



SECURITIES TRADING POLICY

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Approved by:	Document Controller :
Engenco Limited Board of Directors	Engenco Company Secretary

1 INTRODUCTION

1.1 Purpose

This document is the policy of Engenco Limited (**Company**) with respect to Staff trading in the Company's securities. This Policy has been approved by the Company's Board of Directors with the objective of among other things minimising the risk of insider trading in the Company's securities and in furtherance of the Company's commitment to the adoption of good corporate governance principles.

1.2 Who is covered by this policy

This Policy applies to directors, officers and employees (full time, part time or casual), contractors and consultants (where their contract of engagement states that this policy applies) (**Staff**) of the Company and of the entities which the Company controls.

Restrictions against insider trading by Staff extend to persons connected to Staff members (**Connected Persons**) including a spouse or partner, child or step child under 18 years, an unlisted body corporate which a Staff member controls or is a director of, a trust of which a Staff member is a trustee or a Staff member and a Connected Person is a beneficiary, or any other person over whom the Staff member has significant influence or control.

1.3 Securities covered by this policy

The securities covered by this Policy include shares and options issued by the Company and derivatives of any of these as well as any other financial products issued by third parties in relation to the Company's shares.

2 PROHIBITED CONDUCT – INSIDER TRADING

2.1 What is insider trading

Insider trading is the practice of dealing in, or advising or procuring others to deal in, the securities of a company when in possession of inside information or passing inside information to another person who they know or ought reasonably to know will use the inside information to deal in, or advise or procure someone else to deal in securities.

2.2 What is inside information

Inside information is information about the Company that is not generally available and if it were generally available a reasonable person would expect it to:

- (a) have a material effect on the price or value of the securities of the Company; or
- (b) influence persons in deciding whether to deal in the securities of the Company.

It does not matter how a person comes into the possession of inside information.

Examples of price sensitive information which if not generally available may be inside information include the following:

- a material variance in the financial performance of the Company against its budget;
- a proposed or actual takeover or amalgamation;
- an unexpected material liability or possible claim against the Company;
- divestment of part of the operations of the Company;
- a breach of bank debt facilities;

- a proposed new issue of securities; or
- a proposed dividend or change in dividend policy.

2.3 Information generally available

Information is generally available if:

- it has been released to the Australian Securities Exchange (**ASX**) and a reasonable period for it to be disseminated among investors and market participants has elapsed;
- it is on the Company's website;
- it is published in the media;
- it has been available for some time and would be expected to be known to investors;
or
- it has been published, deduced or inferred from information which has already been made public.

2.4 Prohibition

Insider trading is prohibited at all times.

If any member of Staff has inside information relating to the Company which is not generally available, that Staff member must not:

- buy, sell or in any way deal in securities of the Company;
- advise, procure, or in any way encourage another person to buy or sell securities of the Company; or
- relay information to another person that the member of Staff knows or might reasonably know will use the information to buy or sell securities of the Company.

It is an offence under the *Corporations Act 2001* (Cth) to engage in insider trading. Penalties for breaches can include civil and/or criminal liability including fines and/or imprisonment.

3 FURTHER RESTRICTIONS ON TRADING

3.1 Short term trading

Short term or speculative dealing in the Company's securities by Staff is not permitted. Short term trading means to acquire securities with the intention of selling those securities within a 12 month period.

3.2 Closed periods

- The Company recognises that Staff may be in possession of information that, from time to time, may be considered price sensitive and has therefore determined that in certain periods of the year (called **Closed Periods**), Staff will not be permitted to deal in securities of the Company.

The prohibition in dealing in securities during Closed Periods applies in addition to the general prohibition in clause 2.4. Accordingly, if a member of Staff has inside information, they must not deal in securities at any time. No Staff member may deal in securities during a Closed Period unless:

- written clearance is obtained under clause 5 due to Exceptional Circumstances as defined in clause 4; or

- (ii) the trading is excluded from this Policy as set out in clause 6.
- (b) Under this policy, the following periods are designated as Closed Periods:
 - (i) the period between 1 July up until and including the date on which the Company lodges its preliminary final report with ASX and a reasonable period for the report to be disseminated among investors and market participants has elapsed;
 - (ii) the period between 1 January up until and including the date on which the Company lodges its half yearly report with ASX and a reasonable period for the report to be disseminated among investors and market participants has elapsed; and
 - (iii) any other period determined by the Company's Board of Directors from time to time to be a Closed Period.

