

POLICY FOR DEALING IN SECURITIES

Adopted by the Board on 29 July 2022

Version 3.1

1. Introduction

The purpose of this Policy is to:

- explain the types of conduct in dealing in securities that are prohibited under the Corporations Act. Such prohibitions apply to all directors, employees and independent contractors of the Company and the Group; and
- establish a best practice procedure for the buying and selling of securities that protects the Company and directors, employees and independent contractors against the misuse of unpublished information which could materially affect the value of securities.

The purpose of this Policy is to ensure that persons who this Policy applies to are aware of their legal obligations and to protect the Group and its reputation in the marketplace.

The Group aims to achieve the highest possible standards of corporate conduct and governance. The Directors consider that compliance with this Policy is essential to ensure that the highest standards of conduct are being met by all Directors, employees and independent contractors.

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

Attachment 1 describes how the insider trading rules apply and contains definitions of the key terms used in this Policy.

2. Definitions

In this Policy:

Approver has the meaning given to that term in clause 4.2b).

ASX means the Australian Securities Exchange Limited.

Board means the board of the Company.

Blackout Period means:

- a) the period from the close of trading on the ASX on 30 June each year, or if that date is not a trading day, the last trading day before that day, until the day following the announcement to ASX of the preliminary final statement or full year results;
- b) the period from the close of trading on the ASX on 31 December each year, or if that date is not a trading day, the last trading day before that day, until the day following the announcement of the half yearly results; and
- c) any other period that the Board specifies from time to time.

CEO means the Chief Executive Officer of the Company.

CFO means the Chief Financial Officer of the Company.

Chair means the Chair of the Board.

Company means Australian Finance Group Ltd ACN 066 385 822.

Company Secretary means the company secretary of the Company.

Connected Person means, in relation to an Employee:

- a) a family member of the Employee who may be expected to influence, or be influenced by, the Employee in his or her dealings with the Company (this may include the Employee's spouse, partner and children, the children of the Employee's partner, or dependants of the Employee or the Employee's partner); and
- b) a company or any other entity which the Employee has an ability to control.

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

Designated Person means all Directors, Senior Executives, and certain other Employees notified by the Company Secretary (such as some members of the finance and legal teams) who, due to the nature of their position, are likely to come in contact with, or have access to, key financial, operational or strategic information about the Company that will, or is likely to have, a material effect on the price or value of the Company's securities.

Directors means a director or alternate director of the Group.

Employees means:

- a) Directors;
- b) Senior Executives; and
- c) all employees and independent contractors of the Group.

Group means the Company and its related bodies corporate as defined in the Corporations Act.

Notification Person has the meaning given to that term in clause 4.3a).

Policy means this policy for dealing in securities.

Relevant Person means all Employees and their Connective Persons.

Senior Executives means the CEO and all direct reports to the CEO and members of the executive team of the Company and executives of the Group companies.

Trading Window means:

- a) the 4 week period commencing at 10.00am on the next trading day after the announcement to ASX of the Company's half yearly results;
- b) the 4 week period commencing at 10.00am on the next trading day after the announcement to ASX of the Company's preliminary final statement or full year results;
- c) the 4 week period commencing at 10.00am on the next trading day after the holding of the Annual General Meeting for the Company;
- d) any period that the Company has a current prospectus or other form of disclosure document on issue under which persons may subscribe for securities; or
- e) any other period the Board determines.

3. Who does this Policy apply to?

This Policy applies to all Relevant Persons.

Where this Policy requires a Relevant Person to do an act or thing (for example, obtaining clearance in accordance with clause 3.4), the relevant Employee must do that act or thing in

respect of the Connected Person and ensure that Connected Persons do not breach this Policy.

4. Restrictions on dealing in securities

4.1. No trading where in possession of inside information

A Relevant Person must not deal in securities where:

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

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

In addition to the legal obligations, Employees must also protect the Company and its reputation in the marketplace. Therefore, in addition to considering whether a Relevant Person has 'price sensitive' or 'inside' information, the Relevant Person should also consider whether their proposed conduct could create a negative market perception (for the Relevant Person or for the Company).

