

# Securities Trading Policy

Policy Owner: Group Finance

Version: 2

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## 1. Application

### Introduction

- 1.1 This Securities Trading Policy (**Policy**) sets out the Lynch Group's policy on Trading Securities of the Lynch Group.
- 1.2 The ordinary shares in the Company are quoted on the ASX.

### Reasons for this Policy

- 1.3 The Board has adopted this Policy to regulate Trading by Employees in the Securities.
- 1.4 All Employees are required to conduct their personal investment activity in a manner that is lawful and avoids conflicts of interest between the Employee's personal interests and those of the Lynch Group. The Company is also keen to promote shareholder and general market confidence in the Lynch Group.
- 1.5 This Policy is specifically designed to:
  - (a) raise awareness of the prohibitions on insider trading contained in Part 7.10 of the Corporations Act - see section 4 for further details;
  - (b) minimise any potential for breach of the prohibitions on insider trading, as well as avoid the appearance of any insider trading; and
  - (c) meet the obligations under the ASX Listing Rules to maintain a Securities Trading Policy.

### Who does this Policy apply to?

- 1.6 This Policy applies to all Employees and certain contractors (where stated in their terms of engagement) of the Lynch Group.

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## 2. Definitions and interpretation

### Definitions

- 2.1 In this Policy, unless the context otherwise requires:

**ASX** means ASX Limited (ABN 98 008 624 691) or the financial market conducted by ASX Limited, as the context requires.

**ASX Listing Rules** means the listing rules of ASX applicable to the Lynch Group from time to time.

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

**Chair means the Chair of the Board of the Company.**

**Closed Period** means any time other than during a Trading Window.

**Company** means Lynch Group Holdings Limited (ABN 35 608 543 219).

**Corporations Act means the *Corporations Act 2001 (Cth)*.**

**Derivatives has the meaning given in section 761D of the Corporations Act and includes options, forward contracts, swaps, futures, warrants, caps and collars.**

**Director** means any director of the Company.

**Employee** means a person who is an employee, officer or director or person seconded to the Lynch Group and includes the Senior Executives.

**Exceptional Circumstances** means circumstances which the Chair (or the Chair of the Audit and Risk Committee in the case of proposed Trading by the Chair), decides are so exceptional that the proposed Trading of Shares is the only reasonable course of action available, which can include the circumstances set out in section 7.1.

**Prohibited Period** means any Closed Period and any additional period from time to time when the Chair or the Board of the Company impose a prohibition on Trading.

**Securities** includes the ordinary shares in the Company, options, rights, debentures, interests in a management investment scheme, Derivatives and other financial products covered by the insider trading provisions in the Corporations Act.

**Senior Executives** means:

- (a) the Group Chief Executive Officer and Group Chief Financial Officer;
- (b) all direct reports to the Group Chief Executive Officer or Group Chief Financial Officer;
- (c) any other person who is one of the Company's key management personnel (as defined in *AASB 124 Related Party Disclosures*), including those persons identified as key management personnel in the Company's most recent Annual Report; and
- (d) any Employee who has been notified that the Board designates them as a Senior Executive for the purposes of this Policy.

**The Lynch Group means the Company and its controlled entities.**

**Trade or Trading** means:

- (a) buying or selling Securities;
- (b) entering into an agreement to buy or sell Securities; or
- (c) exercising options, rights or awards to acquire Securities.

**Trading Window** means any period specified in clauses 3.9 to 3.11.

## **Interpretation**

2.2 In this Policy, a reference to writing includes writing delivered by email.

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### 3. Trading Windows

#### Trading may occur only during Trading Windows

- 3.1 All Trading in Securities by Employees must be in accordance with this Policy and generally will only be permitted during Trading Windows and must not occur during any Prohibited Period.
- 3.2 No Trading in Securities may occur outside of Trading Windows without the prior written permission of the Chair (or an officer of the Company designated by the Chair) unless an exception in section 3.12 applies.
- 3.3 Permission to sell (but not purchase) Securities will ordinarily only be granted in Exceptional Circumstances and only in the event that the person involved is not in possession of inside information affecting Securities. Requests for permission should generally be made through the Company Secretary. Refer to section 7 for further details.