3.3 Directors and Designated Officers

It is further recognised that Directors and certain officers of the Company, being the Company Secretary, the Chief Executive Officer, the Chief Financial Officer and other direct reports to the Chief Executive Officer (**Designated Officers**), are more likely to be in possession of price sensitive information. As a result further restrictions apply to Directors and Designated Officers as set out below.

(a) **Directors**

- (i) When proposing to trade in the Company's securities, Directors must in writing notify the Chairman and the Company Secretary of any intended trading and confirm that he or she is not in possession of any inside information. In the case of the Chairman, he or she must provide that notification and confirmation to the Chief Executive Officer and the Company Secretary.
- (ii) In addition, Directors should note that the Company is required by the ASX Listing Rules to notify ASX of any dealings by Directors in the Company's securities within 5 business days of such dealing taking place and must therefore promptly advise the Company Secretary in writing when any trading has occurred.

(b) **Designated Officers**

- (i) When proposing to trade in the Company's securities, Designated Officers must in writing notify the Chief Executive Officer and the Company Secretary of any intended trading and confirm that he or she is not in possession of any price sensitive information. In the case of the Company Secretary, that notification must be given to the Chief Executive Officer and the Chief Financial Officer.
- (ii) Designated Officers must in writing advise the Company Secretary when trading has occurred. In the case of the Company Secretary, that notification must be given to the Chief Executive Officer.

3.4 Employee Incentive Schemes – Staff other than Directors and Designated Officers

During a Closed Period, Staff who hold options, performance rights or shares under any equity based remuneration schemes of the Company may:

- (a) exercise their employee options and performance rights;

- (b) provided that they are not in possession of inside information and they comply with the procedure set out in clause 5, sell shares delivered to them as a consequence of the exercise of their employee options or vesting of performance rights; and
- (c) provided that they are not in possession of inside information and they comply with the procedure set out in clause 5, sell shares held by them under any equity based remuneration scheme.

This clause 3.4 does not apply to Directors and Designated Officers.

3.5 Employee Incentive Schemes – Directors and Designated Officers

During a Closed Period, a Director or Designated Officer may only exercise (but not sell securities following exercise) an option or performance right under an equity-based remuneration scheme, or convert a convertible security, where:

- (a) the final date for the exercise of the option or right, or conversion of the security, falls during a Closed Period and the Company has been in an exceptionally long Closed Period or the Company has had a number of consecutive Closed Periods and the Director or Designated Officer could not reasonably have been expected to exercise the option or converted the security at a time when free to do so; and
- (b) the Director or Designated Officer provides written notification and confirmation that the Director or Designated Officer is not in possession of inside information as required by clause 5.

3.6 Securities in other companies

Staff must not deal in securities of other companies if he or she possesses inside information in relation to that other company. Through their work, Staff may be or may become aware of inside information relating to the Company's customers, suppliers, contractors, joint venture associates or other business partners.

For example, a Staff member may become aware that the Company is about to sign a major agreement with another company that is likely to have an effect on the share price of either company or both, in which case the Staff member must not deal in the securities of the Company and/or the other company (as the case may be).

3.7 Connected Persons

The restrictions on insider trading in this Policy also apply to any dealings by Connected Persons of Staff. It is the duty of Staff to seek to avoid any such dealings by a Connected Person at a time when he or she is prohibited from dealing.

4 EXCEPTIONAL CIRCUMSTANCES

- (a) Trading in the Company's securities may be allowed during a Closed Period if:
 - (i) the relevant member of Staff is not in possession of inside information;
 - (ii) there are Exceptional Circumstances as defined below; and
 - (iii) prior written clearance is obtained in accordance with the procedure in clause 5.
- (b) Exceptional Circumstances include, but are not limited to, the following circumstances:

- (i) the member of Staff has a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant securities (a tax liability of a person would not normally constitute severe financial hardship unless the person has no other means of satisfying the liability);
- (ii) the member of Staff is required as a result of a court order or court enforceable undertaking (for example, as part of a bona fide family law settlement) or there is some other overriding legal or regulatory requirement; or
- (iii) other circumstances deemed exceptional by the Approving Officer (as defined in clause 5).

5 CLEARANCE AND REPORTING PROCEDURES IN EXCEPTIONAL CIRCUMSTANCES

If a member of Staff needs to sell or otherwise dispose of securities of the Company during a Closed Period due to Exceptional Circumstances, the Staff member must request prior written clearance in accordance with the procedure set out in this clause.

