



AUSTRALIAN VINTAGE LTD

# Securities Trading Policy

Australian Vintage Limited (ACN 052 179 932) (**AVL** or **Company**)

## 1. Background

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The board of Australian Vintage Limited (**Board**) has adopted the following Policy in relation to the buying, selling and dealing (**trading**) of AVL shares and other AVL securities including options, rights and derivative products (**Securities**).

The Policy arises out of the requirements of the Corporations Act and the Listing Rules of the Australian Securities Exchange (**ASX**) and is of the utmost importance as reflected by the increased attention that is now being focused on corporate governance and business ethics by the investment and general community.

The purpose of the Policy is to:

- (a) explain AVL's policy and procedure in relation to the trading of AVL Securities by AVL People;
- (b) ensure that public confidence is maintained in the reputation of AVL, AVL People and in the trading of AVL's Securities;
- (c) recognise that some types of trading in AVL Securities is also prohibited by law; and
- (d) highlight the fact that it is the responsibility of each individual to ensure that they comply with this Policy and the insider trading laws generally.

## 2. Application

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The Policy applies to AVL People. For the purposes of this Policy, **AVL People** means:

- (a) Directors of AVL and AVL subsidiaries; and
- (b) Employees of AVL and AVL subsidiaries.

Certain aspects of this Policy only apply to AVL People who are **Restricted Persons**, which for present purposes includes:

- (a) AVL's Directors including the CEO;
- (b) Senior Management, being CEO direct reports (including Key Management Personnel (**KMP**)) and their direct reports;



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- (c) employees involved with preparing AVL's monthly financial reports; and
- (d) other AVL People who have been advised by the Company Secretary from time to time that they are "Restricted Persons" for the purposes of this Policy (for example, due to their role on a specific project).

This Policy also applies to **Connected Persons** of Restricted Persons, which includes the following for each Restricted Person:

- (a) a family member who may be expected to influence, or be influenced by, the Restricted Person in his/her dealings with AVL or AVL Securities (this may include the Restricted Person's spouse, partner and dependent children, the dependent children of the Restricted Person's partner, or other dependents of the Restricted Person or his/her partner) (**Close Family Member**); and
- (b) a company or any other entity (including a family trust) which the Restricted Person or Close Family Member has an ability to control.

Restricted Persons are expected to use their best endeavours to ensure, to the extent practicable, that their Connected Persons are made aware of and understand this Policy, and any restrictions that it may impose upon them dealing in AVL's Securities. For the purposes of this policy and the avoidance of doubt, restrictions on trading for Restricted Persons also apply to Connected Persons.

### **3. Summary of Insider Trading Laws**

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Insider trading is prohibited under the Corporations Act. The prohibition applies to all AVL People, not just to AVL's Restricted Persons. Essentially, insider trading involves trading in securities by a person who has information about those securities which is not generally available to the market but which, if it was generally available, would be likely to have a material effect (upwards or downwards) on the price or value of the securities (**Inside Information**).

Examples of information that may have a material effect on the price or value of AVL's Securities when it becomes generally available, include:

- (a) revenue;
- (b) profit forecasts;
- (c) vintage intake figures or forecasts;
- (d) liquidity and cashflow information;
- (e) significant changes in operations;
- (f) changes in material distribution arrangements;
- (g) material litigation;



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- (h) impending mergers and acquisitions, reconstructions or takeovers;
- (i) major asset purchases or sales; and
- (j) new product and technology.

Broadly speaking, the law provides that a person who has Inside Information about a company must not:

- (a) buy or sell securities in a company, or enter in an agreement to buy or sell securities, or exercise options over securities, or otherwise apply for, acquire or dispose of securities ("trade");
- (b) encourage someone else to trade in securities in that company; or
- (c) directly or indirectly provide that information to another person where they know, or ought to know, that that person is likely to trade in securities or encourage someone else to trade in securities of that company.

What constitutes "information" is widely defined by the Corporations Act and includes matters of supposition and other matters that are insufficiently definite to warrant being made known to the public and matters relating to the intentions, or likely intentions, of a person.

It is the responsibility of each individual to ensure that they do not breach the insider trading laws and that they comply with this Policy.

## **4. Restrictions that apply to AVL People**

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### **4.1 Trading in AVL Securities**

AVL People must not trade in AVL Securities if:

- (a) they are aware of Inside Information; or
- (b) AVL has notified AVL People that they must not trade in Securities (either for a specified period, or until AVL gives further notice).

If you are in any doubt, consult with the Company Secretary.

### **4.2 Executive Committee Notification**

AVL People who are not Restricted Persons, must notify their Executive Committee member in writing prior to trading in AVL Securities.

### **4.3 Trading in shares of other companies**

AVL People may come into possession of Inside Information regarding another company where they are directly involved in customer or supplier relationship management or negotiating contracts. For example, a person may have Inside Information where they are aware that AVL is about to sign a major agreement



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with another company.

AVL People must not trade in another company's shares or securities where they are aware of Inside Information regarding that other company.

If you are in any doubt, consult with the Company Secretary.

