



**Trac Group Holdings Ltd**

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## Securities Trading Policy

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## Contents

<b>1</b>	<b>Introduction</b>	<b>1</b>
<b>2</b>	<b>Definitions</b>	<b>1</b>
<b>3</b>	<b>Persons to whom this policy applies</b>	<b>2</b>
<b>4</b>	<b>Restrictions on dealing in securities</b>	<b>2</b>
	4.1 No trading when in possession of inside information	2
	4.2 Other prohibited dealings	2
	4.3 Other permitted dealings	4
	4.4 Margin lending	4
	4.5 Hedging of Company securities	5
	4.6 Exclusions	5
<b>5</b>	<b>Securities in other companies</b>	<b>6</b>
<b>6</b>	<b>Breach</b>	<b>6</b>
<b>7</b>	<b>Insider trading</b>	<b>6</b>
<b>8</b>	<b>Who to contact</b>	<b>6</b>



## 1 Introduction

As a public company, Trac Group Holdings Ltd (the **Company** or **TGH**) is bound by laws governing the conduct for buying, selling and otherwise dealing in securities.

The purpose of this Policy is to:

- (a) explain the types of conduct in dealing in securities that are prohibited under the Corporations Act. Such prohibitions apply to all Directors and personnel of the Company and its related bodies corporate as defined in the Corporations Act (collectively, the **Tractile Group**);
- (b) establish a best practice procedure for the buying and selling of securities that protects the Company, its Directors and personnel against the misuse of unpublished information which could materially affect the value of securities; and
- (c) not only avoid the risk but also the appearance of insider trading and the significant reputational damage that may cause to the Tractile Group.

The Company aims to achieve the highest possible standards of corporate conduct and governance. The Board of Directors of the Company considers that compliance with this Policy is essential for all Directors and personnel of TGH to meet the highest standards of conduct.

**Any non-compliance with this Policy will be regarded as serious misconduct which may entitle the Company to take disciplinary action.**

It is essential that all Directors and personnel of the Company read, understand and comply with this Policy. Should you be unsure about any aspect of the Policy, please contact the Company Secretary.

## 2 Definitions

For the purpose of this Policy:

- (a) **dealing** includes:
  - (i) buying or otherwise applying for securities, whether on or off market;
  - (ii) selling or otherwise disposing of securities, whether on or off market;
  - (iii) arranging for someone else to buy, sell or otherwise apply for or dispose of securities;
  - (iv) margin lending, stock lending or other financing arrangements related to securities;
  - (v) issuing, underwriting or varying the terms of securities; and
  - (vi) transferring legal ownership of securities, even where beneficial ownership does not change.
- (b) **inside information** means information that:
  - (i) is not generally available; and
  - (ii) if it were generally available, it would, or would be likely to, have a material effect on the price or value of those securities. This is satisfied where the information would, or would be likely to, influence investors in deciding whether to buy or sell securities,

and can include information which is of an uncertain nature, rumours, matters of supposition, matters relating to the intentions of a person (including the Company) and information which is insufficiently definite to warrant disclosure to the public.



- (c) **securities** includes:
- (i) shares;
  - (ii) options;
  - (iii) notes, bonds and other debentures;
  - (iv) interests in managed investment schemes, trusts and other financial products; and
  - (v) any derivatives of those securities, including equity swaps, futures, hedges and exchange-traded or over-the-counter options, whether settled by cash or otherwise.

### 3 Persons to whom this policy applies

Unless otherwise stated, this Policy applies to:

- (a) all Directors and officers of the Tractile Group (including the CEO);
- (b) all direct reports to the CEO and their direct reports;
- (c) any other personnel designated by the Board (collectively with paragraphs (a) and (b), **TGH Personnel**); and
- (d) closely related parties (as that term is defined in the Corporations Act) of all TGH Personnel.<sup>1</sup>

In this Policy, the persons listed above are called **Relevant Persons**.

Where this Policy requires a Relevant Person to do something (eg, obtaining clearance in accordance with paragraph 4.3), that person must also do so for their closely related parties.

### 4 Restrictions on dealing in securities

#### 4.1 No trading when in possession of inside information

All Relevant Persons and all employees must not deal in the Company's securities where:

- (a) they are in possession of inside information; or
- (b) the Company is in possession of inside information and has notified Relevant Persons that they must not deal in securities (either for a specified period, or until the Company gives further notice).

#### 4.2 Other prohibited dealings

##### (a) Blackout Periods

Blackout Periods are times when Relevant Persons must not deal in the Company's securities.