A Staff member seeking clearance must:

- (a) apply in writing (including via email) to the Company Secretary for submission to the applicable Approving Officer;
- (b) confirm in the application that he or she is not in possession of any inside information relating to the Company; and
- (c) provide sufficient evidence in the application of the relevant Exceptional Circumstances and details of why the sale or other disposal of securities is the most reasonable course of action available in the circumstances.

The applicable Approving Officer has full discretion to decide whether Exceptional Circumstances exist, and whether clearance of the sale or disposal should be given. The discretion to grant such a clearance will be exercised with caution and permission may be given or refused.

Clearance will be provided by the Approving Officer in writing (including via email) and is effective for 7 days or such other period determined by the Approving Officer. The day on which such notification is given to the relevant Staff member will be counted in measuring the number of days for which the clearance to trade is effective. The relevant Staff member cannot sell or otherwise deal in Company securities outside of the effective period specified in the clearance.

For the purposes of this clause and clause 7.2, the **Approving Officer** is:

- in the case of a Director or Designated Officer, the Chairman;
- in the case of the Chairman, at least one independent director; or
- in the case of all other members of Staff, the Chief Executive Officer.

6 TRADING WHICH IS NOT SUBJECT TO THIS POLICY

Subject clause 2, the following trading in the Company's securities is excluded from this Policy:

- (a) transfers of securities already held into a superannuation fund or other saving scheme in which the Staff member is a beneficiary;

- (b) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the Company's securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (c) where the Staff member is a trustee, trading in the Company's securities by that trust provided the Staff member is not a beneficiary of the trust and any decision to trade during a Closed Period is taken by the other trustees or by the investment managers independently of the Staff member;
- (d) undertakings to accept, or the acceptance of, a takeover offer or participation in a Scheme of Arrangement;
- (e) trading under an offer or invitation made to all or most of the Company's security holders (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. 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 of the Company that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement;
- (g) trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in the trading policy and where:
 - (i) the Staff member did not enter into the plan or amend the plan during a Closed Period;
 - (ii) the trading plan does not permit the Staff member to exercise any influence or discretion over how, when, or whether to trade; and
 - (iii) the entity's trading policy does not allow for the cancellation of the plan during a Closed Period other than in exceptional circumstances;
- (h) indirect and incidental trading that occurs as a consequence of a Staff member dealing in units or shares of a managed investment scheme, listed investment company, exchange-traded fund or similar investment vehicle that is managed by a third party and that happens to hold as part of its portfolio securities in the listed entity; and
- (i) where the Company has an employee incentive scheme with a Director or Designated Officer as a trustee of the scheme, trading by the Director or Designated Officer in his or her capacity as a trustee of the scheme.

7 PROHIBITED TRANSACTIONS

7.1 Hedging

(a) General

Staff must not engage in hedging arrangements over their security holdings in the Company unless:

- (i) the details of the arrangement are fully disclosed in writing to the Chairman and the Company Secretary (and by the Company to ASX and in the Annual Report as appropriate); and
- (ii) the arrangement is treated as a dealing in securities and the restrictions and requirements of this policy are satisfied.

(b) **Equity-based remuneration schemes**

Staff are prohibited from engaging in hedging arrangements over unvested securities or entitlements under any equity-based remuneration scheme. An unvested entitlement includes a Company share or option which is still subject to time and/or performance hurdles.

For the purpose of this clause 7.1, hedging arrangements mean transactions or arrangements which limit the economic risk of participating in securities.

7.2 Margin loans

Staff must not enter into agreements that provide lenders with rights over their interests in securities in the Company without first seeking and obtaining prior written clearance from the appropriate Approving Officer.

8 CONSEQUENCES OF A BREACH

A breach of this Policy or the insider trading provisions of the *Corporations Act 2001* (Cth) will be regarded by the Company as serious misconduct which may lead to disciplinary action and/or dismissal.

9 REVIEW AND AMENDMENT

This Policy will be reviewed periodically to ensure it continues to comply with all applicable laws and good corporate governance practices and cannot be amended without the approval of the Company's Board of Directors. If any material changes are made to this Policy, the Company will provide the amended policy to ASX for release to the market within 5 business days of the material change taking effect.

10 QUESTIONS

If Staff members have any questions arising from this Policy they should contact the Company Secretary.