



Devine Limited

Securities Trading Policy

**Updated
December 2015**



1.0 Introduction

The purpose of this policy is to:

- explain the types of conduct in dealing in securities that are prohibited under the Corporations Act 2001. Such prohibitions apply to all directors and employees of Devine Limited (Company) and
- establish best practice procedure for the buying and selling of securities that protects the Company and directors and employees against the misuse of unpublished information which could materially affect the value of securities.

Any non-compliance with this Policy will be regarded as serious misconduct which may entitle the Company to take corrective disciplinary action.

2.0 The insider trading provisions

The following is an outline of the insider trading provisions of the Corporations Act. Further details are provided in attachment 1 to this policy.

Under the Corporations Act, a person is prohibited from dealing (buying or selling) in securities where:

- a. the person possesses information which is not generally available to the public;
- b. that information may have a material effect on the price of securities of the relevant entity; and
- c. the person knows or ought reasonably to know that the information is not generally available and, if it were, it might have a material effect on the price of those securities.

In addition, a person with inside information must not procure another person to deal in the Company's securities or communicate the information (directly or indirectly) to another person whom the person believes may deal (or procure someone else to deal) in the Company's securities.

3.0 Persons to whom this Policy applies

This Policy applies to:

- all directors
- all employees (including key management personnel)
- connected persons of directors and employees

In this Policy, the persons listed above will be collectively referred to as Relevant Persons



Connected Persons means, in relation to a director or employee, persons whom the director or employee may be expected to control or have some influence over, including family members, business partner(s), companies or other entities and trustees of a trust for which the director or employee is a primary or significant beneficiary.

Where this Policy requires a Relevant Person to do an act or thing (for example, obtaining clearance in accordance with section 4.4), the relevant director or employee must do that act or thing in respect of the Connected Person.

4.0 Restrictions on dealing in securities

4.1 No trading where in possession of inside information

A Relevant Person must not deal in Devine's securities where:

- they are in possession of price sensitive or "inside" information
- the Company is in possession of price sensitive or "inside" information and has notified Relevant Persons that they must not deal in securities (either for a specified period, or until the Company gives further notice).

Attachment 1 sets out further guidance as to what constitutes "inside" or price sensitive information.

4.2 Permitted dealings

The restriction in section 4.1 applies to all dealings in the Company's securities despite any approval given to a Relevant Person by the Company and the Relevant Person is responsible for ensuring that the dealing does not breach this restriction.

(a) Trading Windows

Where section 4.1 does not apply, Relevant Persons may deal in the Company's securities during any of the following periods (**trading windows**)

1. the six week period commencing at 10 am (eastern standard time) on the next trading day after the announcement to the ASX of the preliminary final statement for the full year result;
2. the six week period commencing at 10 am (eastern standard time) on the next trading day after the announcement to the ASX of the half-year result
3. the six week period commencing at 10 am (eastern standard time) on the next trading day following the Company's AGM
4. any other period that the Company specifies from time to time

(b) Confirmation required for dealings by directors

A director must confirm any such dealings with the Company Secretary within 2 business days of the dealing.

4.3 Prohibited dealings

(a) Blackout periods

Relevant Persons must not deal in the Company's securities outside of any of the trading windows set out in section 4.2 (a)

(b) Exceptional circumstances

If a Relevant person needs to deal in the Company's securities due to exceptional circumstances but such dealing would breach sections 4.2 (a) or 4.4 (a) of this Policy, the Relevant Person may apply to the Chairman (in the case of directors and senior management and their Connected Persons) or the CEO (in the case of other employees or other Relevant Persons) for a waiver from compliance with the provisions of section 4.2 (a) or 4.4 (a).

Exceptional circumstances for these purposes include severe financial hardship, compulsion by court order or any other circumstance that is deemed exceptional by the Chairman or CEO (as relevant).

Relevant Persons seeking a waiver under this section must apply in writing to the Chairman or CEO (as relevant) setting out the circumstances of the proposed dealing (including an explanation as to the severe financial hardship or circumstances that are otherwise exceptional) and the reason the waiver is requested.

A waiver will only be granted if the Relevant Person's application is accompanied by sufficient evidence (in the opinion of the Chairman or CEO, as relevant) that the dealing of the relevant securities is the only reasonable course of action available in the circumstances.

If a waiver is granted, the Relevant Person will be notified in writing (which may include notification by email) and in each circumstance the duration of the waiver to deal in the securities will be 5 business days.

Unless otherwise specified in any notice, any dealing permitted under this paragraph 4.3 (b) must comply with other sections of this Policy (to the extent applicable).

(c) No short term dealing – buying and selling within 3 month period

Relevant Persons must not deal in the Company's securities on a short term trading basis. Short term trading includes buying and selling securities within a 3 month period, and entering into other short term dealings (for example, forward contracts).

4.4 Margin lending arrangements

- (a) Relevant Persons must not deal in the Company's securities in connection with a margin lending arrangement. Such dealings would include:
1. entering into a margin lending arrangement in respect to the Company's securities;
 2. transferring securities in the Company into an existing margin loan account; and
 3. selling securities in the Company to satisfy a call pursuant to a margin loan.

4.5 Hedging of the Company's securities

Hedging of vested and unvested Company securities by a Relevant Person is prohibited at all times. Hedging includes entering into transactions in financial products that operate to limit the economic risk associated with holding securities in the Company.

