



Innovating Technologies for Life

## Securities Dealing Policy

### 1. Application

This Policy applies to all Persons being the Directors of the Company, Key Management Personnel and Relevant Employees of the Company who have been notified that this Policy applies to them.

Certain defined terms are contained in Section 19.

### 2. Closed Periods

A Person must not deal in any Securities of the Company during a Closed Period.

A **Closed Period** is:

- (a) the period from the relevant financial year end to the date of the preliminary announcement of the Company's annual results or, if shorter, the period from the relevant financial year end up to and including the time of the announcement; and
- (b) the period from the relevant financial period end to the date of the publication of the half-yearly report or, if shorter, the period from the relevant financial period end up to and including the time of such publication; or
- (c) the period from the relevant financial period end to the date of the announcement of the first and third quarter results or, if shorter, the period from the relevant financial period end up to and including the time of the announcement.

### 3. Clearance

A Person who wishes to Deal in any Securities of the Company or a Connected Company outside a Closed Period or Prohibited Period and who is in possession of, or believes that they may be in possession of price sensitive information must seek clearance from a director in advance.

A director must not Deal in any Securities of the Company or a Connected Company without advising the Chairman in advance and receiving clearance.

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The Chairman must not Deal in any Securities of the Company without advising the Board in advance and receiving clearance.

#### **4. Prohibited Period**

A Person will not be given clearance to Deal in any Securities of the Company or a Connected Company during a Prohibited Period and 24 hours thereafter.

A **Prohibited Period** is:

- (a) in respect of the Company, any Closed Period;
- (b) any period when there is any matter which constitutes Unpublished Price Sensitive Information in relation to the Securities of the Company or a Connected Company (whether or not the Person has knowledge of such a matter) and (in respect of the Company) the proposed Dealing would (if permitted) take place after the time when it has become reasonably probable that an announcement will be required in relation to that matter; or
- (c) any period when the Board otherwise has reason to believe that the proposed Dealing is in breach of this Policy.

#### **5. Dealing**

A Person must not Deal in any Securities of the Company on considerations of a short-term nature. A Person must take reasonable steps to prevent any Dealings by or on behalf of any Connected Person in any Securities of the Company on considerations of a short term nature.

#### **6. Exceptional circumstances**

Where in exceptional circumstances and it is the only reasonable course of action available to a Person (eg a pressing financial commitment that cannot be satisfied otherwise) clearance may be given for the Person to sell (but not to purchase) Securities when he/she would otherwise be prohibited from doing so. The Company Secretary will determine whether the circumstances are exceptional for this purpose.

#### **7. Dealings by a trustee**

Where a Person is a sole trustee (other than a bare trustee), the provisions of this Policy will apply as if he/she were dealing on his/her own account. Where a Person is a co-trustee (other than a bare trustee) he/she must advise his co-trustees of the name of the listed companies of which he/she is a director.

If the Person is not a beneficiary, a Dealing in Securities of the Company or a Connected Company undertaken by that trust will not be regarded as a Dealing by the Person for the purposes of this Policy where the decision to Deal is taken by the other trustees acting independently of the Person or by investment managers on behalf of the trustees. The other trustees or the investment managers will be assumed to have acted independently of the Person where they:

- (a) have taken the decision to Deal without consultation with, or other involvement of, the Person concerned; or

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- (b) if they have delegated the decision making to a committee of which the Person is not a member.

## **8. Dealings by Connected Persons and investments managers**

A Person must (so far as is consistent with his/her duties of confidentiality to the Company) prohibit (by taking the steps set out in Section 9) any Dealing in Securities of the Company or a Connected Company during a Closed Period or at a time when the Person is in possession of Unpublished Price Sensitive Information in relation to those securities and would be prohibited from Dealing under Section 4(b):

- (a) by or behalf of any Connected Person;
- (b) by an investment manager on his/her behalf or on behalf of any person connected with him/her where either he/she or any person connected with him/her has funds under management with that investment manager, whether or not discretionary (save as provided in Sections 7 and 14).