#### When is Trading during a Trading Window prohibited?

- 3.4 Even if the Trading Window is open, the laws prohibiting insider trading continue to apply to Employees so that they must not trade if they possess any inside information. Refer to section 4 of this Policy for further details.
- 3.5 Except as approved in accordance with section 3.6, Employees are prohibited from:
  - (a) **(short term trading)** other than when an Employee exercises employee options or performance rights to acquire Securities at the specified exercise price, Trading in Securities (or an interest in Securities) on a short-term trading basis. Short-term trading includes buying and selling Securities within a 6 month period, and entering into other short-term dealings (e.g. forward contracts);
  - (b) **(short positions)** Trading in Securities which enable an Employee to profit from or limit the economic risk of a decrease in the market price of Securities; or
  - (c) **(hedging)** entering into arrangements which have the effect of limiting the economic risk related to an unvested share, option or other Security granted or awarded under an employee incentive scheme (or a vested share, option or other Security granted, awarded or acquired under an employee incentive scheme that is still subject to disposal restrictions).
- 3.6 Employees may request permission from the Board to Trade in Securities under an arrangement described in sections 3.5(a), 3.5(b) or 3.5(c). A request for permission to Trade Securities pursuant to these arrangements should be made by written notice to the Company Secretary and the decision to give or refuse approval is entirely at the discretion of the Board.
- 3.7 Each Employee remains individually responsible for his or her own investment decisions and compliance with the law (including insider trading prohibitions) and this Policy. Employees should remember, in particular, that the insider trading prohibitions are overriding obligations and apply at all times, despite all other terms of this Policy. In particular, if an Employee is in possession of inside information, he or she must not Trade in Securities, even if approval has been given by the Board.

- 3.8 If approval is given by the Board in accordance with section 3.6, the relevant Trading arrangement must be disclosed in writing to the Company Secretary as soon as practicable after entry into that arrangement and, in any case, not more than 24 hours afterwards.

### **When are the Trading Windows?**

- 3.9 The Trading Windows during which Employees will be permitted to Trade Securities will be notified by the Company Secretary on the Lynch Group's website or by email to Employees. These will generally be open at the following times:
- (a) for a period of four weeks commencing on the trading day following the public release by the Company of its preliminary annual and half year results to the ASX;
  - (b) for a period of four weeks commencing on the trading day following the holding of the Company's Annual General Meeting;
  - (c) for a period of four weeks commencing on the trading day following the public release by the Company of any earnings guidance in respect of the Company;
  - (d) during the offer period (for so long as it remains open) under any publicly available disclosure document issued by the Company offering Securities;
  - (e) for a period of four weeks commencing on the trading day following the public release of the Company's quarterly reports to the ASX; and
  - (f) at any other time the Board may permit.
- 3.10 Notwithstanding the time periods described above, the Chair may declare a Trading Window closed at any time at its absolute discretion and without prior notice. For example, this could occur where directors of the Company believe that certain Employees may hold inside information relating to the Lynch Group.
- 3.11 Trading Windows will not automatically be opened at the times described above. Details of when a Trading Window is opened or closed and any Prohibited Periods will be posted on the Lynch Group's website or notified by email to Employees. Employees should check the website to confirm that a relevant Trading Window applies before Trading in any Securities.

