

# **IDT AUSTRALIA LTD - SECURITY TRADING POLICY**

Objective : to regulate dealings in securities issued by the Company in accordance with ASX Listing Rule 12.9.

The law prohibits, and imposes severe penalties on insider trading. The *Corporations Act 2001 (Cth)* (*Corporations Act*) and the ASX Listing Rules require disclosure of trading undertaken by Directors and entities they influence.

Securities include :

- Any share in, or debenture of, the Company
- An option over an unissued share or debenture of the Company, and
- A renounceable or unrenounceable right to subscribe for a share in, or debenture of, the Company.

## **Policy Background**

This policy imposes trading restrictions when dealing with IDT securities, specifically limiting Directors, members of the Executive Leadership team (ELT) as well as employees of the Company or persons with access to inside information relating directly or indirectly to the Company, from trading in the Company's securities.

This policy aims to develop a culture of awareness of individual responsibilities under insider trading laws. This policy is made available on the Company website, to all Directors, ELT, employees other persons with access to Inside information and is subject to ASX announcement, upon any material changes to the policy.

If you do not understand any part of this policy or how it applies to you please contact the Company Secretary.

## **Insider Trading**

Insider Trading may occur when anyone connected with the company buys or sells, or induces others to buy or sell, securities in any company, including but not limited to IDT's securities, when in possession of Material Inside Information.

Material Inside Information is information concerning the Company's financial position, strategy or operations that is not public information (i.e. not generally available) and if made public a reasonable person would expect it would be likely to have a material effect on the price or value of the Company's securities. Information may be supposition only and not definite enough to warrant public disclosure. It also may include matters relating to intentions or likely intentions. It does not matter how you have come by the material information.

Examples of material information may include (but are not limited to) information about:

- Earnings or dividends before they are announced
- An imminent share issue or other capital raising
- An important new contract, new development or new venture
- The results of exploratory work or testing
- The likelihood of approvals being granted
- A proposed acquisition, merger or takeover

- A proposed disposal, rationalisation or restructuring
- Major financial difficulties or losses
- Possible de-listing, closure, receivership or liquidation.

Dealing in securities includes trading, subscribing, buying or selling securities or entering an agreement to do so, as well as advising, procuring or encouraging others such as family members, friends, colleagues etc to trade in securities.

Insider Trading is a criminal offence attracting fines and possible imprisonment. Any person in possession of Material Inside Information must not trade in securities of that company. It is a personal responsibility of each individual to comply with the laws governing Insider Trading.

This Insider Trading prohibition is set out in detail in section 1043A of the *Corporations Act* and is an overriding obligation which applies despite anything in this policy.

## **Employees**

Employees of the Company may have access to Material Inside Information during the course of their employment. This policy sets parameters and procedures to reduce the risk of perceived Insider Trading.

Employees have a duty of confidentiality to the Company. A person must not reveal any confidential information concerning the Company, use that information in any way which may cause loss to the Company, or gain an advantage for themselves or anyone else. This obligation may also extend to information obtained in regard to other companies including the Company's suppliers or customers.

Employees generally may freely trade in IDT securities, however, they are reminded that Insider Trading restrictions apply to them. Strict compliance with the Insider Trading restrictions are a condition of employment and any employee who breaches this restriction will be subject to disciplinary action which may include dismissal.

## **Key Management Personnel, Directors and other members of the Executive Leadership Team**

Additional restrictions on dealing in the Company's securities apply to Directors, ELT , entities under their control and other parties as considered from time to time..

A list of restricted personnel is maintained by the Company Secretary who will ensure all impacted Directors and staff will receive notification of this policy.

These people may not trade in the Company's securities during closed or prohibited periods without written approval, pursuant to the procedures set out in this policy.

## **Scope of the Policy**

This policy does not apply to every dealing with the Company's securities and as such some dealings may be exempt from the requirements of this policy, namely:

- Where the beneficial interest in the relevant Company's security does not change
- Where the persons otherwise prohibited from dealing pursuant to this policy have no control over trading decisions
- Where trading occurs under an offer to all or most of the Company's security holders.

Where persons otherwise prohibited from dealing in the Company's securities pursuant to this policy, namely Directors and ELT (Restricted Person), the following dealings are specifically excluded from the application of this policy:

- Where securities are held in a non self managed superannuation fund or other saving scheme in which the Restricted Person is a beneficiary
- An investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the securities of the entity) where the assets of the fund or other scheme are invested at the discretion of a third party
- Where a Restricted Person is a trustee, trading in the securities of the entity by that trust provided the Restricted Person 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 Restricted Person
- Undertakings to accept, or the acceptance of, a takeover offer
- Trading under an offer or invitation made to all or most of the security holders, including 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
- A disposal of securities of the entity that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement
- The exercise (but not the sale of securities following exercise) of an option or a right 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 at a time prohibited under this policy and the Restricted Person could not reasonably have been expected to exercise it at a time when free to do so
- Transactions conducted between a person and their spouse, civil partner, child or step-child
- Bona fide gifts to a Restricted Person by a third party
- Decisions relating to whether or not to take up the entitlements under a renounceable pro rata issue.

