



**GWA**  
Group Limited

**Share Trading Policy**  
**GWA007**

<b>Created By</b>	<b>Executive Director</b>	<b>Date</b>	<b>February 2005</b>	<b>Rev. No.</b>	<b>4</b>
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**1. Purpose**

1.1 The purpose of the policy is to prevent any incidence of "insider trading" in GWA securities by directors, officers and employees ("Company Personnel").

**2. Scope**

2.1 This policy applies to all employees of GWA Group Limited and its related companies ("GWA").

**3. Responsibility**

3.1 The GWA Board of Directors has approved this policy.

3.2 It is the responsibility of Management to ensure this policy is implemented and communicated to all relevant employees in the Group.

3.3 It is the responsibility of Company Personnel to comply with this policy.

**4. Records**

4.1

What	Who	Where	How Long
<b>GWA Policy Share Trading GWA007</b>	Executive Director	GWA HO	Indefinitely

**5. Requirements**

**5.1 Trading in GWA securities**

As GWA's securities are listed on the Australian Securities Exchange ("ASX"), GWA has developed a policy to prevent any incidence of "insider trading" in GWA securities by Company Personnel.

## **5.2 What is “Insider Information”?**

“Insider Information” is information concerning GWA's financial position, strategy or operations and any other information which a reasonable person would consider, if made public, would be likely to have a material impact on the price of GWA's securities. In other words, it is information which would influence a reasonable person to buy or sell GWA's securities.

Examples of the types of information that would be likely to have a material impact on a listed companies share price include, but not limited to:

- information regarding a material increase or decrease in a company's financial performance from previous results or forecasts;
- proposed material business or asset acquisition or sale;
- proposed material legal proceedings to be initiated by or against a company;
- regulatory action or investigation undertaken against a company by a government authority.

## **5.3 What is “Insider Trading”?**

A person undertakes insider trading if that person trades in GWA's securities while possessing information about the company that is:

- (a) not generally available; and
- (b) price sensitive.

The prohibition against insider trading applies to:

- (a) direct trading in GWA's securities;
- (b) procuring another person to trade in GWA's securities; and
- (c) communicating (tipping) price sensitive information to another person who is likely to trade in GWA's securities.

Some examples of insider trading include, but not limited to:

- trading in a company's securities when in possession of Insider Information relating to a company's results before the release of such financial results to the ASX;
- trading in securities of a company with knowledge of an impending takeover offer not yet disclosed to the ASX; or
- procuring others to trade in a company's securities on your behalf based on your knowledge of price sensitive information not yet disclosed to the ASX.

**Insider trading is a criminal offence.** It is punishable by substantial fines or imprisonment or both for persons engaged in insider trading in GWA's securities. The Company policy is that any Company Personnel who breach the insider trading rules are liable to have their services terminated.

Insider trading may also attract civil penalties. A court may impose substantial pecuniary penalties on persons who engage in insider trading and order payment of compensation to persons (eg shareholders) who suffer loss or damage as a result of insider trading in GWA's securities.

## **5.4 General Policy**

### **5.4.1 General Prohibition on Trading in GWA's Securities**

In the course of carrying out your employment duties you may come into possession of information which, if generally available, may have a material effect on the price of GWA's securities.

The law is, you must not trade in, or procure others to trade in GWA's securities, if:

- You possess information which is not generally available;
- That information may have a material effect on the price of GWA's securities; and

- You know, or ought to know, that the information is not generally available and, if it were, it might have a material effect on the price of GWA's securities.

This general prohibition overrides all other rules set out in this policy. **At all times, if an individual possesses unpublished Insider Information about GWA, that person is prohibited from trading in GWA's securities.** This prohibition applies regardless of how the individual learns the information (eg overhears it, or told in social setting).

If you are in doubt at all as to whether any intended trading in GWA's securities may breach the insider trading rules, you should discuss with the Executive Director before trading in those securities.

As an additional prohibition, Company Personnel must not engage in any active short term trading in GWA's securities.

## **5.5 Trading by Directors and Senior Executives**

### **5.5.1 Trading Period**

Without in any way limiting the prohibitions contained in the General Policy in 5.4 above, directors and senior executives are only permitted to trade in GWA's securities, in the absence of agreement by the Board to the contrary, to those periods of 30 days after each yearly and half yearly results announcement, and Annual General Meeting (**Window Period**) and provided they are not in possession of unpublished Insider Information.

Outside of the Window Period (**Closed Period**), directors and senior executives may in certain circumstances, including Exceptional Circumstances (refer 5.9 below), trade in GWA's securities following written approval (which includes email) in accordance with this policy. The Managing Director may determine from time to time other officers or employees to whom this policy applies.

**It must always be remembered that even when a trading window is open, directors and senior executives may not deal in GWA's securities if they are in possession of Insider Information.**

### **5.5.2 Closed Period - Written Approval**

Prior to undertaking any trading during a Closed Period, a director or senior executive must obtain written approval (which includes email) as set out below:

- A director of the Company must inform and secure written approval from the Chairman prior to undertaking the trade;
- The Chairman must inform and secure written approval from the Deputy Chairman prior to undertaking the trade;
- A senior executive must inform and secure written approval from the Managing Director prior to undertaking the trade;

and confirmation of the approved trade must be given to the Executive Director within 2 business days of the completion of the trade for directors and 5 business days for senior executives.