### **Exceptions to the Prohibited Periods**

- 3.12 The following exceptions to the Trading restrictions during Prohibited Periods apply even if a Trading Window is not open (but subject always to insider trading laws):
- (a) an exercise (but not the sale of Securities following exercise) of an option or other right to acquire Securities 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;
  - (b) Trading under an offer or invitation made to all or most of the shareholders such as a rights or entitlement issue, a security purchase plan, or an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by each 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;

- (c) Trading where the beneficial interest in the relevant Securities does not change. This includes:
  - (i) a dealing by which the relevant Securities are transferred by any Employee from their personal holdings to a superannuation fund of which they are a beneficiary; and
  - (ii) the withdrawal of Securities from an employee incentive scheme and the transfer of those Securities to the participant's personal holdings or superannuation fund of which they are a beneficiary;
- (d) an acquisition of Securities under a dividend reinvestment plan, provided the election to participate in the dividend reinvestment plan was not made during a Prohibited Period or when the Employee was in possession of any inside information;
- (e) any Employee accepting a takeover bid or transferring Securities under a scheme of arrangement in respect of the Lynch Group;
- (f) an involuntary disposal of Securities that is the result of a secured lender or financier exercising their rights. However, this does not extend to disposal under a margin lending arrangement where such arrangement is prohibited by this Policy;
- (g) an acquisition of Securities under a bonus issue made to all holders of the Company's 's Securities of the same class;
- (h) where the Company has an employee incentive scheme with any Employee as a trustee of the scheme, an acquisition of securities by an Employee in his or her capacity as a trustee of the scheme;
- (i) indirect and incidental Trading that occurs as a consequence of any Employee dealing in securities issued by a managed investment scheme, listed investment company, exchange-traded fund or similar investment vehicle that is managed by a third party and that happens to hold as part of its portfolio Securities;
- (j) where an Employee is a trustee, Trading in the Securities of the Company by that trust provided the Employee 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 relevant Employee; and
- (k) Trading under a pre-determined investment or divestment plan for which prior written clearance has been provided in accordance with procedures set out in this Policy and where:
  - (i) the Employee did not enter into the plan or amend the plan during a Prohibited Period;
  - (ii) the trading plan does not permit Employees to exercise any influence or discretion over how, when, or where to Trade; and
  - (iii) the trading plan does not allow for the cancellation of a trading plan or for Employees to otherwise vary their participation in the trading plan during a Prohibited Period other than in Exceptional Circumstances.

- 3.13 Despite the above exceptions, under the insider trading laws, a person who possesses inside information is generally prohibited from trading even where Trading falls within an exception specified above (including if the Trade occurs when a Trading Window is open). Employees are individually responsible for their investment decisions and their compliance with insider trading laws. Accordingly, any Employee considering trading in Securities should carefully consider whether they are in possession of any inside information that might preclude them from Trading and, if they have any doubt in this regard, they should not Trade.

#### **Escrow**

- 3.14 Any Employees who hold Securities subject to binding restrictions on transfer (either as ASX restricted securities or through voluntary escrow arrangements) must comply with the terms of any applicable escrow arrangements and will be unable to trade in Securities during that time. Once the escrow arrangements have ended, Employees are not free to Trade in their Securities unless permitted by this Policy.

## **4. Insider trading laws**

### **What is insider trading?**

- 4.1 Under the Corporations Act, all Employees and former Employees are prohibited in all circumstances from Trading in Securities at any time if they are in possession of "inside information" (see sections 4.6 to 4.8 below) whether or not a Trading Window is open.
- 4.2 Employees are also prohibited from procuring others to Trade in Securities when the Employee is precluded from Trading.
- 4.3 In addition, Employees:
- (a) must not communicate inside information to someone who might then:
    - (i) Trade in Securities; or
    - (ii) procure another person to Trade in Securities,
 including to any family members, relatives and entities which the Employee controls; and
  - (b) should seek to ensure that third parties who come into possession of inside information preserve its confidentiality and do not Trade while in possession of that information. This will usually be achieved by means of a written confidentiality agreement.
- 4.4 It does not matter how or in what capacity any Employee becomes aware of inside information. It does not have to be obtained from the Lynch Group to constitute inside information.
- 4.5 Employees cannot avoid the insider trading prohibition by arranging for a family member, friend or other person to Trade in Securities nor may any Employee give "tips" concerning inside information relating to the Lynch Group to others.