## **Prohibited Periods**

The Board has the discretion to prohibit trading by any Director or ELT, for example during periods when it is considering matters which are subject to the exceptions to the continuous disclosure requirements set out in Listing Rule 3.1A (Prohibited Periods).

## **Closed Periods**

In addition to the Board's discretionary prohibition on trading by a Director or ELT during Prohibited Periods, given the heightened risk of perceived insider trading on the following occasions, Directors and ELT are prohibited from trading during:

- The period commencing from the end of the financial half (31 December) to the release of the Company's half year results to the ASX
- The period commencing from the end of the financial year (30 June) to the release of the Company's year end results to the ASX .

## **Application to deal in a Closed or Prohibited Period**

A Director or ELT must, provide written notification to the Company Secretary of:

- Details regarding their intention to deal with the Company's securities
- Confirm they are not in possession of Material Inside Information
- Provide an application to the Company Secretary.

The Company Secretary will then refer the application to the Chair of the Board of Directors of the Company (Board) who:

- Must inform the Board of any such requests
- May refer such a request to the Board at their discretion or where the Chair intends to trade in the Company's securities must refer such request to the Board
- Must respond (or authorise the Company Secretary to respond) to the application, normally, within 24 hours by written (which may be in the form of an email) decision

In the event of approval, place conditions on the approval when deemed appropriate.

Where dealing by a Director or ELT is approved:

- Dealing must occur within 14 days of the approval or subject to the conditions of the approval
- A Director or ELT must advise the Company Secretary within three business days of the date that trading has occurred, including details of the applicant's percentage shareholding in the Company
- Company Secretary shall advise the Board of all such trades.

## **Reporting Obligations**

Notwithstanding that the Company Secretary is to be informed of all information concerning a Director or ELT's shareholding, the ultimate responsibility for ensuring the required forms and notifications (including any substantial shareholding or change in any substantial shareholding) are lodged with the ASX, remains with the relevant Director or ELT.

Directors and ELT should note that, notwithstanding the formal consent to deal, it is the Director or ELT's's obligation to ensure that they do not breach the general obligation not to deal in the Company's securities when in possession of unpublished price sensitive information, being Material Inside Information.

## **Exceptional Circumstances**

A Director or ELT may make application to sell (but not to purchase) securities, when this policy otherwise prohibits, on the grounds of Exceptional Circumstances.

"Exceptional circumstances" may include genuine hardship, severe financial hardship, and court orders or some other overriding legal or regulatory requirement, as determined at the Chair's discretion. A tax liability would not normally constitute severe financial hardship unless the person has no other means of satisfying the liability.

The applicant must provide written notification to the Company Secretary of:

- Details regarding their intention to deal with the Company's securities
- Confirm they are not in possession of Material Inside Information
- Provide an application to the Company Secretary.
- The Company Secretary will then refer the application on to the Chair of the Board.

The application must satisfy the Chair that the circumstances are exceptional and the proposed sale of relevant securities is the only reasonable course of action available. In determining whether circumstances are exceptional the Chair will consider the purpose of the relevant ASX Listing Rules and will exercise their discretion with caution.

The Chair must inform the Board of any such requests and may refer such a request to the full Board at his discretion and must refer the request to the Board where it is the Chair seeking approval to trade in the Company's securities.

In the event of approval, conditions may be placed on the approval when deemed appropriate.

Where dealing is approved on exceptional circumstances:

- Dealing must occur within 14 days of the approval or subject to the conditions of the approval
- The applicant must advise the Company Secretary within three business days of the date that trading has occurred, including details of the applicant's percentage shareholding in the Company
- Company Secretary shall advise the Board of all such trades

Notwithstanding that the Company Secretary is to be informed of all information concerning a Director or ELT's shareholding, the ultimate responsibility for ensuring that the required forms and notifications (including any substantial shareholding or change in any substantial shareholding), are lodged with ASIC and ASX, remains with the relevant Director or ELT.

Notwithstanding the formal consent to deal, it is the applicant's obligation to ensure that they do not breach the general obligation not to deal in the Company's securities when in possession of unpublished price sensitive information, being Material Inside Information.