

**HGL LIMITED**  
(ACN 009 657 961)

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**POLICY ON DEALING IN HGL  
SHARES BY EMPLOYEES AND  
DIRECTORS**

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# POLICY ON DEALING IN HGL SHARES BY EMPLOYEES AND DIRECTORS

## 1. PURPOSE

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### 1.1 Policy and law

This document:

- (a) sets out the policy, adopted by the Directors of HGL, on Employees and Directors dealing in HGL shares; and
- (b) summarises the law relating to insider trading.

### 1.2 Further advice

If you do not understand either the policy or the summary of the law, or if you are confused as to whether the law applies to you, please contact the Company Secretary. You may wish to seek your own professional legal advice prior to dealing in HGL shares.

## 2. DEFINITIONS

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In the construction of this document, unless the contrary intention appears:

“**the Chair**” means the individual who at the relevant time has been elected by the Directors of HGL to chair their meetings;

“**the Company Secretary**” means the individual who at the relevant time is the company secretary of HGL and, if more than one individual holds such office, any of those individuals;

“**the Controlled Entity**” of a Director or Employee, as the case may be, is any company or trust over which the Director or Employee has, in substance (rather than form) the ability or power, whether direct or indirect, to dominate decision-making in relation to the financial and operating policies of the company or trust;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**deal**” means (whether as principal or agent) acquire, dispose of, or subscribe for, HGL shares;

“**Director**” means an individual who is a director or alternate director of HGL, regardless of whether the individual is also an Employee;

“**Employee**” means an individual who is an employee of HGL, but does not include an individual who is also a Director;

“**HGL**” means HGL Limited (ACN 009 657 961);

“**HGL shares**” means:

- (a) fully paid ordinary shares in the capital of HGL;
- (b) other classes of shares in the capital of HGL, whether fully paid or not;
- (c) debentures issued by HGL;
- (d) options granted by HGL;
- (e) any other form of securities (as defined in section 92 of the Corporations Act) issued by HGL;

“**notify**” means give notice orally, in electronic form, or in writing;

“**Subsidiary**” means any company which at the relevant time is a subsidiary of HGL under section 46 of the Corporations Act.

### **3. POLICY APPLICABLE TO DIRECTORS AND THEIR CONTROLLED ENTITIES**

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#### **3.1 Notification before dealing**

Before either a Director (other than the Chair) or a Controlled Entity of a Director deals in HGL shares, the Director:

- (a) must notify the Chair as to:
  - (i) the number of HGL shares involved; and
  - (ii) whether it is a sale, purchase, or subscription; and
  - (iii) the proposed date of the transaction; and
- (b) must consider any views expressed by the Chair.

#### **3.2 Dealing by the Chair**

Before either the Chair or any Controlled Entity of the Chair deals in HGL shares, the Chair:

- (a) must notify the chair of the Audit Committee of HGL (or the Company Secretary if the Chair is also chair of the Audit Committee) as to:
  - (i) the number of HGL shares involved; and
  - (ii) whether it is a sale, purchase, or subscription; and
  - (iii) the proposed date of the transaction; and
- (b) must consider any views expressed by the chair of the Audit Committee (or Company Secretary, as the case requires).

#### **3.3 Effect of notification**

Each of the notification of the proposed dealing in HGL shares under either of the 2 preceding Clauses, and any views expressed under either of the 2 preceding

Clauses, does not constitute approval by or on behalf of HGL of the relevant dealing in HGL shares. At all times it is the responsibility of the person dealing in HGL shares:

- (a) to ensure that the dealing in HGL shares does not constitute insider trading; and
- (b) to consider the proposed dealing in HGL shares in the context of, first, the need to preserve the reputation and integrity of each of HGL and the Directors and, second, that the dealing in HGL shares is not only fair but seen to be fair.

### **3.4 Confirmation after dealing**

Within 5 working days after a Director or a Controlled Entity of a Director deals in HGL shares, the Director must notify the Chair (or chair of the Audit Committee or Company Secretary, as the case requires, if the Director in question is the Chair) of the number of HGL shares involved, whether it was a sale, purchase, or subscription, the consideration payable, and the date of the transaction. This is in addition to any obligation on a Director of HGL under arrangements between the Director and HGL, to disclose information to HGL to enable it to comply with its obligations under ASX Listing Rule 3.19A concerning notifiable interests of Directors of HGL.