## **9. Advice to Connected Persons and investment managers**

For the purposes of Section 8, a Person must advise all such Connected Persons and investments managers:

- (a) of the names of the listed companies or which he/she is a director;
- (b) of the Closed Periods during which they cannot Deal in the Securities of the Company or a Connected Company;
- (c) of any other periods when the Person knows he/she is not free to Deal in Securities of the Company or a Connected Company under this Policy unless his/her duty of confidentiality to the relevant company prohibits him/her from disclosing such periods; and
- (d) that the Connected Person or investment manager must advise the Person immediately after they have dealt in Securities of the Company or a Connected Company (save as provided in Sections 7 and 14).

## **10. Special Circumstances**

The grant of options by the Board under an employee share option plan to the Relevant Employee may be permitted during a Prohibited Period if such grant could not reasonably be made at another time and failure to make the grant would be likely to indicate that the Company was in a Prohibited Period.

The award of Securities, the grant of options and the grant of rights (or other interests) to acquire Securities by the Company to a Person is permitted in a Prohibited Period if:

- (a) the award or grant is made under an employee share option plan;
- (b) the terms of such employee share option plan set out:
  - (i) the timing of the award or grant and such terms have either:

- (A) previously been approved by shareholders or summarised or described in a document sent to shareholders; or
- (B) are in accordance with the timing of previous awards or grants under the scheme; and
- (ii) the amount or value of the award or grant or the basis on which the amount or value of the award or grant is calculated; and
- (c) the failure to make the award or grant or the basis on which the amount or value of the award or grant is calculated; and

In cases of doubt, the Australian Securities and Investments Commission, the ASX or legal advisers (as the context requires) should be consulted.

However the following Dealings are subject to the provisions of this Policy, unless they fall within Section 17(b)(ii):

- (a) a discretionary award or grant under an employee share option plan which would not otherwise have been made but for the event that led to the commencement of the prohibited period; and
- (b) an award or grant under an employee share option plan which is made in a prohibited period during which the relevant plan was introduced, or in the case of an existing plan, the relevant plan was amended.

## **11. Exercise and trading of options and other rights**

- (a) A Person must not buy (in respect of the Company), Securities which consist of or include:
  - (i) a right to call for delivery at a specified price and within a specified time of a specified number of shares or specified amount of debentures;
  - (ii) a right to make delivery at a specified price and within a specified time of a specified number of shares or specified amount of debentures; or
  - (iii) a right (at the holders election) to call for delivery at a specified price and within a specified time or to make delivery at a specified price and within a specified time of a specified number of shares or specified amount of debentures.
- (b) The Board may allow the exercise of an option or right under an employee share option plan or the conversion of a convertible Security, where the final date for the exercise of such option or right, or conversion of such Security, falls during any prohibited period and the Person could not reasonably have been expected to exercise it at an earlier time when he was free to deal.

## 12. Clearance for the sale of securities

Where an exercise or conversion is permitted under Section 11(b), the Board may not, however, give clearance for the sale of Securities acquired pursuant to such exercise or conversion unless otherwise permitted by the Policy.

## 13. Qualification shares

The Company Secretary may allow a director to acquire qualification shares without regard to this Policy where, under the constitution of the Company, the final date for acquiring such shares falls during a Prohibited Period and the director could not reasonably have been expected to acquire those shares at another time.