### **What is inside information?**

- 4.6 **Inside information** is information relating to the Lynch Group, which is not generally available but, if the information were generally available, would be likely to have a material effect on the

price or value of the Securities. Inside information can include matters of speculation or supposition and matters relating to intentions or likely intentions of a person.

- 4.7 Information is regarded as being likely to have a material effect if it would, or would be likely to, influence persons who commonly invest in securities or other traded financial products in deciding whether or not to deal in the Securities.
- 4.8 Examples of inside information could include:
- (a) the financial performance of the Company against its budgets;
  - (b) changes in the Company's actual or anticipated financial condition or business performance;
  - (c) changes in the capital structure of the Company, including proposals to raise additional equity or borrowings;
  - (d) proposed changes in the nature of the business of the Lynch Group;
  - (e) changes to either Board or significant changes in key management personnel;
  - (f) an undisclosed significant change in the Company's market share;
  - (g) likely or actual entry into, or loss of, a material contract;
  - (h) material acquisitions or sales of assets by the Company;
  - (i) a proposed dividend or distribution or a change in dividend or distribution policy; or
  - (j) a material claim against a member of the Lynch Group or other unexpected liability.

**What are the consequences of insider trading?**

- 4.9 Insider trading is strictly prohibited by law, and it is important that all Employees do not breach that prohibition. Insider trading, or the perception of insider trading, by any Employee will not be tolerated. Breach of the law, this Policy, or both, will also be regarded by the Company as serious misconduct which may lead to disciplinary action or dismissal.
- 4.10 The existence of a personal financial emergency or hardship does not excuse non-compliance with this Policy. It is important that the Lynch Group and Employees do not participate in any insider trading activities, but also that we avoid any appearance of insider trading.
- 4.11 Any allegation of insider trading would be likely to have a serious detrimental impact on the Lynch Group and its business and all Employees must be seen to be actively and diligently upholding the law and complying with this Policy.
- 4.12 Breach of the insider trading laws may subject the Company and Employees to:
- (a) criminal liability (penalties include heavy fines or imprisonment);
  - (b) civil liability (including orders to pay compensation for any loss suffered as a result of illegal trading activities); or

- (c) civil penalty provisions (the Australian Securities and Investments Commission may seek civil penalties against relevant persons and may also seek court orders that relevant individuals be disqualified from managing a corporation).

## 5. Trading in securities of other companies

- 5.1 While in general Employees are free to deal in securities of other listed companies, the insider trading prohibitions under the Corporations Act include dealings not only in the Securities but also those of other listed companies with which the Lynch Group may be dealing where any Employee possess inside information in relation to that other company.
- 5.2 If any Employees are aware of inside information in respect of another company, the Employee should not trade or deal in the securities of the company that it affects. For example, where an Employee is aware that the Company is about to sign a major agreement with another company, Employees should not buy securities in the Company.
- 5.3 The Board may extend this Policy by specifying that Employees are also restricted from dealing in securities of other specified companies with which the Lynch Group may have a close relationship.

