



## CIRRUS NETWORKS HOLDINGS LIMITED

ACN 103 348 947

### SECURITIES TRADING POLICY

#### Scope of this Policy

This Policy applies to all directors, executives, employees, contractors, consultants and advisors (together "**Designated Persons**") of Cirrus Networks Holdings Limited ("**Company**") and its subsidiaries.

In this Policy "**Company Securities**" includes:

- a. Any shares in the Company;
- b. Any other securities issued by the Company such as debentures and options; and
- c. Derivatives and other financial products issued by third parties in relation to the Company's shares, debentures and options.

"**Trade**" in the Company Securities includes:

- a. Subscribing for, purchasing or selling Company Securities or entering into an agreement to do any of those things;
- b. Advising, procuring or encouraging another person (including a family member, friend, associate, colleague, family company or trust) to trade in Company Securities; and
- c. Entering into agreements or transactions, which operate to limit the economic risk of a person's holdings in Company Securities.

#### Purpose of the Policy

This Policy sets out the circumstances in which the Designated Persons may trade in Company Securities with the objective that no Designated Person will contravene the requirements of the Corporations Act 2001 (Cth) ("**Corporations Act**").

The purpose of the Policy is to:

- a. Ensure that the Designated Persons adhere to high ethical and legal standards in relation to their personal investment in Company Securities;
- b. Ensure that the personal investments of the Designated Persons do not conflict with the interests of the Company and those of other holders of Company Securities;
- c. Preserve market confidence in the integrity of trading in the Company Securities; and
- d. Ensure the reputation of the Company is maintained.

This Policy is not designed to prohibit the Designated Persons from investing in Company Securities but does recognise that there may be times when Designated Persons cannot or should not invest in Company Securities. This Policy provides guidance to Designated Persons as to the time when Designated Persons may Trade in Company Securities.

#### Outline of Corporations Act Requirements

A person is in possession of "inside information" in relation to the Company in circumstances where:

- a. The person possesses information that is not generally available and, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of Company Securities; and
- b. The person knows, or ought reasonably to know, that the information is not generally available and, if it were generally available, a reasonable person would expect it to have a material effect on the price or value of Company Securities.

A reasonable person would be taken to expect information to have a material effect on the price or value of Company Securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding

whether or not to Trade in Company Securities in any way. It does not matter how the Designated Person comes to have the Inside Information.

If a Designated Person possesses Inside Information in relation to the Company, the person must not:

- a. Trade in Company Securities in any way; nor
- b. Directly or indirectly communicate the information, or cause the information to be communicated, to another person if the person knows, or ought reasonably to know, that the other person would, or would be likely to, Trade in Company Securities in any way, or procure a third person to Trade in Company Securities in any way.

Designated Persons may obtain Inside Information in relation to another company. For example in the course of negotiating a transaction with the Company, another company might provide confidential information about itself. The prohibition on insider trading is not, therefore, only restricted to information affecting Company Securities. The Designated Person in possession of the Inside Information must not Trade in securities of those other companies.

A Designated Person who Trades in Company Securities while in possession of Inside Information will be liable to both civil and criminal penalties. The penalties include:

- a. In the case of a natural person, a fine of up to the greater of \$765,000 or three times the benefit gained, or imprisonment for 10 years or both;
- b. For a civil offence, where insider trading needs only to be proved on the balance of probabilities, the maximum penalty for an individual is \$200,000; and
- c. Unlimited civil liability equivalent to the damages caused.

#### **Examples of “Inside Information”**

Examples of information which may be considered to be “Inside Information” include details relating to the items listed below (which is not an exhaustive list):

- a. Sales, production and profit figures;
- b. Prospective financial information;
- c. Proposed transactions;
- d. Unpublished announcements;
- e. Proposed changes in capital structure, including share issues, rights issues and the redemption of securities;
- f. Impending mergers, acquisitions, reconstructions, takeovers etc;
- g. Significant litigation and disputes;
- h. Significant changes in the operations or proposed changes in the general character or nature of the business of the Company or its subsidiaries;
- i. Cash flow information;
- j. Major or material purchases or sales of assets; and
- k. Proposed or significant contracts.

#### **Company Policy on Trading in Company Securities**

The Company acknowledges that from time to time, Designated Persons may in the context of their duties be made aware of Inside Information in respect of the Company, which for a period of time may not be disclosed to the public under the terms of the continuous disclosure regulations of the Listing Rules. As a result:

- a. The Company requires Designated Persons not to trade in Company Securities where the person reasonably believes that they may have information which could constitute Inside Information;
- b. Where a Designated Person is in possession of Inside Information, they should not Trade until such time as they believe that all such information is made available to the public through the Company’s announcements to the market;
- c. Where a Designated Person intends to Trade in Company Securities and that person is unsure that they may have information which could constitute Inside Information, that person shall first notify the Chairman to seek clarification; and
- d. Where the Chairman intends to Trade Company Securities and that person is unsure that they may have information which could constitute Inside Information, that person shall first notify one of the other Directors to seek clarification.