## 14. Savings and dividend re-investment plans

A Person may enter into a plan in which only the Securities of the Company are purchased pursuant to a regular standing order, direct debit or by regular deduction from the Person's salary, where such Securities are acquired under the Company's dividend re-investment plan or are acquired as part of a Person's remuneration without regard to the provisions of the Policy, if the following provisions are complied with:

- (a) the Person does not enter into the plan during a Prohibited Period, unless the plan involves the part payment of remuneration in the form of Securities and is entered into upon the Person's employment;
- (b) the Person does not carry out the first purchase of Securities in the Company under the plan during a Prohibited Period, unless the Person is irrevocably bound under the terms of the plan to carry out the first purchase of Securities at a fixed point in time which falls in a Prohibited Period;
- (c) the Person does not cancel or vary the terms of his/her participation, or sells the Securities in the Company within the plan, during a Prohibited Period; and
- (d) before entering into the plan, cancelling the plan or varying the terms of his/her participation or selling the Securities of the Company within the plan, the Person obtains clearance under Section 3.

## 15. Exception

The provisions of this Policy do not apply to an investment by a Person in the plan or arrangement where the assets of the plan or arrangement are invested at the discretion of a third party or to a dealing by the Person in the units of an authorised unit trust or in shares in an investment company.

In the case of a plan investing only in the Securities of the Company, the provisions of Section 14 apply.

## 16. Dealings subject to this Policy

For the avoidance of doubt, and subject to the specific exceptions set out in Section 17, the following constitute Dealings and are subject to this Policy:

- (a) Dealings between directors and/or relevant employees of the Company;
- (b) off-market Dealings;
- (c) transfers for no consideration by a Person other than transfers where the Person retains a beneficial interest;
- (d) entering into, or terminating, assigning or novating any stock lending agreement in respect of Securities of the Company or a Connected Company;
- (e) using as security, or otherwise granting a charge, lien or other encumbrance over, Securities of the Company or a Connected Company; and
- (f) any transaction, or the exercise of any power or discretion, effecting a change in the ownership of a beneficial interest in the Securities of the Company or a Connected Company.

## 17. Dealings not subject to this Policy

For the avoidance of doubt, and notwithstanding the definition of “Dealing” contained in Section 19, the following Dealings are not subject to the provisions of this Policy in respect of the Company or a Connected Company:

- (a) undertakings or elections to take up entitlements under a rights issue or other offer (including an offer of shares in lieu of a cash dividend);
- (b) the take up of entitlements under a rights issue or other offer (including an offer of shares in lieu of a cash dividend);
- (c) allowing entitlements to lapse under a rights issue or other offer (including an offer of shares in lieu of a cash dividend);
- (d) the sale of sufficient entitlements to allow take up of the balance of the entitlements under a rights issue;
- (e) undertakings to accept, or the acceptance of, a takeover offer;
- (f) transfer of shares arising out of the operation of an employee share scheme into a savings scheme investing only in securities of the Company following:
  - (i) the exercise of an option under a savings related share option scheme; or
  - (ii) release of shares from a profit sharing scheme;
- (g) the cancellation or surrender of an option under an employee share scheme;
- (h) the purchase of securities or the communication of information pursuant to a requirement imposed by law;

- (i) transfers of Securities by an independent trustee of an employee share scheme to a beneficiary who is not a Person; and
- (j) bona fide gifts to a director by a third party.

## 18. General conflicts of interest

All employees of the ITL Group who are bound by this Policy must advise the Board of any personal interest (including without limitation an interest in Securities) which may be impacted in a material way by a project or decision which is before the Board and in which the employee is materially involved on behalf of the ITL Group.

## 19. Definitions

In this Policy the following definitions apply unless the context otherwise requires:

**ASX** means the Australian Stock Exchange Limited.

**Board** means the board of directors of the Company.

**Closed Period** means any of the periods when a Person is prohibited from Dealing as specified in Section 2.

**Company** means ITL Limited.

**Company Secretary** means the company secretary of the Company.

**Connected Company** means a listed or unlisted company:

- (a) in which the Company has acquired or will acquire an interest (either directly or through a subsidiary or other interposed entity);
- (b) with whom the Company has entered into or may enter into a material commercial relationship;
- (c) which could reasonably be affected by the actions of the Company; or
- (d) about which either the Company otherwise possesses Unpublished Price Sensitive Information.

