

RECKON LIMITED  
TRADING POLICY

1. Introduction

- 1.1 This policy regulates officers (including directors) and employees' dealing in company shares.
- 1.2 It has been implemented in order to ensure compliance with the insider trading laws of the Corporations Act as well as the guidelines of the ASX Corporate Governance Council.
- 1.3 The policy is designed to eliminate the suspicion or perception of violations of insider trading laws.
- 1.4 Information on what constitutes insider trading is attached to this policy. As is general information relating to directors' obligations.
- 1.5 For the purposes of this policy, 'dealing' includes:
  - 1.5.1 any application for or acquisition or disposal of any shares;
  - 1.5.2 entering into an agreement to apply for, acquire or dispose of any shares; and
  - 1.5.3 the grant, acceptance, acquisition, disposal, exercise or discharge of any option or other right or obligation to acquire or dispose of shares.
- 1.6 The use of the word 'shares' in this policy is for convenience and it must be understood to include shares, notes, options, rights, units, debentures, derivatives (such as, forward contracts, swaps, futures, warrants, CFDs, caps and collars) and other securities and financial products as defined in the Corporations Act.
- 1.7 Note that:
  - 1.7.1 it is illegal to violate the insider trading laws of the Corporations Act;

- 1.7.2 there are civil and criminal penalties for insider trading; and
- 1.7.3 the ASX monitors all trading activity and will notify ASIC of any suspect dealing.
- 1.8 Compliance with the policy does not imply approval by the board of any dealing and it remains the responsibility of the officer or employee concerned to ensure their compliance with the applicable insider trading laws.
- 1.9 The company reserves the right to inform ASIC and the relevant law enforcement agency of any dealing that it considers does not comply with the policy or relevant laws.

## 2 Application of policy

- 2.1 This policy applies to officers (including directors and any persons engaged in the management of the company), employees and consultants and advisers.
- 2.2 Any prohibition on dealing under this policy also applies to the officer or employee's family, companies, trusts, personal financial/asset managers acting on their behalf or any persons connected with them.
- 2.3 It is the responsibility of the officer or employee to inform all the persons referred to in paragraph 2.2 of this policy and the limitations it imposes on dealing in shares.

## 3 Officers dealing in shares

- 3.1 An officer must not deal in shares during any of the following periods:
  - 3.1.1 The period between 24 hours before the company's half year end (30 June) and 24 hours after the announcement of the half yearly results; and
  - 3.1.2 The period between 24 hours before the company's financial year end (31 December) and 24 hours after the announcement of the annual results;

each referred to as a Closed Period.

- 3.2 The Chairman, on recommendation of the Company Secretary, may vary or impose a restriction on trading during other periods where deemed appropriate.
- 3.3 No dealing may take place at any time without clearance set out in paragraph 10.

#### 4 When an officer must not deal

- 4.1 An officer must not deal or procure another person to deal in shares when he or she:
  - 4.1.1 is in possession of information that he or she knows or ought reasonably to know is unpublished price sensitive information in relation to those shares; or
  - 4.1.2 has not been given clearance to deal under paragraph 10.
- 4.2 An officer must not deal or procure another person to deal in shares other than the company's shares when he or she is in possession of information that he or she knows or ought reasonably to know is unpublished price sensitive information in relation to those shares.
- 4.3 In exceptional circumstances the Chairman may permit an officer to sell shares, for example in cases of genuine financial hardship. This exception shall never apply in the circumstances under paragraph 4.1.1.

#### 5 When employees (other than officers) may deal

- 5.1 If an employee, who is not an officer, is not in possession of information that he or she knows or ought reasonably to know is unpublished price sensitive information in relation to the company's shares then he or she may deal in those shares. Refer to the attachment to this policy.

#### 6 When employees (other than officers) must not deal

- 6.1 An employee, who is not an officer, who is in possession of information that he or she knows or ought reasonably to know is unpublished price

sensitive information in relation to the company shares or any or any other shares must not deal or procure another person to deal in those shares. Refer to the attachment to this policy.

## 7 Exceptions

- 7.1 Before relying on any of the exceptions set out below, the officer or employee must first notify the Company Secretary of the proposed dealing. The Chairman will generally not interfere with the proposed dealing, but the right is reserved to request that the officer or employee does not proceed with the proposed dealing.
- 7.2 This policy does not apply to the following dealing in the shares of the company:
  - 7.2.1 transfers of shares of the company which result in no change to the beneficial interest in the shares;
  - 7.2.2 transfers of shares of the company between an officer and a related party of that person;
  - 7.2.3 transfers of shares of the company by an officer or employee into a superannuation fund or other saving scheme in which the officer or employee is a beneficiary;
  - 7.2.4 where an officer or employee is a trustee, trading in the shares of the company by that trust provided the officer or employee is not a beneficiary of the trust and any decision to trade outside a period permitted in 3.1 is taken by the other trustees or by the investment managers independently of the officer or employee;
  - 7.2.5 undertakings to accept or the acceptance of, or a disposal of shares of the company arising from, a takeover offer, scheme of arrangement or equal access buy-back;
  - 7.2.6 trading under an offer or invitation made to all or most of the shareholders, 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;

7.2.7 an acquisition or disposal of shares of the company under a pre-determined investment or divestment plan for which prior written approval has been provided by the Chairman and where:

- the officer or employee did not enter into or amend the plan during a period outside the period referred to in 3.1; and
- the plan does not permit the officer or employee to exercise any discretion over how, when or whether to acquire or dispose of shares of the company;

7.2.8 an acquisition of shares of the company under an employee incentive scheme; and

7.2.9 shares acquired under a dividend reinvestment plan.

