

## BPS TECHNOLOGY LIMITED (Company)

### SECURITIES TRADING POLICY

**Note: insider trading obligations continue post employment whilst you hold inside information**

#### 1. Objective

- 1.1 The BPS Technology Limited (**Company** or **BPS**) Securities Trading Policy (**Policy**) sets guidelines for:
- a) when Directors, senior executives, other employees, consultants and contractors of the Company and its subsidiaries who may deal in Company securities; and
  - b) procedures to reduce the risk of insider trading.

For the purposes of this Policy, Securities includes any shares in the Company, debentures (including convertible notes) issued by the Company, units of shares in the Company and options to acquire or subscribe for shares in the Company.

- 1.2 This Policy is aimed at ensuring that all BPS Technology Staff comply with the law at all times and their dealings in Securities and inside information are within both the letter and the spirit of the law, and meet industry practice and market expectations. The Policy also assists the Company in its disclosure and reporting obligations, while maintaining and promoting BPS' reputation.

#### 2. Who does this Policy apply to?

- 2.1 This policy applies to all BPS Staff, which includes:
- all Executive and Non-Executive Directors, officers and employees;
  - contractors and consultants of the Company who have been advised by the Managing Director that they are subject to the Policy; and
  - persons over whom any BPS Staff Member has or is deemed to have investment control or influence.
- 2.2 **Designated Persons** are Directors and Senior Executives of BPS, and any family member or associate over whom they have influence, and any other person designated by the Chairman as a Designated Person from time to time.

The Managing Director is required to advise those contractors and consultants who are subject to this Policy:

- a) that they are subject to the Policy – either at the time they commence working with the Company or at any time that the Managing Director or Board decide that they are subject to the Policy; and
- b) where a copy can be located on the Company's website.

The Managing Director must also advise the Company Secretary who will maintain a register of those subject to the policy to assist with email notification regarding the timing of black-out periods and will also keep a record of all notifications of intention to trade or requests to trade.

If at any time the Managing Director or Board determines that a contractor or consultant ceases to be subject to this Policy, the Managing Director must inform both the relevant consultant or contractor and the Company Secretary in writing.

#### 3. What is Insider Trading and Inside Information

- 3.1 The *Corporations Act 2001* (Cth) (**the Act**) prohibits the dealing in any financial products by those in possession of inside information. Inside information is information that:
- is not generally available; and
  - if it were generally available, would or would be likely to influence investors in deciding

- whether to buy or sell an entity's securities.
- Information is generally available if it:
  - is readily observable;
  - has been made known in a manner, e.g. released to the ASX, likely to bring it to the attention of persons who commonly invest in securities and a reasonable period for that information to be disseminated has elapsed since it was made known.

Where a person has inside information in relation to securities of any company, that person must not deal in those securities, advise others or procure others to trade in the securities or pass on the inside information to any person who will use that information to trade in, or procure someone else to trade in, the securities.

Engaging in 'insider trading' can subject you to criminal liability, including substantial monetary fines and/or imprisonment. You may be subject to civil liability, which may include being sued in any action initiated by another party or the Company, for any loss suffered as a result of insider trading.

Dealing in BPS Securities or the securities of another entity is prohibited at any time that a BPS Staff member possesses inside information in relation to BPS or the securities of another entity, regardless of whether this Policy provides that dealing may otherwise occur at that time.

Outside a Black-Out Period (refer section 6), the laws prohibiting insider trading continue to apply to BPS Staff. The fact that a Company is not in a Black-Out Period does not mean a BPS Staff member is not in possession of inside information. A person may possess inside information notwithstanding that dealing by employees is generally permitted, and if this is the case, a person **should not** deal in the Company's securities.

Similarly, BPS Staff should be aware that the insider trading laws apply even where a person has been given clearance to deal under this Policy, and a clearance to deal will not absolve a person from a breach of the insider trading laws. If a person is in possession of inside information, any dealing in the relevant securities will be a breach of the insider trading provisions.

#### 4. When can BPS Staff deal in Securities?

##### (a) What is dealing in Securities?

Dealing in the Company's Securities includes but is not limited to buying, selling and transferring the Company's Securities.

##### (b) When can BPS Staff deal in Securities?

A person identified in section 2 of this Policy may only deal in BPS Securities:

- he or she does **not** have information that he or she knows, or ought reasonably to know, is Inside Information in relation to BPS Securities; and
- the Company is not in a Black-Out Period (see section 5).

##### (c) What notification is required prior to dealing in Securities?

Prior to dealing in BPS Securities BPS Staff must notify of their intention in writing (which may be via email) as set out below:

Employees, Consultants or Contractors	Managing Director
Senior Management	Managing Director
Directors including Managing Director	Chairman of the Board
Chairman	Chairman of the Audit and Risk Committee

**(d) What confirmation is required regarding Inside Information?**

In notifying of their intention to deal BPS Staff must confirm that they are not in possession of any Inside Information (see section 3 above regarding Inside Information).

**5. When are BPS Staff prohibited from dealing in Securities? (Black-Out Periods)**

For the purposes of this Policy, certain periods are designated Black-Out Periods and no trading in BPS Securities may occur during those times. The Black-Out Periods are as set out below.