A useful question to ask is: *If the market was aware of all the current circumstances, could my proposed transaction be perceived by the market as me (or my Connected Persons) taking advantage of my position in an inappropriate way? How would it look if my transaction was reported on the front page of the Australian Financial Review?*

If an Employee has any perception concerns, the Employee should note them in their relevant notification or approval request.

4.2. Other prohibited dealings

a) Blackout Periods

Designated Persons are frequently privy to the Company's market sensitive information.

Designated Persons and their Connected Persons must not deal in the Company's securities during a Blackout Period.

For the avoidance of doubt, during a Blackout Period Designated Persons and their Connected Persons must not deal in any other financial products issued or created over or in respect of the Company's securities (for example, exchange-traded options, contracts for differences and other derivatives).

b) Exceptional circumstances

If a Designated Person or their Connected Persons needs to deal in securities during a Blackout Period due to exceptional circumstances but such dealing is prohibited by paragraph 4.2a) of this Policy, the Designated Person may apply to:

- if a Director (other than the Chair of the Board), the CEO, or one of their Connected Persons - the Chair of the Board;
- if the Chair of the Board or one of his or her Connected Persons - the Chair of the Audit Committee; or
- if a Senior Executive or other Designated Persons - the CEO,

or their delegate (the **Approver**) for a waiver from compliance with the provisions of paragraph 4.2a). The Approver may consult with the Company Secretary before granting a waiver.

Exceptional circumstances for these purposes includes severe financial hardship, compulsion by court order (such as a bone fide family court settlement) or any other circumstance that is deemed exceptional by the approver.

Designated Persons seeking a waiver under this paragraph must apply in writing to the Chair of the Board, Chair of the Audit Committee, 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 Designated Person's application is accompanied by sufficient evidence (in the opinion of the approver) that the dealing of the relevant securities is the most reasonable course of action available in the circumstances.

If a waiver is granted, the Designated Person will be notified in writing (which may include notification via email) and in each circumstance the duration of the waiver to deal in securities will be 2 business days.

Unless otherwise specified in the notice, any dealing permitted under this paragraph 4.2b) must comply with the other sections of this Policy (to the extent applicable).

c) No short-term dealing – buying and selling within 3 month period or 'short selling'

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

Relevant Persons must not 'short sell'¹ the Company's securities.

4.3. Trading windows and other permitted dealings

Where paragraphs 4.1 and 4.2 do not apply, Relevant Persons may deal in the Company's securities subject to the notification and approval requirements set out below. This includes Relevant Persons and their Connected Persons who are not Designated Persons or their Connected Persons, dealing in the Company's securities during a Blackout Period (provided they are not in possession of inside information in accordance with paragraph 4.1).

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

¹ 'Short selling' involves borrowing securities and selling those securities on the basis that the price of the securities will fall and the seller will be able to buy securities at a lower price to cover the contract to deliver the securities borrowed.

a) Designated Persons and their Connected Persons

Trading Windows – Advance notification required

- (1) During any Trading Window period, Designated Persons must notify any dealing in the Company's securities (including any dealing by one of their Connected Persons) at least **48 hours prior** to the proposed dealing as follows:
- the Chair of the Board must notify the Board or the Chair of the Audit Committee;
 - any other Director and the CEO must notify the Chair of the Board; and
 - any Senior Executive or other Designated Person must notify the CEO, (each a **Notification Person**).

The notification must confirm that the Designated Person (or their Connected Person) does not possess any price sensitive or inside information.

Prior to the intended dealing, the relevant Notification Person may direct the Designated Person (or their Connected Person) not to deal in the Company's securities or impose conditions on the dealing in their discretion.

For the avoidance of doubt, during a Trading Window, Designated Persons do not require approval to trade provided the notification requirements above are complied with (and they are not otherwise in possession of inside information in accordance with paragraph 4.1).

