



# SECURITY TRADING POLICY



**kogan.com**

Kogan.com Limited ACN 612 447 293



**Kogan.com Limited**

## **Security Trading Policy**

Arnold Bloch Leibler  
Ref: JDL:JAV 011891123  
ABL/4842594v6

## TABLE OF CONTENTS

	Page no.
<b>1</b>	<b>Definitions ..... 1</b>
<b>2</b>	<b>Introduction.....2</b>
<b>3</b>	<b>Insider Trading.....3</b>
<b>4</b>	<b>Scope of this Policy .....4</b>
<b>5</b>	<b>Periods During Which Dealings May Take Place.....5</b>
<b>6</b>	<b>Pre-Dealing Procedure - trading outside Prohibited Periods.....5</b>
<b>7</b>	<b>Dealing during Prohibited Periods in Exceptional Circumstances..... 6</b>
<b>8</b>	<b>Margin Loans and Security Arrangements.....7</b>
<b>9</b>	<b>Short selling and Hedging.....8</b>
<b>10</b>	<b>Further assistance.....8</b>

# 1 Definitions

---

“**associate**” includes:

- (a) a related body corporate; and
- (b) a director or secretary of a related body corporate.

“**ASX**” means ASX Limited.

“**ASX Listing Rules**” means the official listing rules and requirements from time to time of the ASX.

“**Board**” means the board of Directors of the Company as constituted from time to time.

“**Chair**” means the Chair of the Board from time to time.

“**Chief Executive Officer**” means the Chief Executive Officer of the Company from time to time.

“**Chief Operating Officer**” means the Chief Operating Officer of the Company from time to time.

“**Company**” means Kogan.com Limited.

“**Company Secretary**” means the company secretary of the Company from time to time.

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

“**dealing**” or “**trading**” (singular use “**deal**” or “**trade**”) includes:

- (a) any acquisition or disposal of any securities of the Company;
- (b) entering into any agreement to apply for, acquire or dispose of any securities of the Company; and
- (c) the grant, acceptance, acquisition, disposal, exercise or discharge of any option or other right or obligation to acquire or dispose of any securities of the Company.

“**Designated Officer**” means:

- (a) in the case that the Chief Executive Officer or the Chief Operating Officer is the person applying to deal in the securities of the Company, the Chair; or
- (b) in the case of all other Key Management Personnel applying to deal in the securities of the Company, the Chief Executive Officer or the Chief Operating Officer.

“**Directors**” means the directors of the Company from time to time.

“**generally available**”, in relation to information, means any such information which:

- (a) is readily observable;
- (b) has been made known in a manner which is likely to bring it to the attention of persons who commonly invest in securities provided that a reasonable period for that information to be disseminated has elapsed since it was made known; or
- (c) consists of deductions, conclusions or inferences made or drawn from information falling under either paragraphs (a) or (b) above.

**“Key Management Personnel”** (singular use **“Key Management Person”**) has the meaning given to that term in the ASX Listing Rules, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (executive or otherwise).

**“Prohibited Period”** has the meaning given to that term in section 5.1.

**“related party”** includes:

- (a) a spouse or de facto spouse of a Key Management Person;
- (b) a parent, son or daughter of a Key Management Person;
- (c) any company, trust or other entity over which a person referred to in (a) or (b) above has control; or
- (d) any company, trust or other entity over which two or more persons referred to in (a) or (b) above together have control.

**“securities”** includes:

- (a) ordinary shares;
- (b) partly paid shares;
- (c) preference shares;
- (d) hybrid securities;
- (e) stapled securities;
- (f) debentures;
- (g) legal or equitable rights or interests in (a) to (f) above; and
- (h) any derivatives including but not limited to options in respect of any of (a) to (f) above.