**Connected Person** in relation to a Person means:

- (a) the Person's spouse or child under 18;
- (b) any company where at least 20 per cent of the equity share capital is owned, or at least 20 per cent of the votes at a general meeting are controlled, by the Person and the Person's Connected persons within any other part of this definition;
- (c) the trustees of any trust the beneficiaries or potential beneficiaries of which include the Person, the Person's spouse, the Person's children under 18 or a company which is a Connected Person of the Person; and

- (d) the business partners of the Person, their spouse, their children under 18 or a company which is a Connected Person of the business partner.

**Dealing** includes:

- (a) any sale or purchase of, or agreement to sell or purchase, any securities of the Company or a Connected Company and the grant, acceptance, acquisition, disposal, exercise or discharge of any option (whether for the call, or put, or both) or other right or obligation, present or future, conditional or unconditional, to acquire or dispose of securities, or any interest in securities, of the Company or a Connected Company;
- (b) procuring or encouraging another person to subscribe for, purchase or sell or to enter into an agreement to subscribe for, purchase or sell any such securities; and
- (c) communicating, directly or indirectly, or causing the communication of, information to another person if it is known or ought reasonably to have been known that the other person would or would be likely to (or procure another person to) subscribe for, purchase or sell any such securities,

and **Deal** will be construed accordingly.

**Information** includes:

- (a) matters of supposition and other matters that are insufficiently definite to warrant being made known to be public; and
- (b) matters relating to the intentions, or the likely intentions, of a person.

**Person** includes the directors of the Company and Relevant Employees of the Company who have been notified that this Policy applies to them.

**Policy** means this Policy governing dealings in the Securities of the Company or a Connected Company.

**Prohibited Period** means any period when a Person is prohibited from Dealing as specified in Section 4.

**Relevant Employee** means any employee of the Company or a director or employee of a subsidiary of the Company who, because of his/her office or employment in the relevant subsidiary or parent is likely to be in possession of Unpublished Price Sensitive Information in relation to the Company or a Connected Company.

**Securities** means any listed or unlisted shares, debentures, interests, rights, units or option contracts and, where relevant, includes securities which have been listed or admitted to dealing on, or have their prices quoted on or under the rules of the ASX.

**Significant effect on the price or value of any Securities** means where a reasonable person would be taken to expect Information to have a material or significant effect on the price or value of securities if the Information would, or would be likely to, influence persons who commonly invest in Securities in deciding whether or not to subscribe for, or buy or sell, the first-mentioned Securities.

**Unpublished Price Sensitive Information** means Information which:

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- (a) relates to particular Securities or to a particular issuer or to particular issuers of Securities and not to Securities generally or issuers of Securities generally (and, for these purposes, Information will be treated as relating to an issuer of Securities which is a company not only where it is about the Company or a Connected Company but also where it may affect the business prospects of the Company or a Connected Company);
- (b) is specific or precise;
- (c) has not been made public; and
- (d) if it were made public would be likely to have a significant effect on the price or value of any Securities.

Without limited the generality of the above, it should be considered whether any unpublished Information regarding transactions required to be notified by the Company in accordance with Chapters 3, 10 or 11 of the ASX Listing Rules and unpublished Information of the kind referred to below is price sensitive:

- (i) matters triggering a general obligation of disclosure;
- (ii) actual or proposed alterations to capital structure;
- (iii) acquisitions or disposals of material interests in shares or assets;
- (iv) actual or proposed takeovers or mergers;
- (v) transactions with related parties;
- (vi) purchase of own securities;
- (vii) notification of directors' interests; and
- (viii) actions which may be taken by the Company which could reasonably have an effect on a third party.

## 20. Additional information

If you have any questions arising from the Company's Securities Dealing Policy, you may contact the Company Secretary on (03) 8773 3052

Approved by the board of ITL Limited on 26 November 2008 and reviewed and updated on July 2010.

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