## **Financial Reporting and Disclosure Document Policy**

The Company requires Designated Persons not to Trade in Company Securities within the following periods (prohibited periods):

- a. Two weeks before the due date, and 24 hours after the release, of the Company's quarterly, half yearly and annual reports to ASX;
- b. Two weeks before lodgement and during the period that a disclosure document, including a prospectus, is open for applications except to the extent that Company employees are applying for securities pursuant to that disclosure document;
- c. Any other period determined by the Board from time to time and notified to Designated Persons; and
- d. Twenty-four hours before and after the lodgement of any ASX release determined by the Board to be price sensitive, and communicated to Designated Persons as such.

## **Notification of Executed Trades and Approval**

Designated Persons must advise the Chairman regarding any proposed transaction in Company Securities. The Chairman must advise another Director.

Following an approved transaction, the Designated Person must notify the Company Secretary immediately to allow for any appropriate announcements to be made to ASX.

Directors have entered an agreement with the Company under which they are obliged to notify changes in interests in shares and other matters.

Where clearance is required to transact in Company Securities during a prohibited period, the request should be made in writing. Approval for the transaction will then be giving in writing.

## **Exclusions from the Trading Policy**

The following are excluded from the Policy:

- a. Transfers of securities of the Company already held in a superannuation fund or other saving scheme in which the restricted person is a beneficiary;
- b. An investment in, or trading in units of, a fund or scheme (other than a scheme only investing in Company Securities) where the assets of the fund or other scheme are invested at the discretion of the third party;
- c. Where a Designated Person is a trustee, trading in Company Securities by that trust provided the Designated Person is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by the other trustees or by the investment managers independently of the Designated Person;
- d. Undertakings to accept, or the acceptance of, a takeover offer;
- e. Trading under an offer or invitation made to all or most of the 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 Company Securities that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement;
- g. The exercise (but not the sale of securities following an exercise) of an option or a 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 the conversion of the security, falls during a prohibited period and the entity has been in an exceptionally long prohibited period or the entity has had a number of consecutive prohibited periods and the restricted person could not reasonably have been expected to exercise it at a time when free to do so;
- h. Trading under a non-discretionary plan for which prior written clearance has been provided in accordance with procedures set out in this Policy and where:
  - i. The Designated Person did not enter into the plan or amend the plan during a prohibited period;
  - ii. The trading plan does not permit the Designated Person to exercise any influence or discretion over how, when or whether to trade; and
  - iii. The entity's trading Policy does not allow the Designated Person to cancel the trading plan or cancel or otherwise vary the term of his or her participation in the trading plan during a prohibited period other than in exceptional circumstances;
- i. Bona fide gifts of Company Securities to a Designated Person by a third party;
- j. Where the beneficial interest in the relevant Company Securities does not change;

- k. Transactions conducted between a Designated Person and their spouse, civil partner, child step-child or other close family member;
- l. Cancellation of Company Securities as a result of a failure to vest or other forfeiture of securities received by a Designated Person as part of performance based remuneration; and
- m. Vesting of Company Securities as a result of meeting performance hurdles or release of Company Securities from holding lock or holding term in respect of securities received by the Designated Person as part of performance based remuneration.

### **Exceptional Circumstances**

The following are exceptional circumstances where Trades may be permitted by the Chairman or the Board (as the case may be):

- a. Upon prior written clearance, a Designated Person who is not in possession of Inside Information may be permitted to trade during prohibited periods if they are subject to severe financial hardship;
- b. A person may be in severe financial hardship if they have a pressing financial commitment that cannot be satisfied otherwise than by selling Company Securities. A tax liability would not normally constitute severe financial hardship unless the person has no other means of satisfying the liability. A tax liability relating to Company Securities received under an employee incentive scheme would also not normally constitute severe financial hardship or otherwise be considered an exceptional circumstance for the purpose of obtaining prior written clearance to sell or otherwise dispose of Company Securities during a prohibited period;
- c. If a person is required by a court order, or there are court enforceable undertakings, for example, in a bona fide family settlement, to transfer or sell Company Securities or there is some other overriding legal or regulatory requirement for him or her to do so;
- d. The determination of whether the person in question is in severe financial hardship or whether a particular set of circumstances falls within the range of exceptional circumstances identified in the Policy can only be made by the designated officer(s) under the Policy for this purpose. In recognition of the case that exceptional circumstances, by their nature, cannot always be specified in advance, it is envisaged that there may be other circumstances which have not been identified in this Policy, that may be deemed exceptional by the Chairman or the Managing Director (where the Chairman is involved) and whereby prior written clearance is granted to permit trading; and
- e. The person seeking clearance to trade must satisfy the designated officer(s) that they are in severe financial hardship or that their circumstances are otherwise exceptional and that the proposed sale or disposal of Company Securities is the only reasonable course of action available.

### **Consequences of Breach**

Strict compliance with this Policy is mandatory for all persons covered by it. Breaches of this Policy may damage the Company's reputation in the investment community and undermine confidence in the market for Company Securities and may expose the person to severe penalties under the Corporations Act. Accordingly, breaches will be taken very seriously by the Company and will be subject to disciplinary action, including possible termination of a person's employment or appointment.

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