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## SECURITIES TRADING POLICY

### 1. OBJECTIVE

To set out the policy with respect to the buying and selling of shares and options ("**Securities**") in Verticon Group Limited ("**Verticon**") by directors, employees and contractors of Verticon and persons associated with them, for the purposes of the Insider Trading Law.

### 2. INSIDER TRADING LAW

The legislation governing this area is prescribed by the Australian Corporations Act, as specified below, and is colloquially known as the "Insider Trading Law".

Division 2A of Part 7.11 of the Australian Corporations Act prohibits the following:

**If you have price sensitive information relating to Verticon, which is not generally available, it is illegal for you to:**

- **Buy, sell or otherwise deal in Verticon Securities; or**
- **Advise, procure or encourage another person to buy or sell Verticon Securities; or**
- **Pass on information to any other person, if you know or ought reasonably to know that the person may use the information to buy or sell Verticon Securities.**

**"Price sensitive information" means information relating to Verticon that would, if the information were publicly known, be likely to:**

- **Have material effect on the price or value of Verticon Securities; or**
- **Influence persons who commonly invest in securities in deciding whether or not to buy or sell Verticon Securities.**

Examples of possible price sensitive information may include but not be limited to:

- Possible or actual significant corporate activity of Verticon
- The financial performance of Verticon against its budget or previously announced profit guidance
- Entry into or termination of a material contract (such as a joint venture or partnership agreement)
- A material acquisition or sale of assets by Verticon
- A proposed dividend or a change in dividend policy; or
- A material claim against Verticon or other unexpected liability

**Information is generally available if:**

- **It consists of a readily observable matter; or**
- **It has been brought to the attention of investors through an announcement to the ASX and a reasonable period has elapsed since the announcement.**



An example of a possible “readily observable matter” is new legislation that may restrict Verticon’s commercial activities is introduced into Parliament.

**You cannot avoid the application of the Insider Trading Law by arranging for a member of your family or any other person to buy or sell Verticon Securities; nor may you give “tips” concerning price sensitive information about Verticon Securities to others.**

It should be noted that the same Insider Trading Law applies to buying or selling securities of any other company about which you may have price sensitive information.

You are also reminded about the importance of ensuring that information about Verticon does not “leak” outside Verticon. This restriction applies equally during any Period of Suspension (Section 1002D) of Verticon Securities from trading.

#### **4. THE CONSEQUENCES OF BREACHING INSIDER TRADING PROHIBITIONS**

Breach of Insider Trading Laws may subject you and/or persons associated with you for the purposes of the Insider Trading Law to:

- **Criminal Liability – penalties include heavy fines and imprisonment; and/or**
- **Civil liability – you can be sued by another party or Verticon for any loss suffered as a result of illegal trading activities**

**Breach of the Insider Trading Law or this Policy will also be regarded by Verticon as serious misconduct which will lead to disciplinary action, possibly including termination.**

#### **4. SECURITIES TRADING POLICY FOR DIRECTORS, SENIOR MANAGERS AND OTHER EMPLOYEES OF VERTICON**

The Securities Trading Policy for Directors, Senior Managers and all other employees of Verticon is as follows:

**Directors and Senior Managers of Verticon may buy or sell Verticon Securities during the “trading window” periods from 24 hours after the lodgement with the ASX of each of the Half Yearly Financial Statements, the Full Year Financial Statements, the Annual Report and the Chairman’s Address to the Annual General Meeting until the close of trading on the ASX.**

**SUBJECT TO there being no buying or selling or otherwise dealing in Verticon Securities:**

- (a) **at any time whilst in possession of price sensitive information; and**
- (b) **for 10 business days before:**
  - (i) **the release of each of Verticon’s half yearly and annual financial results to the ASX; and**
  - (ii) **the date of Verticon's Annual General Meeting,**



**AND PROVIDED THAT a trading order placed during a trading window by a Director or Senior Manager may remain in place after that trading window has closed until it is fulfilled, but any withdrawal of the trading order or change of its terms after the closing of the trading window shall require the prior consent of, in the case of a Director, the Chairman, or in the case of a Senior Manager, the Chief Executive Officer.**

For the purposes of this Policy, "Senior Managers" shall mean those Managers reporting directly to the Chief Executive Officer.

**Directors and Senior Managers (except for the Company Secretary who must notify the Chairman) must notify the Company Secretary, before any buying or selling of Verticon Securities shares at any time by them or, with the knowledge of the relevant Director or Senior Manager, any one or more of their relatives.**

For the purpose of this Policy, a "relative" is a domestic partner or child of the relevant Director or Senior Manager or their partner.

Any such notification must be in writing and include a statement that "the proposed purchase or disposal of Verticon Securities shares is not as a result of access to, or the receipt of, price sensitive information".

The Company Secretary will maintain a register for the purpose of all such notifications.

**Notwithstanding the above trading windows, the Managing Director may permit the buying or selling of Verticon Securities by Senior Managers (and the Chairman may give such permission in the case of Directors, and two Directors may jointly give such permission in the case of the Chairman), at times which this Policy would otherwise prohibit, but only:**

- (a) In exceptional circumstances; and**
- (b) If the person concerned provides a statement in writing to the Company Secretary prior to any trading activity pursuant to this exception, that "the proposed purchase or disposal of Verticon Securities is not as a result of access to, or the receipt of, price sensitive information".**

The Chief Executive Officer may also from time to time extend this Securities Trading Policy by specifying that particular Senior Managers are also restricted from buying or selling the securities of other specified companies with which they, through Verticon, may have a close relationship. The same restriction may also be applied by the Chairman in respect of Directors.

## **5. SECURITIES TRADING POLICY FOR CONTRACTORS AND EMPLOYEES OF VERTICON RELATED COMPANIES**

Contractors of Verticon, employees of those contractors and employees of subsidiary companies of Verticon ("**Verticon Related Companies**"), may also wish to adopt the policy of only buying or selling shares during the trading windows specified in 4 above, but are not required to do so.



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However all such persons should note:

**Even with the use of trading windows, you must not by law buy or sell Verticon Securities if you are in the possession of price sensitive information. Further you must not by law pass on such information to others.**

**5. CLARIFICATION OF THIS POLICY**

Any aspects of this Policy which require further clarification can be referred to the Company Secretary.