The following are mandated Blackout Periods:

- (i) from the close of the ASX trading day on 31 May each year, until the close of the ASX trading day that is 48 hours after the Company's full year results are released to the ASX;

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<sup>1</sup> A 'closely related party' includes the Relevant Person's spouse, child, spouse's child, a dependent of the Relevant Person or Relevant Person's spouse, any other family member of the Relevant Person who is in a position of influence over, or may be influenced by, the Relevant Person, or a company controlled by the Relevant Person.



- (ii) from the close of the ASX trading day on 30 November each year, until the close of the ASX trading day that is 48 hours after the Company's half-yearly results are released to the ASX; and
- (iii) any other period that the Board specifies from time to time.

If 31 May and 30 November are not ASX trading days, then the Blackout Period begins on the preceding trading day.

During Blackout Periods, Relevant Persons must not deal in any of the Company's securities unless permitted to do so under paragraphs 4.2(b) or 4.6.

**(b) Exceptional circumstances**

If a Relevant Person needs to deal in securities during a Blackout Period due to exceptional circumstances, but such dealing is prohibited by paragraph 4.2(a) of this Policy, the Relevant Person may apply to:

- (i) the Chairman of the Board (if the Relevant Person is a Director (other than the Chairman of the Board), or one of their closely related parties);
- (ii) the Chairman of the Audit and Risk Committee and the CEO (if the Relevant Person is the Chairman of the Board or one of their closely related parties); or
- (iii) the CEO (in the case of other Relevant Persons),

or their delegate (the **Approver**) for a waiver from compliance with the provisions of paragraph 4.2(a).

Exceptional circumstances for these purposes include severe financial hardship, compulsion by court order or any other circumstance that is deemed exceptional by the Approver.

Relevant Persons seeking a waiver under this clause must apply in writing to the relevant Approver setting out:

- (i) the details of the proposed dealing, including an explanation as to the exceptional circumstances;
- (ii) the number and type of the securities the subject of the application;
- (iii) the proposed date(s) for executing the proposed dealing(s); and
- (iv) the reason the waiver is requested.

The Approver may, in their reasonable discretion, require further details from the requester, and may take the time they consider necessary to consider the request, including time to seek legal opinion.

A waiver will only be granted if the Relevant Person's application is accompanied by sufficient evidence (in the opinion of the Approver) that the requested dealing is the only reasonable course of action available in the circumstances.

If a waiver is granted, the Relevant Person will be notified in writing (including by email) and in each circumstance the duration of the waiver to deal in securities will be five business days or as otherwise nominated by the Approver.

Where a waiver is given pursuant to this paragraph 4.2(b) the Relevant Person must notify the Company Secretary of the details of that waiver for record keeping purposes.

Unless otherwise specified in the approval notice, any dealing permitted under this paragraph 4.2(b) must comply with the other sections of this Policy (to the extent applicable).



**(c) No short-term dealing – buying and selling within three month period**

Relevant Persons must not deal in the Company's securities on a short-term trading basis. Short-term trading includes buying and selling securities on-market within a three month period, and entering into other short-term dealings (eg, forward contracts).

**4.3 Other permitted dealings**

- (a) During any period other than a Blackout Period, and before any dealing in securities is undertaken, the Relevant Person seeking to trade (column A, below) must provide notification to and seek approval for any proposed dealing in the Company's securities from the person(s) approving the trade (column B, below):

<b>Column A</b> <b>Relevant Person Seeking to Trade</b> (including any closely related party)	<b>Column B</b> <b>Person(s) Approving the Trade</b>
Directors and officers of the Tractile Group (including the CEO)	The Chairman of the Board
The Chairman of the Board	The Chairman of the Audit and Risk Committee and the CEO
The CEO's direct reports, their direct reports and any person designated by the Board under paragraph 3 of this Policy	The CEO

- (b) Any decision (by a person in Column B) to approve or refuse a dealing in securities by a Relevant Person can be made in that approving person's absolute discretion. A decision to refuse approval for a proposed dealing will be final and binding.
- (c) Following approval, Relevant Persons (or their closely related parties) must undertake the proposed dealing within five business days or as otherwise notified by the person providing such approval. If the dealing is not undertaken within this time, the approval will no longer have effect and a new approval will be required.
- (d) Any approval for a Relevant Person to trade in the Company's securities may be withdrawn (at any time before the dealing is undertaken) if new information comes to light or if there is a change in circumstances.
- (e) Relevant Persons must confirm any such dealings with the person who endorsed the transaction and Company Secretary within two business days of the dealing. The Company Secretary will keep a record of this information.
- (f) Any decision to refuse approval for a proposed dealing (or where approval is withdrawn) must be kept confidential by the Relevant Person and not disclosed to anyone.