**“Securityholder”** means a holder of securities in the Company.

## **2 Introduction**

---

- 2.1 This policy has been approved by the Board of the Company. The Board may approve any updates, amendments to and exemptions to this policy from time to time. If this policy conflicts with any other policy concerning this subject matter, this policy prevails to the extent of the inconsistency.
- 2.2 The ordinary shares of the Company are listed on the ASX.
- 2.3 The Company aims to achieve the highest possible standards of corporate conduct and governance.
- 2.4 The purpose of this policy is to ensure compliance with the ASX Listing Rules and the Corporations Act, and to ensure that Key Management Personnel and their associates are aware of the legal restrictions that exist on dealing in the Company’s securities while such a person is in possession of unpublished price sensitive information (or “inside information”) concerning the Company.
- 2.5 This policy recognises that it is illegal for a person to deal in the Company’s securities when he or she is in possession of unpublished price sensitive information concerning the Company. This is regardless of whether the trading occurs outside a Prohibited Period or would otherwise be permitted under this policy (for example, because the

trading falls within an exclusion in this policy or the person has been given clearance under this policy to trade (for example, because of exceptional circumstances)).

- 2.6 This policy shall be distributed to all Key Management Personnel and it is the responsibility of each Key Management Person to comply with this policy. Any non-compliance with this policy will be considered as serious misconduct which may lead to disciplinary action, up to and including dismissal.
- 2.7 The restrictions set out in this policy are additional to any provisions governing or restricting the trading of securities set out in any agreement between the Company and a Key Management Person or a Securityholder or any provisions in any employee incentive plan of the Company. Where the provisions of an agreement between the Company and a Key Management Person or Securityholder conflict with the provisions of this policy, the most restrictive provisions will prevail.

### 3 Insider Trading

---

- 3.1 A person engages in insider trading if that person deals in securities of a relevant entity while possessing information that:
  - (a) is not *generally available*; and
  - (b) if it were available, may have a material effect on the price or value of the relevant entity's securities, and

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 or value of the entity's securities. This type of information is commonly referred to as "price sensitive information" or "inside information".
- 3.2 Information is considered 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.
- 3.3 The prohibition against insider trading applies to:
  - (a) direct trading in the Company's securities;
  - (b) procuring another person to trade in the Company's securities; or
  - (c) communicating price sensitive or inside information to another person who is likely to trade in the Company's securities.
- 3.4 Insider trading is a criminal offence, punishable by substantial fines and/or imprisonment. The Company may in certain circumstances also be liable if a Key Management Person or their associate engages in insider trading. Insider trading may also attract civil liability, including liability to pay compensation to those who suffer loss or damage as a result of the insider trading.
- 3.5 The requirements imposed by this policy are separate from, and in addition to, the legal prohibitions on insider trading in Australia. Accordingly, under insider trading laws a person who possesses price sensitive or inside information may be prohibited from trading even where the trading is permitted by this policy. Accordingly, before a Key Management Person (or any other person covered by this policy) trades in the Company's securities, they should consider carefully whether they are in possession of any inside information that might preclude them from trading at that time.

## 4 Scope of this Policy

---

- 4.1 This policy extends to dealing in the securities of the Company by Key Management Personnel of the Company, any associate or related party of any Key Management Personnel and any company, trust or other entity in which any Key Management Personnel has a relevant interest. Accordingly, references to dealings in the securities of the Company by a Key Management Person in this policy apply equally to dealings in the securities of the Company by any associate or related party of that Key Management Person and any company, trust or other entity in which any Key Management Personnel has a relevant interest.
- 4.2 This policy does not apply to the following trading in the securities of the Company:
- (a) transfers of securities of the Company which result in no change to the beneficial interest in the securities;
  - (b) transfers of securities of the Company between a Key Management Person and a related party of that person;
  - (c) transfers of securities of the Company by a Key Management Person into a superannuation fund or other saving scheme in which the Key Management Person is a beneficiary;
  - (d) where a Key Management Person is a trustee, trading in the securities of the Company by that trust provided the Key Management 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 Key Management Person;
  - (e) undertakings to accept or the acceptance of, or a disposal of securities of the Company arising from, a takeover offer, scheme of arrangement or equal access buy-back;
  - (f) trading under an offer or invitation made to all or most of the Securityholders, 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;
  - (g) a disposal of securities of the Company that is the result of a secured lender or financier exercising their rights under a loan agreement;
  - (h) an acquisition or disposal of securities of the Company under a pre-determined investment or divestment plan for which prior written approval has been provided by the Designated Officer and where:
    - (i) the Key Management Person did not enter into or amend the plan during a Prohibited Period; and
    - (ii) the plan does not permit the Key Management Person to exercise any discretion over how, when or whether to acquire or dispose of securities of the Company; and
  - (i) an acquisition of securities of the Company under an employee incentive scheme.
- 4.3 For the avoidance of any doubt, a Key Management Person who possesses inside information about the Company's securities is generally prohibited from dealing in those securities under insider trading laws even where such dealing falls within an exclusion, occurs outside a Prohibited Period or is otherwise permitted under this policy.