4.6 Exclusions

Sections 4.2 and 4.3 of this Policy do not apply to:

- a. the following categories of passive dealings
 - acquisition of Company securities through a dividend reinvestment plan;
 - acquisition of Company securities through a share purchase plan available to all retail shareholders;
 - acquisition of Company securities through a rights issue;
 - the disposal of Company securities through the acceptance of a takeover offer; and
 - the disposal of Company securities through an equal access buy-back.
- b. dealings that do not result in a change to the beneficial interest in the securities; and
- c. participation in an employee share or option plan operated by the Company (e.g. applying for an allocation of securities under an employee share or option offer after exercising an option received under an employee option plan). However, once the securities in the Company granted under an employee share or option plan cease to be held under the terms of that plan, any dealings in those securities must only occur in accordance with all provisions of this Policy.

Notwithstanding the above exclusions, the prohibition against insider trading as set out in section 4.1 applies to all dealings in the Company's securities.



5.0 Securities in other companies

While, in general, employees are free to deal in securities in other listed companies, the prohibited conduct under the Corporations Act includes dealings not only in the Company's securities but also in those of other listed companies with which the Company may be dealing (including the Group's customers, contractors or business partners) where an employee possesses "inside information" in relation to that other company.

If a Relevant person is aware of information that is not generally available but which, if it were generally available, a reasonable person would expect to have a material effect on the price or value of a security, the Relevant person should not deal in the securities of the companies that it affects.

Relevant Persons may come into possession of "inside information" where they are directly involved in client relationship management or negotiating contracts. For example where the Relevant person is aware that the Group is about to sign a major agreement with another company, the Relevant person should not buy securities in either the Company or the other company.

6.0 Who to contact

Any employee who has queries about this Policy should contact the Company Secretary.



SECURITIES TRADING POLICY – ATTACHMENT 1

1.0 How the insider trading rules apply

1.1 Relevant terms

a. Securities

The definition of securities in the Corporations Act is very broad.

Securities include:

- ordinary shares;
- preference shares;
- options or performance rights;
- debentures; and
- convertible notes.

It also extends to financial products relating to securities issued by the Company (for example, warrants and other derivative products), whether or not financial products are created by the Company or by third parties.

b. Dealing in securities

Dealing in securities is a broad concept and covers more than simply buying or selling securities. It extends to exercising options over securities and entering agreements to buy or sell securities.

Under this policy and the law, the prohibition on dealing means that Relevant Persons are not permitted to:

- buy or sell; or
- enter into an agreement to subscribe for, buy or sell securities,

where they possess information that is not generally available and which a reasonable person would expect to have a material effect on the price or value of those securities.

If a Relevant person possesses price sensitive information that is not generally available, the Relevant Person is also prohibited from:

- procuring any other person to deal in those securities; or
- directly or indirectly communicating the information to another person whom the Relevant Person believes is likely to deal in, or procure another person to deal in, those securities.



Procuring means enticing, encouraging, persuading, causing or securing another person to do or not to do something. Procuring also includes inciting, inducing or encouraging an act or omission.

For example, a Relevant Person cannot ask or encourage anyone, including family members, friends, associates or others, to deal in securities when the Relevant Person possesses price sensitive information, and Relevant Persons should not communicate price sensitive information.

If a Relevant person accidentally gives somebody “inside information” when he or she should not have, the Relevant person must immediately tell that person that it is “inside information” and warn them against trading in the Company’s securities, getting others to trade in the Company’s securities, or communicating the information to others.

c. Price sensitive or “Inside Information”

Information is “inside” or “price sensitive” if it is not generally available, but which, if it were generally available, a reasonable person would expect to have a material effect (upwards or downwards) on the price or value of a security.

For the purposes of the insider trading provisions of the Corporations Act, information is defined broadly and includes matters of supposition and other matters which are insufficiently definite to warrant being made known to the public. It also includes matters relating to the intentions of a person.

d. Information that is generally available

Information is “generally available” if it:

1. consists of readily observable matter;
2. has been made known in a manner that would, or would likely to, bring it to the attention of persons who commonly invest in any of the classes of securities issued by the Company and since it was made known, a reasonable period for it to be disseminated among those persons has elapsed. That is, information will be “generally available” if it has been released to the ASX or published in an annual report or prospectus or similar document and a reasonable period of time has elapsed after the information has been disseminated in one of these ways; or
3. consists of deductions, conclusions or inferences made or drawn from information referred to in section 1.1 (d) (1) of this Attachment 1 or information made known as mentioned in section 1.1 (d) (2) of this Attachment 1, or both.

e. Material effects on the price of securities

Under the Corporations Act, information likely to have a material effect on the price or value of securities of a company if the information would, or would likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell those securities.



It is not possible to list all information that may be material. However, the following types of information would be likely to be considered to have a material effect on the price of the Company's securities.

- sales figures;
- profit forecasts;
- unpublished announcements or knowledge of possible regulatory investigations;
- liquidity and cashflow;
- proposed changes in the Company's capital structure, including issues of securities, rights and buy backs;
- borrowings;
- major asset purchases and sales;
- impending mergers, acquisitions, reconstructions, takeovers, etc;
- significant litigation;
- significant changes in operations;
- significant changes in industry;
- new products/services and technology;
- proposed dividends;
- management restructuring or Board changes; and
- new contracts or customers.

2.0 Consequences of breach

Breaches of the insider trading laws have serious consequences for both the Relevant Person concerned and the Company.

A person who commits a breach of the insider trading provisions could be subject to criminal liability (substantial fines or imprisonment or both may be imposed) or civil liability (substantial fines may be imposed) under Australian law. A person who contravenes or is involved in a contravention of these provisions may also be liable to compensate any person who suffers loss or damage resulting from the conduct. In addition, an actual or suspected breach of the insider trading laws may also give rise to adverse public scrutiny and media comment.

It is therefore important that Relevant Persons adhere to this Policy at all times.

Any person who is suspected of breaching this Policy may be suspended from attending the workplace on full pay pending the outcome of investigations into the alleged breach.

Any person who is proven to have breached this Policy could face disciplinary action (including forfeiture of securities and/or suspension of termination of employment).