



# Pinnacle Investment Management Group Limited

## PNI Securities Trading Policy

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### Document Control

Owner	Chairman
Approval	Board
Responsibility	Company Secretary
Relates to	Dealing in PNI Securities and Derivatives
Version	4
Date of Approval	20 February 2018
Primary Rules/Rationale	Chapter 7, Corporations Act 2001 (Cth) ASX Listing Rules 12.9 to 12.12 ASX Guidance Note 27

## DEFINITIONS

<b>ASX</b>	means ASX Limited ABN 98 008 624 691
<b>Audit Compliance &amp; Risk Management Committee (ACRMC)</b>	means the Board Committee responsible for internal controls, oversight of financial management and financial matters and for risk management and compliance across the Group as detailed in its Charter
<b>Board</b>	means the Company's Board of Directors
<b>Boutiques</b>	means the various affiliated investment management firms in which the Company holds a minority interest
<b>Chairman</b>	means the Chairman of the Board or of a Board sub-committee as the context requires
<b>Closely Connected Persons</b>	means: <ul style="list-style-type: none"><li>• the close family members of a Director, KMP or employee over whom the Director, KMP or employee has influence, including but not limited to a spouse/partner and minor children; and</li><li>• any family trust or family company that a Director, KMP or employee or their Closely Connected Persons may control or in which they have an interest</li></ul>
<b>Company</b>	means Pinnacle Investment Management Group Limited ABN 22 100 325 184 (ASX Code: PNI)
<b>Corporations Act</b>	means Corporations Act 2001 (Cth)
<b>Director</b>	means a director of the Company or of a wholly owned subsidiary of the Company
<b>Fixed Prohibited Period</b>	means the periods specified in this policy during which Directors, KMP and employees are prohibited from trading
<b>Group</b>	means Pinnacle Investment Management Group Limited and its wholly owned subsidiaries
<b>Inside Information</b>	means information that is not generally available and if it were generally available a reasonable person would expect it to have a material effect on the price or value of the Company's securities
<b>Insider Trading</b>	means trading in Securities whilst in possession of Inside Information
<b>KMP</b>	means Key Management Personnel as that expression is defined in AASB 124
<b>Relevant Interest</b>	means where: <ul style="list-style-type: none"><li>• a person holds securities directly; or</li><li>• has the power to exercise, or control the exercise of, a right to vote attached to the securities; or</li></ul>

- has power to dispose of, or control the exercise of a power to dispose of, the securities

**Security** means a share, a debenture, an option, a bond or any legal or equitable right or interest to acquire shares in the Company or any other security of the Company as defined in section 761A of the Corporations Act and includes any derivatives over any Securities.

**Substantial Holding** means where the votes attaching to any shareholding held directly by a person or through their Relevant Interests is more than 5% of the total votes attaching to voting shares in the Company

## OVERVIEW

1. The Board considers that it is desirable that Directors, KMP and other employees of the Group should hold Securities and by doing so, aligns their interests with other shareholders of the Company. However, when trading in Securities, such persons must have regard both to applicable legal constraints and this policy.
2. This policy applies to the Group and its Directors, KMP and employees. The trading of Securities by Closely Connected Persons is also subjected to the same restrictions described in this policy, via the relevant Director or KMP. This policy does not apply to the Boutiques, however the Boutiques have each adopted securities trading policies that reference this policy in respect of trading in Securities.
3. This policy has the following aims:
  - (a) to establish rules for the Group's Directors, KMP and employees in relation to their owning and dealing in Securities and to ensure that those persons respect the confidentiality of the Group's information and the integrity of the financial markets in which those Securities are traded;
  - (b) to establish rules to minimise the risk that Directors, KMP and employees deal in Securities when in possession of unpublished price sensitive information or deal when there may be a market perception that they are in possession of such information;
  - (c) to ensure that Directors, KMP and employees are aware of the restrictions on dealing in Securities which apply to them and their Closely Connected Persons as a result of their involvement with the Company;
  - (d) to maintain the confidence of the market in the Securities and guard against reputational damage.
4. The requirements imposed by this policy are separate from, and additional to, the legal prohibitions in the Corporations Act on Insider Trading. Any approval to trade received under this policy (whether in exceptional circumstances or otherwise) will not prevent a breach of the law on Insider Trading, nor should be seen as any endorsement of that transaction or investment. All Directors, KMP and employees are ultimately themselves responsible for forming a view on whether or not they are in possession of Inside Information when trading in Securities. If there is any doubt, the safest course is not to trade. **All Directors, KMP and employees should consider their actions from the perspective of a regulator who will have the benefit of hindsight, in taking any action in relation to suspected Insider Trading.**
5. A breach of this policy will be regarded as serious misconduct which may lead to disciplinary action up to and including summary dismissal.