- 4.4 The fact that this policy may permit a person to deal in the Company's securities (for example, because the trading occurs outside a Prohibited Period or falls within an exclusion in this policy, or because the person has received approval under this policy to trade due to exceptional circumstances) is not an endorsement of the proposed dealing by the Company and each Key Management Person is individually responsible for their investment decisions and their compliance with insider trading laws.

## 5 Periods During Which Dealings May Take Place

---

- 5.1 Subject to compliance with the procedure set out in section 6, dealing by Key Management Personnel in the Company's securities may take place at any time, except during the following periods:
- (a) the period commencing 6 weeks prior to the release of the Company's half-year financial results to the ASX and ending at the beginning of trading on the next trading day after such release;
  - (b) the period commencing 6 weeks prior to the release of the Company's full-year financial results to the ASX and ending at the beginning of trading on the next trading day after such release;
  - (c) the period commencing 2 weeks prior to the Company's Annual General Meeting and ending at the beginning of trading on the next trading day after the Annual General Meeting; and
  - (d) any other time imposed by the Board, including (without limitation) when it is considering matters which are subject to the exceptions to the continuous disclosure requirements set out in ASX Listing Rule 3.1A,
- (collectively, the "**Prohibited Periods**").
- 5.2 Notwithstanding the above, no dealing in the Company's securities will be permitted at any time if that Key Management Person possesses (or is deemed to possess) any price sensitive information which is not generally available.
- 5.3 The decision by the Board to impose a Prohibited Period under section 5.1(d) must be kept confidential by Key Management Personnel and must not be disclosed to any other person.

## 6 Pre-Dealing Procedure - trading outside Prohibited Periods

---

- 6.1 For all periods during which dealing in the Company's securities is permitted in accordance with this policy, Key Management Personnel must, prior to dealing in the Company's securities, provide the Company Secretary on behalf of the Designated Officer written notification (which, for the avoidance of doubt, may include by e-mail) of their intention to deal in the securities of the Company.
- 6.2 Any person that gives a notification under section 6.1 will be deemed to have irrevocably declared and confirmed the following statements to the Company and to the Designated Officer:
- (a) they have read the Security Trading Policy and that their decision to deal in securities of the Company has not been made on the basis of information that:
    - (i) is not generally available, and
    - (ii) would be expected by a reasonable person to have a material effect on the price or value of the securities of the Company, if it was generally available;

- (b) they are not in possession of any inside information that might preclude them from trading at that time;
  - (c) the Company is not advising or encouraging them to trade in any securities of the Company and is not providing any securities recommendation; and
  - (d) they are not aware of any reason that they should be prohibited from trading in the Company's securities (whether under this policy, the law, the ASX Listing Rules or any other reason).
- 6.3 The ability of a Key Management Person to deal in the Company's securities is at all times subject to the dealing not taking place during a Prohibited Period.
- 6.4 Any dealing in the Company's securities by a Key Management Person in accordance with this section 6 must be completed within 7 days from the date that the Key Management Person gives the notification under section 6.1, and the Key Management Person must advise the Company Secretary on behalf of the Designated Officer promptly following completion of any such trade.
- 6.5 If a Key Management Person comes into possession of inside information after giving a notification under section 6.1, they must not trade despite having giving the notification.

