors of the Company ("designated officers").
- 2.2 It is illegal to trade in the Company's securities while in possession of unpublished price sensitive information concerning the Company. Under the *Corporations Act* a person with inside information must not, and must not procure another person, to deal in the securities of a body corporate or enter into an agreement to deal in the securities of a body corporate. Inside information is defined in the *Corporations Act* as information that:
 - (a) is not generally available; and
 - (b) if generally available, a reasonable person would expect it to have a material effect on the price or value of the securities of the body corporate.
- 2.3 This policy outlines:
 - (a) when Directors, senior management and other employees may deal in Company securities;
 - (b) when Directors, senior management and other employees may deal in listed securities of another entity (because they may obtain inside information about another entity's securities while performing their duties for the Company; and
 - (c) procedures to reduce the risk of insider trading.

3. Defined Terms

- 3.1 In this policy:

Approving Officer means:

- (a) for a Designated Officer who is not a Director, the Company Secretary;
- (b) for a Director and the Company Secretary (except the Chairperson of the Board), the Chairperson of the Board; and
- (c) for the Chairperson of the Board, the Chairperson of the Finance and Audit Committee.



Company Securities includes shares in the Company, options over those shares and any other financial products of the Company traded on ASX.

Designated Officer means a director or person engaged in the management of the Company, whether as an employee or consultant.

4. General Prohibition on Insider Trading

- 4.1 If a person has information about securities and the person knows, or ought reasonably to know, that the information is inside information, it is likely to be illegal for the person to:
- (a) deal in the securities;
 - (b) procure another person to deal in the securities; or
 - (c) give the information to another person who the person knows, or ought reasonably to know, is likely to:
 - (i) deal in the securities; or
 - (ii) procure someone else to deal in the securities.
- 4.2 All designated officers are prohibited from trading in the Company's securities while in the possession of unpublished price sensitive information concerning the company. In addition, while in possession of unpublished price sensitive information designated officers must not advise others to trade in the Company's securities or communicate the information to another person knowing that the person may use the information to trade in, or procure someone else to trade in, the Company's securities.
- 4.3 Unpublished price sensitive information is information regarding the Company, of which the market is not aware and that a reasonable person would expect to have a material effect on the price or value of the Company's securities, and includes:
- (a) a proposed and approved major acquisition or disposition;
 - (b) a significant approved business development or a change in the nature of the Company's business;
 - (c) details of material contracts that have been awarded or are in the final stages of being negotiated by the Company;
 - (d) potential litigation that would have a substantial effect on the Company;
 - (e) a proposed and approved change in the share capital structure of the Company;
 - (f) a proposed and approved change in the Company's dividend policy; and
 - (g) a major change to the Board or senior management.
- 4.4 Insider trading is a criminal offence. It is punishable by substantial fines or imprisonment or both. A company may also be liable if an employee or director engages in insider trading. Insider trading may also attract civil penalties. A court may impose substantial pecuniary penalties for insider trading and order payment of compensation to persons who suffer loss or damage because of insider trading.

5. Restrictions on Short-Term Trading



- 5.1 The Company encourages Directors, members of senior management and employees to adopt a long-term attitude to their investment in the Company's securities. Consequently, Directors, members of senior management and employees should not engage in short-term or speculative trading of the Company's securities.
- 5.2 However, the sale of shares immediately after they have been acquired through the conversion of a security (e.g., exercise of an option) will not be regarded as short-term trading.

6. What is inside information?

- 6.1 Inside information is information that:
- (a) is not generally available; and
 - (b) if it were generally available, would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the relevant securities.
- 6.2 Information is generally available if it:
- (a) is readily observable;
 - (b) has been made known in a manner likely to bring it to the attention of persons who commonly invest in securities of the relevant type and a reasonable period for that information to be disseminated has elapsed since it was made known; or
 - (c) consists of deductions, conclusions or inferences made or drawn from information falling under [paragraphs](#) (b) or (c)

7. What is dealing in securities?

- 7.1 Dealing in securities includes:
- (a) applying for, acquiring, or disposing of securities;
 - (b) entering into an agreement to apply for, acquire or dispose of securities; and
 - (c) granting, accepting, acquiring, disposing, exercising, or discharging an option or other right or obligation to acquire or dispose of securities.