## LEGAL FRAMEWORK

6. The legal duties placed on Directors, KMP and employees of the Group in relation to transacting in Securities are onerous. Heavy sanctions apply if these duties are breached, which may include criminal prosecution.
7. Under division 3 of Part 7.10 of the Corporations Act Insider Trading is a criminal offence. Insider Trading is trading in Securities whilst in possession of information that is:
  - (a) not generally available; and
  - (b) if the information was generally available, a reasonable person would expect it to have a material effect on the price or value of those Securities.
8. The prohibition on trading in Securities whilst in possession of Inside Information includes:
  - (a) applying for, acquiring, or disposing of, a Security; or
  - (b) entering into an agreement to apply for, acquire, or dispose of, a Security; or
  - (c) procuring another person to apply for, acquire, or dispose of, a Security, or to enter into an agreement to do so.

## RESTRICTIONS ON TRADING IN SECURITIES

9. The restrictions set out below apply to each Director, KMP and employee and are in addition to the prohibition on Insider Trading and other constraints applicable at law. Each Director, KMP and employee must also ensure that their Closely Connected Persons comply with the below restrictions.
10. A Director, KMP or employee may not trade in Securities:
  - (a) for short-term speculative gain, "short-term" being to buy and sell Securities within a period of less than 1 month;
  - (b) as part of a short selling strategy; or
  - (c) as part of a hedging arrangement aimed at limiting exposure in relation to part of their "at risk" remuneration.
11. A Director, KMP or employee may not trade in Securities (including electing to participate or varying participation in a dividend reinvestment plan) during a Fixed Prohibited Period. There are two Fixed Prohibited Periods, being:
  - (a) the period beginning at 8am on 15 June and ending at 5pm on the first full trading day following the announcement to the ASX of the Company's annual financial results; and
  - (b) the period beginning at 8am on 15 December and ending at 5pm on the first full trading day following the announcement to the ASX of the Company's half-yearly financial results;
12. Approval to trade during a Fixed Prohibited Period may only be given in exceptional circumstances as set out below.

## **TRADING DURING A FIXED PROHIBITED PERIOD ONLY IN EXCEPTIONAL CIRCUMSTANCES**

13. A Director, KMP or employee who is not in possession of Inside Information may apply in writing to the Chairman of the Board, or in their absence or the Chairman of the Board's own trading, the Chairman of the ACRMC for prior written approval to sell or otherwise dispose of (but not acquire) Securities during a Fixed Prohibited Period in the following exceptional circumstances:
  - (a) severe financial hardship – a person may be in severe financial hardship if he or she has a pressing financial commitment that cannot be satisfied otherwise than by selling Securities and this is the only reasonable course of action available;
  - (b) as required by law, an order of a court or court enforceable undertakings; or
  - (c) in any other circumstances that are determined by the Chairman of the Board or of the Chairman of the ACRMC to be exceptional circumstances.
14. Permission must be given in writing and may be given only if the Chairman of the Board, or in their absence or the Chairman of the Board's own trading, the Chairman of the ACRMC is satisfied that the transaction:
  - (a) would not be contrary to law;
  - (b) is not being undertaken for short-term or speculative gain;
  - (c) does not take advantage of Inside Information; and
  - (d) will not likely be seen by the public, press, other shareholders or ASX as unfair.
15. In making the determination, the Chairman of the Board or the Chairman of the ACRMC will give consideration to the policy objectives of the ASX Listing Rules 12.9 to 12.12 and use their own discretion.