## **7 Dealing during Prohibited Periods in Exceptional Circumstances**

- 7.1 Key Management Personnel may in exceptional circumstances apply to the Company Secretary on behalf of the Designated Officer for approval to deal in the Company's securities during a Prohibited Period, provided that the Key Management Person is not in possession of any price sensitive or inside information. The application must be in writing (which, for the avoidance of doubt, may include by e-mail), specify details of the exceptional circumstances pursuant to which the application is made and must be submitted to the Company Secretary on behalf of the Designated Officer.
- 7.2 Any person that submits an application under section 7.1 will be deemed to have irrevocably declared and confirmed the following statements to the Company and to the Designated Officer:
- (a) they have read the Security Trading Policy and that their decision to deal in securities of the Company has not been made on the basis of information that:
    - (i) is not generally available, and
    - (ii) would be expected by a reasonable person to have a material effect on the price or value of the securities of the Company, if it was generally available;
  - (b) they are not in possession of any inside information that might preclude them from trading at that time;
  - (c) the Company is not advising or encouraging them to trade in any securities of the Company and is not providing any securities recommendation; and
  - (d) they are not aware of any reason that they should be prohibited from trading in the Company's securities (whether under this policy, the law, the ASX Listing Rules or any other reason).
- 7.3 On receipt of an application under section 7.1, the Designated Officer must consider the application (and the Company Secretary shall procure that the Designated Officer considers the application). No dealing in the Company's securities may be undertaken before the Key Management Person receives the written approval (which may include by e-mail) of the Designated Officer.

- 7.4 The request for written approval of the Designated Officer under section 7.1 may be refused, given or given subject to any conditions the Designated Officer determines necessary to comply with this policy, in the absolute discretion of the Designated Officer.
- 7.5 The Designated Officer's refusal to grant approval under this section 7 is final and binding on a Key Management Person and any refusal must be kept confidential and must not be disclosed to any other person.
- 7.6 The Designated Officer may grant the Key Management Person written permission to deal in the Company's securities during the Prohibited Period if the Designated Officer is satisfied (in its absolute discretion) that the Key Management Person's circumstances amount to exceptional circumstances.
- 7.7 Without limiting the discretion of the Designated Officer under this section 7, the following factors may be considered by the Designated Officer in determining whether the Key Management Person is to be granted permission to deal in the Company's securities during a Prohibited Period:
- (a) whether the Key Management Person is suffering severe financial hardship;
  - (b) whether the Key Management Person is required by a court order or a court enforceable undertaking or other legal or regulatory requirement to transfer, or accept a transfer of, securities of the Company; and
  - (c) whether the Key Management Person's circumstances are otherwise exceptional that warrant the granting of approval of the Key Management Person to deal in the Company's securities during the Prohibited Period.
- 7.8 Any dealing in the Company's securities by a Key Management Person approved by the Designated Officer in accordance with section 7 must be completed within 7 days (or such earlier time as determined by the Designated Officer) from the date that the Key Management Person receives written approval from the Designated Officer, and the Key Management Person must advise the Company Secretary on behalf of the Designated Officer promptly following completion of any such trade.
- 7.9 Any approval to deal in the Company's securities by a Key Management Person in accordance with section 7 is automatically deemed to be withdrawn if the Key Management Person becomes aware of any price sensitive or inside information prior to or during any approved dealing in the Company's securities. If a Key Management Person does come into possession of inside information after receiving an approval to trade, they must not trade despite having received the approval.
- 7.10 Any approval to deal in the Company's securities by a Key Management Person in accordance with section 7 can be withdrawn at any time by the Designated Officer (in its absolute discretion) if new information comes to light or there is a change in circumstances.

## **8 Margin Loans and Security Arrangements**

---

- 8.1 Key Management Personnel are prohibited from entering into a margin loan or other security arrangement in respect of the Company's securities, unless they obtain the prior written approval of the Designated Officer (in its absolute discretion).
- 8.2 Any approval by the Designated Officer may be subject to the condition that the Company be permitted to disclose to the ASX the existence of the margin loan or security arrangement, and where the Company considers appropriate, any relevant terms such as the trigger points or right of the financier to sell unilaterally.

## **9 Short selling**

---

9.1 Key Management Personnel are prohibited from short selling the Company's securities.

## **10 Further assistance**

---

Any Key Management Person who is unsure of the nature of the information that they have in their possession and whether they may deal in the Company's securities should contact the Company Secretary before dealing in any securities of the Company.