8. When employees may deal

- 8.1 An employee (who is not a Designated Officer) may deal in Company Securities or the listed securities of another entity if he or she **does not** have information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities or those securities of the other entity.

9. When employees may not deal

- 9.1 An employee (who is not a Designated Officer) may not deal or procure another person to deal in Company Securities or the listed securities of another entity if he or she has information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities or those securities of the other entity.



10. When a Designated Officer may deal

- 10.1 A Designated Officer may deal in the listed securities of another entity if he or she **does not** have information that he or she knows, or ought reasonably to know, is inside information in relation to those securities.
- 10.2 Directors and members of senior management are likely to be in possession of unpublished price sensitive information concerning the Company by virtue of their position within the Company, accordingly **those persons and their associates may only trade in the Company's securities during a 12-week period ("trading windows") commencing immediately after each of the following events:**
- (a) the release by the Company of its half-yearly results to the ASX;
 - (b) the release by the Company of its annual results to the ASX; and
 - (c) the close of the Annual General Meeting of the Company.
- 10.3 However, during these trading windows the prohibition on insider trading continues to apply.

11. When a Designated Officer may not deal

- 11.1 A Designated Officer may not deal or procure another person to deal in Company Securities if:
- (a) he or she has information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities; or
 - (b) he or she has not complied with paragraph 10.
- 11.2 Designated Officers may not deal or procure another person to deal in the listed securities of another entity if they have information that they know, or ought reasonably to know, is inside information in relation to those securities.

12. Clearance from the Approving Officer – Outside Trading Windows

- 12.1 Before dealing in Company Securities outside of proclaimed trading window periods as set out in paragraph 10.2, a Designated Officer must first inform the Approving Officer and obtain clearance.
- 12.2 The Approving Officer may not give clearance to such requests if:
- (a) there is a matter about which there is inside information in relation to Company Securities (whether or not the Designated Officer knows about the matter) when the Designated Officer requests clearance or proposes to deal in Company Securities; and
 - (b) the Approving Officer has any other reason to believe that the proposed dealing breaches this policy.
- 12.3 The Approving Officer must:
- (a) keep a written record of:
 - (i) any information received from a Designated Officer in connection with this policy; and



- (ii) any clearance given under this policy; and
 - (b) send a copy of the written record to the Company Secretary for record keeping.
- 12.4 The Company Secretary must keep a file of any written record referred to in paragraph 12.3.

13. Exceptional circumstances

13.1 A person may trade in the Company's securities outside of the trading window period in the following circumstances:

- (a) the Chair approves the trade by a Director or the Company Secretary upon the Director or Company Secretary satisfying the Chair that they do not possess unpublished price sensitive information about the company and a failure to trade in the company's securities would result in exceptional circumstances such as financial hardship;
- (b) the Company Secretary approves the trade by an employee upon the employee satisfying the Company Secretary that they do not possess unpublished price sensitive information about the company and a failure to trade in the Company's securities would result in exceptional circumstances such as financial hardship;
- (c) the trade in a managed securities portfolio where the person is not in a position to influence choices in the portfolio; and
- (d) where the trade results from a dividend reinvestment plan where the person has given ongoing instructions to reinvest dividends.

13.2 The Approving Officer may give clearance for a Designated Officer to sell (but not buy) Company Securities in exceptional circumstances where the Designated Officer would otherwise not be able to do so under this policy. For example, if the Designated Officer has a pressing financial commitment that cannot otherwise be satisfied.