Trading outside Trading Windows – Approval required

- (2) During any period other than a Trading Window, Designated Persons must receive approval for any proposed dealing in the Company's securities (including any proposed dealing by one of their Connected Persons) **before a transaction is undertaken** as follows:
- if a Director (other than the Chair of the Board), the CEO, or one of their Connected Persons - the Chair of the Board;
 - if the Chair of the Board or one of his or her Connected Persons - the Chair of the Audit Committee; or
 - if a Senior Executive or other Designated Persons, or one of their Connected Persons - the CEO.

In each case, the relevant Approver may consult with the Company Secretary prior to approving any proposed dealing.

It is intended that a request for approval to trade will be answered within 2 business days. For the avoidance of doubt, a response must be received from the relevant Approver before trading can commence.

In all cases – Dealing must occur within 2 business days

- (3) Upon provision of notification under paragraph 4.3a)(1) or receipt of approval under paragraph 4.3a)(2), a Designated Person (or the Connected Person) must undertake the proposed dealing within 2 business days once the notification is provided or approval is granted or such other period specified in the approval. If the dealing is not undertaken within this time, the notification or approval will no longer have

effect and new notification or approval will be required in accordance with 4.3a)(1) or 4.3a)(2) before the proposed dealing may be undertaken.

In all cases – Confirmation by Designated Person required

- (4) Upon provision of notification or receipt of approval, a Designated Person (or the Connected Person) may undertake the proposed dealing. The Designated Person must confirm any such dealings with the appropriate person (as listed above) and the Company Secretary within 2 business days after the dealing.

Discretion and confidentiality

- (5) Any clearance to trade can be given or refused by the Company in its discretion, without giving any reasons. A clearance to trade can be withdrawn if new information comes to light or there is a change in circumstances. The Company's decision to refuse clearance is final and binding on the Designated Person seeking the clearance. If clearance to trade is refused, the Designated Person seeking the clearance must keep that information confidential and not disclose it to anyone.

b) Other Relevant Persons

In all cases – Subsequent notification required

Where a Relevant Person other than a Designated Person (or their Connected Persons) deals in Company securities, the Relevant Person must notify the Company Secretary of any such dealing **within 2 business days after** the relevant dealing occurring.

4.4. Margin lending arrangements

- a) Any dealing in the Company's securities by Relevant Persons pursuant to a margin lending arrangement must be conducted in accordance with this Policy. Such dealings would include:
 - (1) entering into a margin lending arrangement in respect of 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.
- b) Designated Persons must obtain approval in accordance with the procedure set out in paragraph 3.3 for any proposed dealing in the Company's securities in connection with a margin lending arrangement, irrespective of any trading window.
- c) The Company may, at its discretion, make any approval granted in accordance with paragraph 3.4b) conditional upon such terms and conditions as the Company sees fit (for example, with regard to the circumstances in which the Company's securities may be sold to satisfy a margin call).

4.5. Hedging of Company securities

- a) Hedging includes entering into transactions in financial products that operate to limit the economic risk associated with holding Company securities.

- b) Hedging of Company securities by a Relevant Person is subject to the following overriding prohibitions:
- (1) the hedge transaction must not be entered into, renewed, altered or closed out when the Relevant Person is in possession of inside information;
 - (2) Company securities must never be hedged prior to the vesting of those Company securities. In particular, Relevant Persons are prohibited from entering into any hedge transaction involving unvested equity held pursuant to any employee, executive or director equity plan operated by the Company (for example, performance rights or options); and
 - (3) Company securities must never be hedged while they are subject to a holding lock or restriction on dealing under the terms of any employee, executive or director equity plan operated by the Company.
- c) Relevant Persons are permitted to hedge their vested and unrestricted Company securities on the following conditions:
- (1) the hedge transaction is treated as a dealing in Company securities for the purposes of this Policy, and the relevant approvals and notifications are made on this basis; and
 - (2) the relevant requirements under paragraph 3.3 of this Policy have been satisfied.