7.3 For the avoidance of any doubt, an officer or employee who possesses inside information about the company's shares is generally prohibited from dealing in those shares under insider trading laws even where such dealing falls within an exception, occurs within a period outside a Closed Period or is otherwise permitted under this policy. Refer to the attachment to this policy.

## 8 Divestment or Investment Plan Approval

8.1 The Chairman must first approve any Divestment or Investment plan that an officer or employee proposes to implement.

8.2 Plans may be submitted for approval or amendment only during those periods specified in 3.1.

8.3 Divestment plans will be released to the ASX Market Announcements Platform.

## 9 Speculative Trading

9.1 At no time may officers and designated employees engage in short term speculative dealing in Reckon shares.

## 10 Clearance to deal

10.1 Before dealing in shares, an officer or employee must first advise the Company Secretary and obtain clearance from the Chairman (after consultation with the Company Secretary, and legal counsel if deemed necessary) for the particular dealing. The officer or employee must provide details of:

10.1.1 the name of the shareholder;

10.1.2 the date of the transaction;

10.1.3 the type of transaction (purchase or sale);

10.1.4 the number of shares;

10.1.5 the price per share.

10.2 The officer or employee is also required to certify in writing that they are not in possession of any inside information that might preclude them from dealing at that time.

10.3 Clearance will usually only be given to deal during a period outside the Closed Period set out in paragraph 3.1. However, the Chairman will not give clearance to deal during that period if:

10.3.1 a matter exists where there is unpublished price sensitive information in relation to company shares (whether or not the officer or employee has knowledge of that matter) and the officer or employee proposes to deal in shares while that information remains unpublished price sensitive information; or

10.3.2 the Chairman otherwise has reason to believe that the proposed dealing is in breach of this policy.

- 10.4 Clearance is a matter of discretion and reasons need not be given.
- 10.5 Clearance will only be valid for a week after it is given and the Chairman may impose a shorter period if appropriate.
- 10.6 Clearance can be withdrawn if new information comes to light or there is a change in circumstances.
- 10.7 If clearance is refused that information must be kept confidential.
- 10.8 The company must maintain a written record of all advice received from officers or employees, and clearances given, under this policy.
- 10.9 If the Chairman wishes to deal in shares he or she shall follow the clearance process by advising the chair of the remuneration committee who shall consider clearance for the Chairman in consultation with the Company Secretary.

## 11 Options

- 11.1 Dealing in shares under any employee option scheme is excluded from this policy but officers or employees dealing under any option scheme must ensure that they comply with insider trading rules at the time that they elect to deal in their options.

## 12 Over-ride rule

- 12.1 Notwithstanding the contents of the policy, the board may at any time suspend all dealing until such time as the board deems it appropriate for dealing to resume.

## 13 Other obligations

- 13.1 Nothing in this policy is to be taken as in any way limiting an officer or employee's obligations under the Corporations Act or any other law.

#### 14 Breach

A breach of this policy by an officer or employee will be regarded seriously. It may constitute a breach of the law and may lead to disciplinary action being taken, including dismissal in serious cases.

#### 15 Register

15.1 The company will keep a register of all dealings in shares by officers and employees that are notified to it.

#### 16 Specific transactions

16.1 Officers and employees may not deal in or enter into any transactions relating to any financial products issued or created over the company's shares by third parties.

16.2 Officers and employees may not deal in or enter into any transactions relating to any other shares or similar products which operate to limit the economic risk of their shareholding in the company.



## **Attachment – What is Inside Information?**

'Inside Information' is information that is not generally available and, if it was generally available, a reasonable person would expect it to have a material effect on the price or value of the shares.

This is information which might influence someone to decide whether or not to buy or sell the shares.

Examples could include information relating to:

- financial performance (e.g. sales or profit of the company);
- a material acquisition or disposal of assets, or takeover or merger;
- an actual or proposed dividend or change in dividend policy;
- an actual or proposed new share issue or change to capital structure;
- the entry into or termination of a material contract;
- a material claim or other unexpected liability; or
- a significant change in senior management.

Inside Information can include matters which are still in draft or not yet certain, and may include hints or rumours.

Information is not Inside Information if:

- it consists of a 'readily observable' matter;
- it has been brought to the attention of investors by an ASX announcement and a reasonable period for its dissemination has elapsed since the announcement; or
- it consists of observations, deductions, conclusions or inferences made or drawn from other generally available information.

Information can come from any source.

Inside Information does not have to be obtained from the company. It does not matter how or from where you obtain the information.

## **Attachment – Directors’ Obligations**

The company is required by law to disclose dealing in its shares by its directors within a prescribed period after dealings occur.

To help the company comply with its disclosure and reporting obligations, each director of the company must notify the Company Secretary as soon as practicable after any dealing in company shares occurs and never more than two days afterwards.

These disclosures may be made irrespective of whether or not they are technically required by the ASX Listing Rules or the Corporations Act.