## 6. Pre-notification and reporting of Trades

### Who and when must give notification of an intention to Trade?

- 6.1 When permitted to Trade in accordance with this Policy, all Directors and Senior Executives must give at least two trading days' (or such shorter period approved by the Chair) prior written notice (**Trading Notice**) of any proposed Trading in Securities and confirm that they do not possess any inside information:
  - (a) in the case of Senior Executives, to the Company Secretary;
  - (b) in the case of a Director of the Company, to the Chair;
  - (c) in the case of the Chair, to the Chair of the Audit and Risk Committee,
 (each a **Notification Officer**).
- 6.2 The Trading Notice must include a statement by the Director or Senior Executive certifying that:
  - (a) they are not in possession of any inside information that might preclude them from Trading at the relevant time; and
  - (b) they will not Trade if they subsequently become aware of any inside information that might preclude them from Trading.
- 6.3 If the relevant Notification Officer objects to the proposed Trade, they must promptly notify the relevant Director or Senior Executive that the Trade must not proceed and must advise the Board (who may overrule the decision if they think appropriate). The Notification Officer or the Directors (as applicable) can object to the proposed Trade in their discretion, without giving reasons, including in circumstances where new information comes to light or there is a change in circumstances. If the proposed Trade is objected to, the relevant Director or Senior Executive must keep that information confidential and not disclose it to anyone. Any decision by the Company to object to the proposed Trade is final and binding on the relevant Director or Senior Executive.



- 6.4 If the Notification Officer or the Directors (as applicable) do not object to the proposed Trade in accordance with section 6.3, the opportunity to make the relevant Trade expires at the end of the relevant Trading Window applicable to the proposed Trade, or other such date as notified by the relevant Notification Officer.
- 6.5 Under inside trading laws, a person who possesses inside information is generally prohibited from Trading in those securities, even where the proposed Trade is notified in accordance with section 6 and not objected to. The failure of the Company to object to a proposed Trade is not an endorsement of the proposed Trade. The relevant Director or Senior Executive is individually responsible for their investment decisions and their compliance with insider trading laws. Accordingly, before making any Trade, the relevant Director or Senior Executive should carefully consider whether they are in possession of any inside information that might preclude them from Trading and, if they have any doubt in this regard, they should not Trade.

### **What Trading does not need to be pre-notified?**

- 6.6 The only Trades that do not need to be pre-notified are those that are permitted under a specific exception in section 3.12 (Exceptions to the Prohibited Periods).

### **Notification of Trades**

- 6.7 In addition to providing prior notification under section 6.1, once a Trade of any Securities has been made by or for a Director or a Senior Executive, details of the Trade, including the number and price of Securities involved, must be notified by email to the Company Secretary.
- 6.8 Further, Directors must immediately notify the Company Secretary of all acquisitions or disposals or other Trading of Securities, including date, price and volume, without exception so that the Company can comply with its ASX reporting obligations. Each disclosure notice given to the ASX will need to state whether the relevant trade occurred outside of a Trading Window and, if so, whether prior written clearance was provided.

### **Notification of an intention to Trade on behalf of associates**

- 6.9 Directors and Senior Executives must give prior written notice of any proposed Trading in Securities in accordance with section 6.1 on behalf of their associates. For this purpose, "Associates" of a Director or Senior Executive includes their spouses, family members, trusts, companies, nominees and other persons over whom a Director or Senior Executive has, or may be expected to have, investment control or influence.

## **7. Exceptional circumstances**

- 7.1 Employees may make requests for permission to Trade outside of the Trading Windows only in Exceptional Circumstances (except if this would breach the insider trading provisions). Exceptional Circumstances may include:
- (a) severe financial hardship, where an Employee has pressing financial commitments that cannot be satisfied otherwise than by selling Securities;
  - (b) requirements under a court order or court enforceable undertakings or other legal or regulatory requirements; or