### **3.5 No dealing period**

No dealing in HGL shares is permitted:

- (a) between 1 April and the day after the half year results are issued; and
- (b) between 1 October and the day after the full year results are issued.

## **4. POLICY APPLICABLE TO EMPLOYEES AND THEIR CONTROLLED ENTITIES**

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### **4.1 Notification before trading**

Before either an Employee or a Controlled Entity of an Employee deals in HGL shares, the Employee:

- (a) must notify the Chair as to:
  - (i) the number of HGL shares involved; and
  - (ii) whether it is a sale, purchase, or subscription; and
  - (iii) the proposed date of the transaction; and
- (b) must consider any views expressed by the Chair.

### **4.2 Effect of notification**

Each of the notification of the proposed dealing in HGL shares under the preceding Clause, and any views expressed under the preceding Clause, does not constitute

approval by or on behalf of HGL of the relevant dealing in HGL shares. At all times it is the responsibility of the person dealing in HGL shares:

- (a) to ensure that the dealing in HGL shares does not constitute insider trading; and
- (b) to consider the proposed dealing in HGL shares in the context of, first, the need to preserve the reputation and integrity of each of HGL, the Directors and the Employees and, second, that the dealing in HGL shares is not only fair but seen to be fair.

#### **4.3 Confirmation after dealing**

Within 5 working days after an Employee or a Controlled Entity of an Employee deals in HGL shares, the Employee must notify the Chair of the number of HGL shares involved, whether it was a sale, purchase, or subscription, the consideration payable, and the date of the transaction.

### **5. EXEMPTIONS FROM NOTIFICATION OBLIGATION**

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Neither Section 3 nor Section 4 of this document applies to the dealing in HGL shares by a Director, Employee or their Controlled Entities under:

- (a) an issue of HGL shares offered to at least all holders of HGL shares with an address within Australia (whether or not offered on a pro rata basis); or
- (b) a prospectus lodged with Australian Securities and Investments Commission; or
- (c) a dividend reinvestment plan maintained by HGL; or
- (d) a share purchase plan maintained by HGL; or
- (e) a takeover bid by HGL in which HGL shares are offered; or
- (f) a takeover bid by an entity for HGL shares.

### **6. INSIDER TRADING**

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#### **6.1 The prohibition**

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

- (a) buy, sell or otherwise deal in HGL shares; or
- (b) advise, procure or encourage another person to buy, sell or otherwise deal in HGL shares; or
- (c) pass on information to any other person, if you know or ought reasonably to know that the person may use the information to buy, sell or otherwise deal in HGL shares.

## **6.2 Prohibition on tipping**

You cannot get round the law by arranging for a member of your family or a friend to buy, sell or otherwise deal in HGL shares. Nor may you give “tips” concerning HGL information to others.

## **6.3 Rules apply to other companies**

The same rules apply to buying, selling or otherwise dealing in securities of any other company about which you may have price-sensitive information.

## **6.4 What is “price-sensitive information”?**

Price-sensitive information means information relating to HGL that would, if the information were publicly known, be likely to:

- (a) have a material effect on the price or value of HGL shares; or
- (b) influence persons who commonly invest in securities in deciding whether or not to buy, sell or otherwise deal in HGL shares.

## **6.5 When is the information “generally available”?**

Information is generally available if:

- (a) it consists of a readily observable matter; or
- (b) it has been brought to the attention of investors through an announcement to Australian Stock Exchange Limited, and a reasonable period has elapsed since the announcement.

## **6.6 What are the consequences if you breach the insider trading prohibitions?**

Breach of the insider trading prohibitions may subject you or members of your family to:

- (a) criminal liability – penalties include heavy fines and imprisonment;
- (b) civil liability – you can be sued by another party or HGL for any loss suffered as a result of illegal trading activities.

This document was approved by the Directors of HGL on 25 November 2003 and amended on 27 October 2009.