



**Magontec Limited**  
**Share Trading Policy**

Approved: 24th February 2016

## **BACKGROUND**

Although employees (including Directors and consultants) are encouraged to become shareholders of Magontec Limited, there are both legal and ethical considerations involved in respect of the timing of such transactions. The obvious legal consideration is the prohibition placed upon individuals trading in shares (i.e. buying or selling) where those individuals are in possession of "inside information".

## **AIM**

- (a) To effect proper business controls.
- (b) To protect broader shareholder interests.
- (c) To meet legal requirements.

## **DEFINITIONS**

### **Who is covered by this Policy?**

All employees, specified consultants (those consultants working for the Company on a regular or periodic as a substitute for engagement of full time personnel) and Directors of MGL (which includes associated companies) and their close associates, and all MGL Group companies.

### **What is a Close Associate?**

For the purposes of this policy, a close associate is:

- (i) any company in which you have a substantial shareholding;
- (ii) any private trust of which you are a beneficiary; and
- (iii) any person or company with whom you have an arrangement which would entitle you to control, or influence substantially, the exercise of any voting power of shares in any of the relevant companies.

### **What are Securities?**

For the purposes of this policy, securities are any listed or unlisted class of share, right or share option.

### **What is a Group Company?**

For the purposes of this policy, the MGL Group companies incorporate Magontec Limited and any other Company which becomes part of the Group as a result of a takeover offer or other form of acquisition by MGL.

## **What is Dealing in Securities?**

For the purposes of this policy, dealing in securities is a transaction that includes:

- (i) the buying or selling of, or subscribing for, any securities; and
- (ii) the sale of shares which are a result of the exercise of the Employee Share Options.

Whether on your own account or on behalf of another person.

The participation by an employee, consultant or Director in a capital raising (e.g. rights issue or share purchase plan) offered by the company to all Australian and New Zealand domiciled shareholders is not considered to be dealing in securities under this Policy. The issue of any share option to staff under the Company's Employee Share Option Plan is not considered to be dealing in securities under this Policy. However, the subsequent sale of shares from the exercising of these options does constitute such a transaction and must comply with this policy.

## **What is Inside Information?**

For the purpose of this policy, inside information is information which has not been released to the Australian Securities Exchange, and which may have a material effect on the price of the securities in the relevant company.

## **What is the Window Period?**

The window period is a block-out period in which dealing in securities should not occur by persons covered by this policy.

A restriction period occurs during the following times:

- (i) two weeks prior to a Board Meeting;
- (ii) one month prior to the release of Half Year and Full Year Results to the Australian Securities Exchange;
- (iii) the period 3 weeks prior to the announcement of a capital raising by the company to the date of allotment of shares under such capital raising and
- (iv) one week prior to the release of Quarterly Reports to the Australian Securities Exchange.

## **POLICY**

### **Group Companies**

You and your close associates should not deal in securities of the MGL Group during a window period. At no time may you deal in securities in the MGL Group when you are in possession of inside information.

In addition, when in possession of inside information, it is not permissible to:

- (i) communicate the information to any other person; or
- (ii) encourage or induce any other person to deal in those securities.

### **Non-Group Companies**

You and your associates should not deal in securities in a non-Group company which you are aware is the subject of an unannounced significant commercial transaction with an MGL Group company.

## **PROCEDURES**

### **What must you do if you wish to deal outside the Window Period?**

Dealing outside the Window Period is not permitted, unless in extraordinary circumstances.

### **What must you do if you have a special need to deal outside the Window Period, of if you believe you may hold inside information?**

The Company's default position is that there is a blanket prohibition on trading within a block-out period. Under extraordinary circumstances the Executive Chairman in his absolute discretion may provide a dispensation to permit a trade if:

- the seller's action is not in breach of any law; and
- the seller is not in possession of "inside information".

In the first instance you should contact the Company Secretary prior to entering into the transaction. The Company Secretary will assemble relevant information for submission to the Executive Chairman. That information will include an assessment of -

- the requirements of law;
- the requirements of rules specified by the Australian Securities Exchange;
- the way in which shareholders may interpret the proposed transaction;
- the possible impact upon the share price;
- the possible impact on the business and finance plans of the company; and
- the urgency of your circumstances and options available.

Should the transaction be permitted and subsequently executed you must report its details to the Company Secretary to record, together with the reason for the dealing, in the register.