## **5. Additional restrictions that apply to Restricted Persons**

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### **5.1 Front Page Test**

It is important that public confidence in AVL is maintained. It would be damaging to AVL's reputation if the market or the general public perceived that AVL People privy to confidential information might be taking advantage of their position in AVL to make financial gains (by trading in Securities on the basis of that confidential information).

As a guiding principle, Restricted Persons should ask themselves:

*If the market was aware of all the current circumstances, could the proposed trade be perceived by the market as me taking advantage of my position in an inappropriate way? How would it look if the transaction were reported on the front page of the newspaper? (the **Front Page Test**).*

Note that although it is the Restricted Person's individual responsibility to comply with this Policy and the insider trading laws, the Restricted Person should consult with the Company Secretary if he or she is unsure whether his or her proposed trading may not satisfy the Front Page Test.

Clearance for a trade will not be provided under this Policy where the trade would not satisfy the Front Page Test.

### **5.2 No speculative trading**

Under no circumstances should Restricted Persons engage in short-term or other speculative trading in AVL Securities. Short term trading means buying and selling the same Securities within a six month period or entering into any other short term dealing (for example, forward contracts).

The prohibition on short-term or speculative trading includes direct dealings in AVL shares and transactions in the derivative markets involving exchange traded options, share warrants and similar instruments.

Provided you do not possess Inside Information, this prohibition does not restrict the sale of AVL Securities within 6 months following the vesting of, or exercise of, options under an employee share scheme (e.g. an option plan, restricted share plan or share purchase plan).

The entering into of all types of "protection arrangements" for any AVL Securities



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(or AVL products in the derivatives markets) that are held directly or indirectly by Restricted Persons (including both in respect of vested and unvested shares in any Employee Share Plan) are prohibited at any time, irrespective of whether such protection arrangements are entered into during trading windows or otherwise.

For the avoidance of doubt and without limiting the generality of the Policy, entering into protection arrangements includes entering into transactions which:

- (a) amount to "short selling" of Securities beyond the Restricted Person's holding of shares;
- (b) operate to limit the economic risk of the Restricted Person's shareholding; or
- (c) otherwise enable the Restricted Person to profit from a decrease in the market price of shares.

### **5.3 No hedging of incentives**

In addition, the Corporations Act prohibits KMP from making arrangements to limit the KMP's exposure to risk relating to an element of the KMP's remuneration that has not vested or is subject to a holding lock. Closely related parties of KMP, which include the KMP's spouse and children, amongst other relationships, are also prohibited from making arrangements to limit the KMP's exposure to such risk. Those Restricted Persons who are KMPs must ensure compliance with this Corporations Act prohibition.

### **5.4 No granting security or margin lending arrangements**

Under no circumstances should Restricted Persons at any time, directly or indirectly, grant any form of security (whether by way of charge, mortgage, pledge or otherwise) over any AVL Securities to secure any obligation of that Restricted Person or any third party, or enter into any margin lending arrangement involving AVL Securities, regardless of whether such security is granted, or the margin lending arrangement is entered into, during or outside a trading window.

### **5.5 Trading windows**

Whilst trading is unlawful at any time if the person has Inside Information, there are particular periods when trading by persons who generally have access to non-public information is unwise due to the perception that they are likely to possess price-sensitive information that is not generally available. For this reason many companies limit the times when persons who may be privy to Inside Information due to their role (and their connected persons) may buy, sell or deal in Securities to those periods when the market is likely to be most fully informed.

Subject to Section 5.6, Restricted Persons and Connected Persons must not trade in AVL Securities at any time except during the following trading windows with clearance in accordance with Section 5.7:



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- (a) the four weeks commencing on the second trading day after the release of the Half Year results;
- (b) the four weeks commencing on the second trading day after the release of the Full Year results;
- (c) the four weeks commencing on the second trading day after AVL's Annual General Meeting; and
- (d) any other period the Board determines.

The Board may at any time determine that a trading window is open or closed.

Restricted Persons and Connected Persons **cannot trade** during trading windows if they possess Inside Information.

## 5.6 Exceptional circumstances

It is recognised that individual circumstances may require a person to trade in Securities outside the designated trading windows. In exceptional circumstances, and subject always to the prohibition on trading while in possession of Inside Information, Restricted Persons and Connected Persons may seek prior written approval for a trade outside of the designated trading windows in accordance with the clearance procedures set out in Section 5.7.

Exceptional circumstances will be assessed on a case by case basis, and may include:

- (a) severe financial hardship where the Restricted Person or Connected Person has a pressing financial commitment that cannot reasonably be satisfied otherwise than by selling the relevant securities;
- (b) a requirement by a court order or court enforceable undertaking;
- (c) an overriding legal or regulatory requirement to transfer, or accept a transfer of, AVL Securities; or
- (d) any other circumstance that is deemed exceptional by the person providing the waiver.

## 5.7 Clearance to trade during trading windows and in exceptional circumstances

Restricted Persons must submit a written 'clearance to trade' request to the Company Secretary before they or a Connected Person deal in AVL Securities during a trading window or, if exceptional circumstances apply outside of a trading window (as set out above). In the case of the Company Secretary, his/her clearance to trade request must be submitted to the CEO.