13.3 The Approving Officer may not give clearance under the exception rule if there is a matter about which there is inside information in relation to Company Securities (whether or not the Designated Officer knows about the matter) when the Designated Officer requests clearance or proposes to deal in Company Securities.

13.4 The Approving Officer will decide if circumstances are exceptional.

14. Notification of Proposed Trade in Company Securities

14.1 The Chairperson, prior to trading in (either buying or selling) the Company's securities or entering into a transactions or arrangement which operates to limit the economic risk of his/her security holdings in the Company, must notify the Company Secretary of his/her intention to trade or his/her effective exposure under his/her security holdings as a result of the before mentioned transaction or arrangement and confirm that he/she is not in possession of any unpublished price sensitive information.



- 14.2 Directors, prior to trading in (either buying or selling) the Company's securities or entering into a transactions or arrangement which operates to limit the economic risk of his/her security holdings in the Company, must notify the Company Secretary of their intention to trade or his/her effective exposure under his/her security holdings as a result of the before mentioned transaction or arrangement and confirm that they are not in possession of any unpublished price sensitive information.
- 14.3 Employees, prior to trading in (either buying or selling) the Company's securities or entering into a transactions or arrangement which operates to limit the economic risk of his/her security holdings in the Company, must notify the Company Secretary of their intention to trade or his/her effective exposure under his/her security holdings as a result of the before mentioned transaction or arrangement and confirm that they are not in possession of any unpublished price sensitive information.
- 14.4 The requirement to provide notice of an intention to trade in the Company's securities does not apply to the acquisition of securities through Director, officer or employee share or option plans. However, the requirement does apply to the trading of the securities once they have been acquired.
- 14.5 In the absence of the Company Secretary, all trading notifications are to be made to the Chairman of the Finance, Audit and Risk Management Committee or the Chairperson.

15. Notification of Trade in Company Securities

- 15.1 Directors must also notify the Company Secretary of any trade in the Company's securities within 2 days of such trade occurring so that the Company Secretary can comply with the ASX Listing Rule 3.19A requirement to notify the ASX of any change in a notifiable interest held by a Director.

16. Dealings by associated persons and investment managers

- 16.1 If a Designated Officer may not deal in the Company Securities, he or she must prohibit any dealing in the Company Securities by:
- (a) any associates; or
 - (b) any investment manager on their behalf or on behalf of any associates.
- 16.2 For the purposes of paragraph 16.1, a designated Officer must:
- (a) inform any investment manager or associated person of the periods during which the Designated Officer may and may not deal in Company Securities; and
 - (b) request any investment manager or associated person to inform the Designated Officer immediately after they have dealt in Company Securities.
- 16.3 A Designated Officer does not have to comply with these provisions to the extent that to do so would breach their obligations of confidence to the Company.



17. Communicating inside information

- 17.1 If an employee (including a Designated Officer) has information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities or the listed securities of another entity, the employee must not directly or indirectly communicate that information to another person if he or she knows, or ought reasonably to know, that the other person would or would be likely to:
- (a) deal in Company Securities or those securities of the other entity; or
 - (b) procure another person to deal in Company Securities or the securities of the other entity.
- 17.2 An employee must not inform colleagues (except the Approving Officer) about inside information or its details.

18. Breach of policy

- 18.1 A breach of this policy by a Designated Officer or employee is serious and may lead to disciplinary action, including dismissal in serious cases. It may also be a breach of the law.

19. Disclosure of policy

- 19.1 This policy must be disclosed to all employees, consultants, advisers, auditors, and Designated Officers of the Company.

20. Assistance and additional information

- 20.1 Employees who are unsure about any information they may have in their possession, and whether they can use that information for dealing in securities, should contact the Company Secretary.

21. Approved and adopted

- 21.1 This policy was approved and adopted by the Board on 24th day of August 2022.

Date: 24th day of August 2022

Signed:



Mark Stevens
Chairman of the Board of Directors
XTEK Limited