Where a Relevant Person enters into a hedging arrangement in respect of Company securities, the Company may, where appropriate, disclose the fact and nature of the hedge (e.g. in its annual report or to ASX).

4.6. Exclusions

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

- a) participation in an employee, executive or director equity plan operated by the Company (e.g. applying for, or accepting, an allocation of securities under an employee equity plan offer or performance rights plan). However, where securities in the Company granted under an employee, executive or director equity plan cease to be held under the terms of that plan (i.e. options are exercised or performance rights vest), any dealings in those securities must only occur in accordance with this Policy. Also note the Company's policy on hedging interests in any employee equity plan set out in paragraph 4.5 of this Policy;
- b) the following categories of passive trades:
 - acquisition of Company securities through a dividend reinvestment plan however an election to participate in a dividend investment plan, or a change to an election, must only occur outside of a Blackout Period;
 - acquisition of Company securities through a share purchase plan available to all retail shareholders;
 - acquisition of Company securities, or disposal or rights acquired, through a rights issue or entitlement offer; and
 - the disposal of Company securities through the acceptance of a takeover offer, scheme of arrangement or equal access buy-back;
- c) dealings that result in no effective change to the beneficial interest in the securities (for example, transfers of Company securities already held into a superannuation fund or trust of which the Relevant Person is a beneficiary or transfers between a

- Relevant Person and their Connected Persons where the Relevant Person (if a Designated Person) has received prior written approval in accordance with paragraph 4.3a)(2) if the trade is outside a trading window);
- d) trading under a pre-approved non-discretionary trading plan, where the Relevant Person did not enter into the plan or amend the plan during a blackout period, the plan does not permit the Relevant Person to exercise any influence or discretion in relation to trading under the plan and the plan cannot be cancelled during a blackout period, other than in exceptional circumstances;
 - e) subject to paragraph 4.4, a disposal of securities of the Company that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement; and
 - f) indirect and incidental trading that occurs as a consequence of a Relevant Person dealing in units or shares of 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 in the Company.

However, such dealings are still subject to paragraph 4.1 of this Policy where applicable.

5. 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 lenders, 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. Breach

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

Breaches of this Policy are regarded as serious and will be subject to appropriate sanctions.

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 or termination of employment).

7. Training

Employees will receive training periodically that includes:

- familiarisation with the insider trading laws and the penalties that may result from a breach; and
- an overview of this Policy and their role under this Policy.

8. Who to contact?

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

9. Review of Policy

This Policy will be periodically reviewed to check that it is operating effectively and whether any changes are required to the Policy.

10. Policy History

1 May 2015	Policy adopted.
21 September 2017	Policy reviewed and amended and adopted by the Board
24 September 2020	Policy reviewed and amended and adopted by the Board.
29 July 2022	Policy reviewed and amended and adopted by the Board.

1. How the insider trading rules apply

1.1. Summary of prohibited conduct

The Corporations Act prohibits 'insider trading'.

Under the Corporations Act, a person is prohibited from dealing 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 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.

The key concepts are discussed in more detail in paragraph 1.2 of this Attachment 1.

1.2. 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.

For the purposes of this Policy, the term 'securities' also extends to financial products issued or created over or in respect of securities issued by the Company (for example, warrants and other derivative products), whether or not the 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 into 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 be 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 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 paragraph 1.2(d)(1) of this Attachment 1 or information made known as mentioned in paragraph 1.2(d)(2) of this Attachment 1, or both.

(e) Material effect on the price of securities

Under the Corporations Act, information is likely to have a material effect on the price or value of securities of a company if the information would, or would be 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 investigation;
- liquidity and cashflow;
- proposed changes in the Company's capital structure, including issues of securities, rights issues 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 or dividend policies;
- management restructuring or Board changes; and
- new contracts or customers.

2. 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 or termination of employment).