



USCOM LIMITED

SECURITIES TRADING POLICY

1. Introduction – Purpose & Objectives

This Policy sets out the restrictions that apply to trading in the securities of Uscom Limited (**Uscom**) by Uscom Staff.

The Policy is aimed at ensuring that all Uscom 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 Uscom in its disclosure and reporting obligations, while maintaining and promoting Uscom's reputation.

Uscom recognises the primacy of the insider trading laws and the importance of managing both regulatory and reputational risk. Any perception that Directors or employees may have traded on the basis of an unfair advantage and/or breached their legal obligations could have a significant impact on the personal reputation of those persons, and negatively affect the Company's standing in the market. Therefore the purpose of this policy is to both manage the risk of insider trading, and to avoid any perception of insider trading and the significant reputational harm that may cause. The Policy will be administered and communicated to Uscom Staff in accordance with its purpose.

For the purposes of this Policy, **dealing** includes, without limitation, securities transactions such as transfers of beneficial ownership and trading (either directly or indirectly).

2. Application

This policy applies to all **Uscom Staff**, which includes:

- **Employees** – all Executive and Non-Executive Directors, officers, employees, contractors and consultants of the Company; and
- **Connected Persons**, which are:
 - immediate family members (spouse, de facto, children who live with an Employee); and
 - companies, trusts and entities controlled by an Employee or an immediate family member of an Employee.

Designated Persons are Directors and Senior Executives of Uscom, any Connected Person of a Designated Person, and any other person designated by the Chairman as a Designated Person from time to time. This may include technical advisors and consultants engaged by Uscom for the purposes of its operations.

Uscom Securities includes:

- shares or debentures in Uscom;
- an option over an unissued share in or debenture of Uscom; and
- a renounceable or unrenounceable right to subscribe for a share in, or debenture of, Uscom.



Section 8 of this Policy sets out specific transactions and trading activities that are prohibited under the Policy.

3. Insider Trading – Inside Information

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; or
- 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 entity¹, 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.

Insider trading is a criminal offence, attracting potential fines and imprisonment. At the date of this Policy, the maximum penalty for insider trading is 10 years imprisonment and/or a fine, being the greater of \$765,000 or three times the amount of the benefit obtained. Civil penalties and compensation may also be ordered against a person who engages in insider trading.

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

Discussion of what constitutes inside information or material information is set out in Uscom's Continuous Disclosure and Shareholder Communications Policy.

Outside a Black-Out Period (refer section 4), the laws prohibiting insider trading continue to apply to Uscom Staff. The fact that a Company is not in a Black-Out Period does not mean an Uscom 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.

Staff Members 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 or constitute an endorsement by the Company of any dealing. Individuals are responsible for their own investment and financial decisions and compliance with the Law. If a person is in possession of inside information, any dealing in the relevant securities will be a breach of the insider trading provisions.

¹ The insider trading prohibition relates to the securities of both listed and unlisted entities.



4. Black-Out Periods

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

Circumstance	Black-Out Period	
	Designated Persons	Other Uscom 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
Release of Quarterly reports to ASX	4 weeks before release until start of the trading day following 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. The Company may also determine that a Black-Out Period will apply in the period prior to a corporate event such as the Annual General Meeting. Additional Black-out Periods will be notified to Designated Persons. Any communication in this regard will be carefully managed to ensure the Company maintains confidentiality.

In exceptional circumstances, permission to trade may be granted during a Black-out Period, refer Sections 5 and 6.

5. Exceptional Circumstances

In exceptional circumstances Designated Persons may be given prior written clearance to dispose of (but not acquire) Uscom Securities, where they would otherwise be prevented from doing so due to a Black-Out Period. Those circumstances may include where the Designated Person:

- is in severe financial hardship and can **only** meet their financial commitments by selling the securities. A tax liability would not normally constitute severe financial hardship, including a tax liability relating to securities received under an employee incentive plan; or
- a court order or enforceable undertaking requiring the sale or disposal of Uscom Securities (such as a bona fide family settlement), or a disposal under some other overriding legal or regulatory requirement, may constitute exceptional circumstances.

6. Dealing in Uscom Securities – Approval Requirements for Designated Persons

The following procedures apply to Designated Persons who wish to deal in Uscom Securities during a Black-Out Period:

- a Designated Person (or a family member or associate over whom they have influence) must provide the Executive Chairman (or in the absence of the Chairman, the Director nominated for the purposes of this Policy) with a notice in writing (which may be by email), requesting



permission to deal in Uscom Securities, including any reasons for the request (refer Section 5 – Exceptional Circumstances);

- A Designated Person must not deal in Uscom Securities unless they have received permission in writing (which may be by email) from the Executive Chairman;
- A Designated Person must effect the instructions to deal within 5 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 Designated Person will be notified of any withdrawal in writing (which may be by email);
- if the dealing is not executed within the 5 day period, the permission to deal lapses, and the Designated Person must submit a further request to the Executive Chairman for permission to deal.

Permission to deal is at the discretion of the Executive Chairman, and may be given or refused without providing any reasons.

When considering a request from a Designated Person for permission to deal, the Executive Chairman 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 Designated Person has access to or is likely to have access to [other] material information that has not been released to the market;

More generally, the Executive Chairman 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 Executive Chairman 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 Chairman 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.

The Executive Chairman must follow the same procedures set out above in relation to any proposed dealing by the Chairman in Uscom Securities, but permission must be sought from the Board.



7. Excluded Dealings

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

- transfers of Uscom Securities already held in 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 an Uscom Staff member is a trustee, trading in Uscom 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 Uscom 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;
- 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 Uscom 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 Uscom Staff member to exercise any influence or discretion over how, when, or whether to trade.

8. Prohibited Trading & Transactions

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

- trading in derivative products over Uscom 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 Uscom Securities, i.e. buying or selling Uscom Securities with the view to selling or buying back the same securities within a six month period. This does not apply to the sale of Uscom Securities immediately after exercise of an option;
- short-selling – the borrowing and sale of Uscom 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; or
- 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 Uscom Staff are not permitted to enter into margin lending arrangements that involve Uscom Securities.



9. Compliance & Consequences of Breach of this Policy

Uscom has established processes to ensure Uscom 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:

- Uscom 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 Uscom 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.

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

10. Review of this Policy

This Policy will be reviewed regularly, having regard to the changing circumstances of the Company, and any changes to this Policy will be notified to affected persons in writing. Any material changes to the Policy will be released to the ASX as required by ASX Listing Rule 12.10.

Approved by the Board:

24 May 2015