## **MARGIN LENDING ARRANGEMENTS AND OTHER SECURED FINANCING ARRANGEMENTS**

16. The Company discourages the use of highly leveraged margin lending arrangements and other secured financing arrangements by Directors, KMP and employees in relation to Securities but has not prohibited their use. Directors, KMP and employees are required to:
  - (a) disclose details of any proposed margin lending arrangement or proposed secured financing arrangement in respect of Securities, and when Securities are to be sold to make repayments under such arrangements, to the Company Secretary who will inform the Board before being entered into it;
  - (b) seek prior written approval in accordance with clause 19 to transferring Securities into a margin loan account or granting a security over Securities as part of a secured financing arrangement.
17. The Company may, at its discretion, make any approval granted to a Director, KMP or employee in accordance with this section conditional upon such terms and conditions as the Company sees fit (for example, in regards to the circumstances in which the Securities may be sold to satisfy a margin call).
18. Disclosure of a Director or KMP's margin lending arrangement or secured financing arrangement will be required to be made to the ASX if there is a change in the Director's interest in Securities

or if the Board determines that the existence of such arrangement would have a material effect on the price or value of Securities.

### INFORMING THE COMPANY

19. All Directors, KMP and employees must seek prior approval for all transactions involving the Securities whether traded personally or through a Closely Connected Person. The request for approval must state the volume of stock the subject of the transaction and the likely consideration, if relevant. Approval must be obtained in writing as set out below and copied to Compliance:

	Primary Approver	In his/her absence
Chairman of the Board	Chairman of the ACRMC	Managing Director
Directors and Company Secretary	Chairman of the Board	Chairman of the ACRMC
KMP	Chairman of the Board	Company Secretary
All other employees	Company Secretary	Chief Operating Officer

20. Any approval to trade is valid for a period of 7 days only and provided that there is no material change to the volume or likely consideration during that period. Any approval to trade:
- can be given or refused in the Company's discretion and without providing reasons. If approval is refused, the person seeking approval should keep that response confidential;
  - may be withdrawn if there is a change in circumstances;
  - is final and binding on the person seeking approval.
21. Copies of all trade confirmations must be provided to Compliance. All Directors, KMP and employees are also required to maintain up to date records of their holdings in Securities and provide the same to Compliance upon request.
22. All Directors, KMP and employees who have a Substantial Holding in the Company are required to:
- notify the Company Secretary and the ASX of that fact when they begin to, or cease to, have a Substantial Holding; and
  - notify the Company Secretary and the ASX of any change of 1% to that Substantial Holding.
23. Compliance will maintain a register of Securities transactions for the purposes of this policy. All Directors, KMP and employees are also required to keep their own records of any transactions and make those records available to the Company if so requested.

### DEALINGS NOT COVERED BY THIS POLICY

24. This policy does not apply to:
- transfers of Securities already held by a Director, KMP or employee into a superannuation fund or other saving scheme in which the Director, KMP or employee is a beneficiary;

- (b) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in Securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (c) where a Director, KMP or employee is a trustee, trading in Securities by that trust provided the Director, KMP or employee is not a beneficiary of the trust and any decision to trade during a Fixed Prohibited Period is taken by the other trustees or by the investment managers independently of the Director, KMP or employee;
- (d) undertakings to accept, or the acceptance of, a takeover offer;
- (e) trading under an offer or invitation made to all or most Security holders, such as a rights issue, a security purchase plan, a dividend or distribution reinvestment plan (including elections to participate or varying participation in such plans other than during a Prohibited Period) 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;
- (f) the exercise (but not the sale of Securities following exercise) of a Company-issued 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 Fixed Prohibited Period and the Director, KMP or employee could not reasonably have been expected to exercise it at a time when free to do so; and
- (g) trading under a predetermined investment or divestment trading plan for which prior written clearance from the Chairman of the Board or the Chairman of the ACRMC has been obtained and where:
  - (i) the director, executive or employee did not enter into the plan or amend the plan during a Fixed Prohibited Period; and
  - (ii) the trading plan does not permit the director, executive or employee to exercise any influence or discretion over how, when, or whether to trade.

#### **AMENDMENTS TO THIS POLICY**

- 25. Any material amendments to this policy must be approved by the Board and submitted to ASX for release to the market within 5 business days of the amendments taking effect.
- 26. Changes that are likely to be considered material include, but are not limited to:
  - (a) changes to the Fixed Prohibited Periods;
  - (b) changes with respect to the exceptional circumstances; and
  - (c) changes with respect to the trading that is excluded from the operation of this policy.