Circumstance	Black-Out Period	
	Designated Persons	Other BPS Staff
Release of full year results to ASX	From end of relevant financial year until start of the trading day following release	4 weeks before release until start of the trading day following release
Release of Half Year results to ASX	From end of relevant half year until start of the trading day following the release	4 weeks before release until start of the trading day following release
Company's AGM	6 weeks before the date of the AGM until the close of the meeting	4 weeks before the date of the AGM until the close of the meeting
Release of disclosure document offering equity securities in the Company	6 weeks before release until the start of the trading day following the release	4 weeks before release until the start of the trading day following the release

The Company may also determine that certain additional periods are Black-out Periods for the purposes of this Policy, including when the Company is considering matters subject to ASX Listing Rule 3.1A (**Additional Black-Out Periods**). Any communication in this regard will be carefully managed to ensure the Company maintains confidentiality.

In exceptional circumstances, the Chairman may grant permission to trade during a Black-Out Period, refer sections 6 and 7.

**6. Exceptional Circumstances - when BPS Staff may deal during Black-Out Periods**

In exceptional circumstances BPS Staff may be given prior written clearance to trade in BPS Securities where they would otherwise be prevented from doing so due to a Black-Out Period. Those circumstances are where the Staff Member:

- is in severe financial hardship or other exceptional circumstances apply;
- is not in possession of inside information in relation to BPS Securities; and
- has sought permission from:
  - (a) the Managing Director; or
  - (b) in the case of a Designated Person, the Chairman; or
  - (c) in the case of the Chairman, the Chairman of the Audit and Risk Committee;

and the Managing Director, Chairman or the Chairman of the Audit and Risk Committee (as applicable) has given prior written approval to dispose of the BPS Securities.

As a guide:

- severe financial hardship would not normally include a tax liability unless the person has no other means of satisfying the liability. A tax liability relating to securities received under an employee equity plan would generally not constitute severe financial hardship or be considered exceptional circumstances; and
- a court order or enforceable undertaking requiring the sale or disposal of BPS Securities (such as a bona fide family settlement), or a disposal under some other overriding legal or regulatory requirement, may constitute exceptional circumstances.

## **7. Approval Requirements for Dealing During Blackout Periods**

The following procedures apply to BPS Staff who wish to deal in BPS Securities during a Black-Out Period:

- a BPS Staff member (or a family member or associate over whom they have influence) must provide the Managing Director, the Chairman or the Chair of the Audit and Risk Committee with a notice in writing (which may be by email), requesting permission to deal in BPS Securities, including any reasons for the request (refer section 6);
- BPS Staff must not deal in BPS Securities unless they have received permission in writing (which may be by email) from the Managing Director, Chairman or Chair of the Audit and Risk Committee (as applicable);
- BPS Staff must effect the instructions to deal within 2 days of receiving permission, and the dealing must be executed within that period;
- permission to deal may be withdrawn if new information arises, or if there is a change in circumstances. The BPS Staff member will be notified of any withdrawal in writing (which may be by email);
- if the dealing is not executed within the 2 day period, the permission to deal lapses, and the BPS Staff member must submit a further request with the Managing Director, Chairman or Chair of the Audit and Risk Committee (as applicable) for permission to deal.

When considering a request from a BPS Staff member for permission to deal, Managing Director, Chairman or Chair of the Audit and Risk Committee (as applicable) will take into account a range of factors to determine if the risk of insider trading, or the appearance of insider trading is not a concern. These factors include but are not limited to whether:

- the Company is about to release a periodic report or other financial information that the market may not expect;
- the Company will shortly release market sensitive information under ASX Listing Rule 3.1;
- the Company is considering a matter that is subject to ASX Listing Rule 3.1A; and
- the BPS Staff member has access to or is likely to have access to [other] material information that has not been released to the market.

More generally, the Managing Director, Chairman or Chair of the Audit and Risk Committee (as applicable) will consider the specific circumstances of a request as a whole, in light of the underlying purpose of this Policy, to both minimise the risk of insider trading and avoid any appearance of insider trading and possible reputational damage. The Managing Director, Chairman or Chair of the Audit and Risk Committee (as applicable) may seek professional advice to assist in making any decision. In most circumstances if the Company is about to release information that falls into the categories set out above, the Managing Director, Chairman or Chair of the Audit and Risk Committee (as applicable) will not grant permission to deal.

A refusal to grant permission to deal is final and binding on the person seeking the permission. If permission is refused, the person must keep that information confidential and not disclose it to anyone, to ensure that the Company manages its disclosure obligations in accordance with its policies, the ASX Listing Rules and the Law.