- (c) any other exceptional circumstances as determined by the Chair (or the Chair of the Audit and Risk Committee in the case of proposed Trading by the Chair).
- 7.2 A request for permission to Trade due to Exceptional Circumstances should be made by written notice to the Company Secretary outlining:
- (a) the name of the Employee;
  - (b) details of the Exceptional Circumstances and the reasons for requesting permission to Trade;
  - (c) the type of proposed transaction (purchase, sale, etc.); and
  - (d) the number and type of Securities involved,
- and must be accompanied by a statement by the relevant Employee certifying that they are not in possession of any inside information that might preclude them from Trading at the relevant time, and that they will not Trade if they subsequently become aware of any inside information that might preclude them from Trading.
- 7.3 The Company Secretary will consult with the Chair (or the Group Chief Executive Officer in the case of proposed Trading by the Chair) in relation to any proposed Trading due to Exceptional Circumstances. Permission to Trade is entirely discretionary, and Employees should not Trade in the expectation that permission will later be given.
- 7.4 If permission to Trade is granted, it will be given in writing and the Employee may only Trade the Securities during the period specified in the permission. A permission expires five trading days from its date, unless it specifies a different date.
- 7.5 Any permission to Trade can be given or refused by the Company in its discretion, without giving any reasons. A permission to Trade can be withdrawn if new information comes to light or there is a change in circumstances. Any decision by the Company to refuse permission is final and binding on the person seeking the permission. If permission to Trade is refused, the person seeking the permission must keep that information confidential and not disclose it to anyone.
- 7.6 Under inside trading laws, a person who possesses inside information is generally prohibited from Trading in those securities, even where the permission for the Trade is provided in accordance with this section 7. Any permission to Trade is not an endorsement of the proposed Trade. The relevant Employee is individually responsible for their investment decisions and their compliance with insider trading laws. Accordingly, before making any Trade, the relevant Employee should carefully consider whether they are in possession of any inside information that might preclude them from Trading and, if they have any doubt in this regard, they should not Trade.

## 8. Margin lending arrangements

- 8.1 Except as approved in accordance with section 8.3, Directors of the Company and Senior Executives may not include their Securities in a margin loan portfolio or otherwise Trade in Securities pursuant to a margin lending arrangement (**Margin Lending Arrangement**).
- 8.2 A Margin Lending Arrangement would include:
- (a) entering into a margin lending arrangement in respect of Securities;

- (b) transferring Securities into an existing margin loan account; and
  - (c) selling Securities to satisfy a call under a margin loan except where the holder of Securities has no control over the sale.
- 8.3 Directors and Senior Executives may request permission from the Board to Trade in Securities pursuant to a Margin Lending Arrangement. A request for permission to Trade Securities pursuant to a Margin Lending Arrangement should be made by written notice to the Company Secretary and the decision to give or refuse approval is entirely at the discretion of the Board.
- 8.4 Each Director and Senior Executive remains individually responsible for his or her own investment decisions and compliance with the law (including insider trading prohibitions) and this Policy. Directors or Senior Executives should remember, in particular, that the insider trading prohibitions are overriding obligations and apply at all times, despite all other terms of this Policy. In particular, if a Director or Senior Executive is in possession of inside information, he or she must not Trade in Securities, even if approval has been given by the Board.
- 8.5 If approval to a Margin Lending Arrangement is given by the Board in accordance with section 8.3, the relevant Margin Lending Arrangement must be disclosed in writing to the Company Secretary as soon as practicable after entry into that arrangement and, in any case, not more than 24 hours afterwards.

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## **9. Dividend Reinvestment Plan**

Employees must not commence, amend or withdraw from a dividend reinvestment plan of the Company during a Prohibited Period, other than in Exceptional Circumstances.

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## **10. Review of Policy and compliance with Policy**

This Policy will be reviewed regularly by the Board having regard to the changing circumstances of the Company and any changes to this Policy will be notified to the ASX. If Employees have any comments or views concerning the operation or effectiveness of this Policy, they should be communicated to the Company Secretary.

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## **11. Breaches**

- 11.1** Breaches of this Policy will be viewed seriously and may lead to disciplinary action being taken against the relevant Employee. In serious cases, disciplinary action may include dismissal. Any Employee who becomes aware of a violation of this Policy should immediately report the violation to the Company Secretary.
- 11.2 It should be noted that, in some circumstances, the Company may be obliged to notify regulatory and/or criminal authorities of a serious breach of this Policy.

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## **12. Questions**

For questions about the operation of this Policy or its application in any particular situation, please contact the Company Secretary.