## **5.6 Trading Excluded from the Policy**

The issue of shares under the GWA share incentive schemes is not deemed to be a dealing in GWA's securities. The subsequent sale of shares is, however, a dealing which is subject to this policy.

Any securities trading which is not subject to this policy is permitted unless it breaches the relevant statutory prohibitions. Such excluded trading includes where the trading (a) results in no change in beneficial interest in the securities; (b) occurs via investments in a scheme or other arrangement where the investment decisions are exercised by a third party; (c) occurs when the director or executive has no control or influence with respect to trading decisions; or (d) occurs under an offer to all or most of the security holders of GWA.

Appendix A provides examples of excluded trading.

### **5.7 Hedging Arrangements**

Directors and senior executives must not enter into any hedging arrangements in relation to any unvested GWA securities which operate to limit the economic risk of any securities issued under the GWA share incentive schemes while those holdings are subject to performance hurdles or are otherwise unvested. Any sale, hedging arrangement or other trade involving those securities after they have vested must be done in compliance with this policy.

### **5.8 Margin Loans**

Directors and senior executives must disclose to the Board any GWA securities that are held as security in a margin loan arrangement so that the Board can assess whether the margin loan arrangement is material and requires disclosure to the market.

### **5.9 Exceptional Circumstances Definition and Procedure**

Directors and senior executives must not deal in GWA's securities during the Closed Period outlined in 5.5 above, unless exceptional circumstances exist.

"Exceptional Circumstances" means severe financial hardship or other circumstances considered to be exceptional, including a court order or court enforceable undertakings in a bona fide family settlement to transfer GWA's securities or some other overriding legal or regulatory requirement to transfer GWA's securities.

Exceptional circumstance dealings in a designated period are to be decided for directors (other than the Chairman) by the Chairman, for the Chairman by the Deputy Chairman and for senior executives by the Managing Director in each case in their sole discretion and in each case notified to the Executive Director.

Any prior written clearance to trade in exceptional circumstances must specify the duration of such clearance and must be in writing (which includes email).

### **5.10 Trading in Securities of Other Companies**

In the course of performing your role, you may become aware of Insider Information regarding entities other than GWA (eg, securities of acquisition targets, customers or suppliers). The law is that Company Personnel must not trade in securities of other companies if he or she possesses Insider Information or price sensitive information in relation to that other company. This prohibition is also company policy.

Some examples include, but are not limited to, where:

- You become aware of an impending acquisition or takeover offer to be made by GWA for another company, you must not trade in the securities of either company; or
- You are aware that GWA is about to sign a major agreement with another company that is likely to have an effect on the share price of either company, you must not trade in the securities of either company.

Company Personnel should also be careful that third parties, including professional advisers, are subject to confidentiality with respect to Insider Information of GWA.

### **5.11 Notification**

A director must notify the Executive Director of any dealing in GWA's securities **within 2 business days** of such dealing. Such notification must include the following information:

- the name of the director and the name (if applicable) of an associated party

- whether the relevant interest held by the director in GWA's securities is or was a direct or indirect interest (and if it is or was an indirect interest, the circumstances giving rise to the relevant interest)
- the nature of the dealing in GWA's securities, including number of securities acquired and/or disposed
- the date of the dealing in GWA's securities
- the consideration paid and/or received and if the consideration is non-cash, a description of the consideration provided, details and estimated value
- the number and class of GWA's securities held by the director before and after the dealing in GWA's securities

The Executive Director will, upon receipt of a notification from directors, complete and lodge a notice in accordance with ASX Listing Rule 3.19A and provide a copy to the relevant director.

**It is important that the 2 business day notification period is strictly complied with as significant penalties may apply to late notification to the ASX of trades by directors and their associated parties.**

#### **5.12 Duty of Confidentiality**

Company Personnel have a duty of confidentiality to GWA in relation to any confidential information they possess in the course of performing their duties, in addition to obligations under the law in relation to Insider Information.

#### **5.13 Breach of the Policy**

Strict compliance with the GWA Share Trading Policy is a condition of employment. Breaches of the policy will be subject to disciplinary action, which may include termination of employment.

In making decisions under this policy, reference may be made to any guidance notice issued by the ASX.

GWA may change, replace or withdraw this policy at any time, both on an individual and collective basis.

For further information on the GWA Share Trading Policy, please contact the Executive Director.

## **6. Appendix**

- A Examples of trading excluded from this policy.

## **Appendix A**

Some examples of trading excluded from this policy are:

- (a) transfers of *GWA's securities* already held into a superannuation fund or other saving scheme in which the director or executive is a beneficiary;
- (b) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in *GWA's securities*) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (c) where a director or executive is a trustee, trading in *GWA's securities* by that trust provided the director or executive is not a beneficiary of the trust and any decision to trade during a designated period is taken by the other trustees or by the investment managers independently of the director or executive;
- (d) undertakings to accept, or the acceptance of, a takeover offer;
- (e) trading under an offer or invitation made to all or most of *GWA's security holders*, such as a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the 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;
- (f) a disposal of *GWA's securities* that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement; and

- (g) trading under a non-discretionary trading plan for which prior written clearance has been provided and where:
- (i) the director or executive did not enter into the plan or amend the plan during a designated period;
  - (ii) the trading plan does not permit the director or executive to exercise any influence or discretion over how, when or whether to trade; and
  - (iii) there is no cancellation of the trading plan during a designated period other than in exceptional circumstances.