## **8. Excluded Dealings – Dealings not restricted by this Policy**

The following are Excluded Dealings for the purposes of this Policy, and may be carried out at any time:

- transfers of BPS Securities already held by BPS Staff into a superannuation fund or other saving scheme in which the person is a beneficiary;
- an investment in, or trading units of, a fund or other scheme (other than a scheme only investing in the Company's Securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
- where a BPS Staff member is a trustee, trading in BPS Securities by that trust, provided the person is not a beneficiary of the trust and any decision to trade during a Black-Out Period is taken by the other trustees or by the investment managers independently of the BPS Staff member;
- 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, such as, a rights issue, a security purchase plan, a dividend or distribution investment plan (**DRP**) and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board;
- the exercise (but not the sale of BPS 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 during a Black-Out Period and where the BPS Staff member could not reasonably have been able to exercise at a time when free to do so; and
- trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this Policy and where:
  - the BPS Staff member did not enter into the plan or amend the plan during a Black-Out Period; and
  - the trading plan does not permit the BPS Staff member to exercise any influence or discretion over how, when, or whether to trade;
- an involuntary disposal of BPS Securities that results from a lender under an Existing Facility or a Replacement Facility exercising its rights under the relevant arrangement.

## **9. Trading and Transactions that are prohibited at all times**

BPS Staff are prohibited from participating in or entering into any of the following under this Policy:

- trading in derivative products over BPS Securities, including warrants, exchange-traded and over-the-counter options, and contracts for difference;
- price protection arrangements in respect of unvested remuneration or vested remuneration which is the subject of a holding lock (**hedging**);
- short-term trading of BPS Securities within 6 months of purchase, unless specific personal circumstances are provided;
- short-selling – the borrowing and sale of BPS Securities with the intention of purchasing the securities at a later date at a lower price, thus closing out the short position at a profit; and
- margin lending – the nature of margin lending arrangements, including the right of a lender to sell securities the subject of such an arrangement, may mean that the requirements of this Policy would be breached by the actions of a third party. Therefore BPS Staff are not permitted to enter into margin lending arrangements that involve BPS Securities.

Despite any other provision of section 9 of this Policy, for the avoidance of doubt, the following margin lending and other secured financing arrangements entered into by any BPS Staff are not automatically prohibited under this Policy:

- the continuation, after the Date of Introduction of the Current Policy, of any margin lending or other secured financing arrangements to which any BPS Staff is a party as at the Date of Introduction of the Current Policy (even though the obligations of a BPS Staff under those arrangements are supported by security or charge over any BPS Securities) which were not otherwise prohibited by under the Original Securities Policy (an Existing Facility); or
- the rolling over or refinancing of any Existing Facility by any BPS Staff at any time after the Date of Introduction of the Current Policy even though the obligations under the rolled over or refinanced facility (Replacement Facility) are supported by a security or charge over any BPS Securities,

provided that any BPS Staff who is a party to an Existing Facility or a Replacement Facility must notify the Managing Director, Chairman or Chair of the Audit and Risk Committee in writing (which may be by email) (as applicable):

- of the existence of the Existing Facility and any Replacement Facility and the relevant terms of those facilities (including, without limiting the generality of the foregoing, details of BPS Securities over which a security or a charge has been taken in support of the obligations of any BPS Staff under those facilities); and
- immediately, if the BPS Staff who is a party to an Existing Facility or a Replacement Facility becomes aware that the market value of the securities held by the lender under the relevant facility (calculated in accordance with the terms of the relevant facility) exceeds, by a margin of less than 20%, the value at which the relevant facility would be called upon (according to its terms) or the BPS Securities, the subject of the relevant facility, could be sold (under its terms).

## **10. Disclosures to ASX**

ASX Listing Rule 12.9 requires this Policy to be disclosed to the ASX. Where BPS makes a material change to this Policy, the amended policy must be provided to ASX within 5 business days of the material changes taking effect, in accordance with ASX Listing Rule 12.10.

In addition, if a change to a notifiable interest of a BPS Director occurs during a Closed Period, BPS must tell ASX (in its Appendix 3Y filing) that this is the case, whether prior written clearance for the relevant dealing was provided and the date of such clearance.

## **11. Compliance & Consequences of Breach of this Policy**

BPS has established processes to ensure BPS Staff are aware of and understand their obligations under this Policy, and to monitor and enforce compliance with the Policy. The Company Secretary is responsible for maintaining a register of all requests for permission to deal under this Policy, decisions relating to those requests, and any relevant trades.

Other measures include:

- BPS Staff are provided with a copy of this Policy and any amendments to the Policy;
- sending email reminders of the start and finish dates for Black-Out Periods, one week before commencement of the period and immediately before commencement;
- Designated Persons are required to provide annual written confirmation that they are aware of and understand this Policy and are in compliance with the Policy.

All BPS Staff must comply with the principles and requirements of this Policy. Failure to comply may result in the relevant staff member being subject to disciplinary action, including possible dismissal. The Company may require any person who has acquired securities in breach of this Policy to sell those securities as soon as possible within the requirements of the law, and donate any profit from the sale to charity.

In addition, a breach of this Policy may also result in exposure to potential civil or criminal liability under applicable laws and regulations.

## **12. Review of this Policy**

This Policy will be reviewed regularly by the Company's Directors, having regard to the changing circumstances of the Company, and any changes to this Policy will be notified to affected persons in writing. If Directors and Senior Executives have any comments or views concerning the operation or effectiveness of this Policy, they should be communicated to the Company Secretary.