The insider trading restriction in paragraph 4.1 applies to all dealings in the Company's securities despite any approval given to a Relevant Person under this Policy, and the Relevant Person is responsible for ensuring that the dealing does not breach this restriction.

**4.4 Margin lending**

Any dealing in the Company's securities by Relevant Persons pursuant to a margin lending arrangement is not permitted. Such dealings would cover:

- (a) entering into a margin lending arrangement in respect of the Company's securities;
- (b) transferring securities in the Company into an existing margin loan account; and



- (c) selling securities in the Company to satisfy a call pursuant to a margin loan.

#### **4.5 Hedging of Company securities**

- (a) Hedging includes entering into transactions in financial products that operate to limit the economic risk associated with holding Company securities.
- (b) Hedging of Company securities by a Relevant Person is subject to the following overriding prohibitions:
  - (i) the hedge transaction must not be entered into, renewed, altered or closed out when the Relevant Person is in possession of inside information;
  - (ii) Company securities must never be hedged prior to the vesting of those Company securities. In particular, Relevant Persons are prohibited from entering into any hedge transaction involving unvested equity held pursuant to any employee, executive or director equity plan operated by the Company; and
  - (iii) Company securities must never be hedged while they are subject to a holding lock or restriction on dealing under the terms of any employee, executive or director equity plan operated by the Company.
- (c) Relevant Persons are permitted to hedge their vested and unrestricted Company securities on the following conditions:
  - (i) the hedge transaction is treated as a dealing in Company securities for the purposes of this Policy, and the relevant approvals and notifications are made on this basis; and
  - (ii) the relevant requirements under paragraph 4.3 of this Policy have been satisfied.

Where a Relevant Person enters into a hedging arrangement in respect of Company securities, the Company may, where appropriate, disclose the fact and nature of the hedge (eg, in its Annual Report or to the ASX).

#### **4.6 Exclusions**

Paragraphs 4.2 and 4.3 of this Policy do not apply to:

- (a) participation in an employee, executive or director equity plan operated by the Company (eg, applying for an allocation of securities under an employee equity plan offer). However, where securities in the Company granted under an employee, executive or director equity plan cease to be held under the terms of that plan, any dealings in those securities must only occur in accordance with this Policy;
- (b) the following categories of passive trades:
  - (i) acquisition of Company securities through a dividend reinvestment plan;
  - (ii) acquisition of Company securities through a share purchase plan available to all retail shareholders;
  - (iii) acquisition of Company securities through a rights issue or other pro rata entitlement offer; and
  - (iv) the disposal of Company securities through the acceptance of a takeover offer;
- (c) dealings that result in no effective change to the beneficial interest in the securities (eg, transfers of Company securities already held into a superannuation fund or trust of which the Relevant Person is a beneficiary); and



- (d) trading under a pre-approved non-discretionary trading plan, where the Relevant Person did not enter into the plan or amend the plan during a Blackout Period, the plan does not permit the Relevant Person to exercise any influence or discretion in relation to trading under the plan and the plan cannot be cancelled during a Blackout Period other than in exceptional circumstances.

For the avoidance of doubt, such dealings are still subject to the insider trading restrictions of this Policy where applicable.

## **5 Securities in other companies**

In general, Relevant Persons are free to deal in securities in other listed companies, but should note that the Corporations Act contains various prohibitions on trading in other listed companies with which the Company may be dealing (including the Company's customers, contractors or business partners) where that person possesses inside information in relation to that other company.

Relevant Persons may come into possession of inside information where they are directly involved in client relationship management or negotiating contracts. For example, where the Relevant Person is aware that the Company is about to sign a major agreement with another company, the Relevant Person should not deal in securities in either the Company or the other company.

If you are in doubt, you should: (a) not trade; (b) not pass the inside information to another person; and (c) immediately seek advice from the Company's legal team.

## **6 Breach**

Breaches of the insider trading laws have serious consequences for both the Relevant Person concerned and the Company. Breaches of this Policy are regarded as serious and will be subject to appropriate sanctions.

Any person who:

- (a) is suspected of breaching this Policy may be suspended from attending the workplace on full pay pending the outcome of investigations into the alleged breach; or
- (b) is proven to have breached this Policy could face disciplinary action (including forfeiture of securities and/or suspension or termination of employment).

## **7 Insider trading**

The requirements imposed by this Policy are separate from, and additional to, the legal prohibitions in the Corporations Act on insider trading.

## **8 Who to contact**

Any person who has any queries about this Policy should contact the Company Secretary.