The request must confirm that the relevant person is not aware of any Inside Information, and in the case a trade outside of a designated trading window, the



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reasons why the request is made including an explanation as to the severe financial hardship or other exceptional circumstances.

As soon as practicable after receiving a request, the Company Secretary will notify the relevant Designated Officer (set out below). The Designated Officer will determine whether clearance should be given for the proposed trade having regard to the Front Page Test and any price sensitive information that exists in relation to AVL. In considering whether to approve a request to trade, the Designated Officer will, where necessary or appropriate, request additional information from, or consult with, management to assist with their deliberations.

The Company Secretary or Designated Officer will advise the Restricted Person in writing whether clearance has been provided for the trade, including any conditions that apply. Where clearance is given, the Restricted Person or Connected Person will have 5 business days to enter into the proposed trade (and will be required to submit a new clearance request if the trade does not occur during this period).

Clearance to trade can be given, denied or withdrawn at any time by the Designated Officer in his or her absolute discretion without giving any reason to the Restricted Person. If clearance to trade is refused, the Restricted Person must keep that information confidential.

Where clearance is denied, the Restricted Person or Connected Person must not proceed with the proposed trade.

Clearance to trade can be withdrawn prior to the Restricted Person or Connected Person executing the trade if new information comes to light or there is a change in circumstances.

The Designated Officers are:

<b>Restricted Person</b>	<b>Designated Officer</b>
Chairman of the Board (or his or her Connected Person)	<ul style="list-style-type: none"><li>• Chairman of the Audit Committee or, in his/her absence</li><li>• any two Directors</li></ul>
Director / CEO (or his or her Connected Person)	<ul style="list-style-type: none"><li>• Chairman of the Board or, in his/her absence</li><li>• Chairman of the Audit Committee</li></ul>
CEO direct report (or his or her Connected Person)	<ul style="list-style-type: none"><li>• CEO or, in his/her absence</li><li>• Chairman of the Board</li></ul>



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Other Restricted Persons (or his or her Connected Person)	<ul style="list-style-type: none"><li>• CEO or</li><li>• CFO</li></ul>
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## 5.8 Trading excluded from the Policy

Subject to compliance with the insider trading laws, nothing in this Policy precludes Restricted Persons or Connected Persons from:

- (a) passively acquiring shares under the terms of AVL's Dividend Reinvestment Plan, regardless of whether AVL is in a trading window (but not opting in or out of a Dividend Reinvestment Plan which must occur during a trading window);
- (b) receiving shares under any employee share plan (but not exercising options which must occur during a trading window). However, any trading in those shares remains subject to the Policy and the provisions of the Corporations Act;
- (c) acquiring AVL shares through a share purchase plan available to all retail shareholders (but not opting in or out of a share purchase plan which must occur during a trading window);
- (d) acquiring AVL shares through a rights issue;
- (e) disposing of AVL shares through the acceptance of a takeover offer, scheme of arrangement or equal access buyback;
- (f) indirect and incidental trading that occurs via dealing in units or shares of a managed investment scheme, listed investment company, exchange-traded fund or similar investment vehicle that is managed by a third party and that happens to hold AVL shares as part of its portfolio; and
- (g) any other trades that do not result in an effective change to the beneficial interests in the AVL shares (for example, transfers of AVL shares already held into a superannuation fund or trust to which the restricted person is a beneficiary).

Restricted Persons and Connected Persons are responsible for ensuring that any particular transaction complies with law.

## 5.9 Disclosure of changes in AVL Directors' interests

Directors and AVL have an obligation to notify the ASX of any change in a Director's notifiable interests, which includes trading in AVL Securities, within 5 business days of the change. A Director's notifiable interests includes securities held and traded by the Director's Connected Persons.

In order for AVL, as agent for the Director, to notify the ASX in accordance with the





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ASX Listing Rules, Directors must notify the Company Secretary:

- (a) for trades entered into by the Director, as soon as possible after entering into the trade (even if the trade has not yet settled);
- (b) for trades entered into by a Connected Person, as soon as possible after the Director becomes aware of the trade (even if the trade has not yet settled).

This notification obligation extends to trades which are excluded from this Policy under Section 5.8 and applies even where clearance for a trade has been obtained in accordance with the procedure set out in Section 5.7.

AVL will disclose details of the trade to the ASX where required to satisfy its obligations in accordance with the ASX Listing Rules.

## **6. Breach**

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### **6.1 Breach of Corporations Act 2001 (Cth)**

A breach of the insider trading provisions of the Corporations Act is a serious criminal offence, punishable by substantial fine and/or imprisonment. A person found to be involved in insider trading may also be exposed to significant civil penalties and/or liability.

### **6.2 Breach of this Policy**

Any breach of this policy will be regarded as serious misconduct requiring investigation which may lead to disciplinary action or termination of employment.

To the extent that this policy imposes obligations on AVL, it does not form a contractual term, condition or representation.

**Approved and Adopted by the Board on 28 April 2021**