



# Insider Trading policy

nbn-Confidential: Commercial | Rev 8.0 | 24 AUGUST 2021  
Owner: Philip Knox, Chief Financial Officer

## Background

At **nbn** co limited (**nbn**) we are fearless, we are one team, we deliver and we care. **nbn** strives to maintain a high standard of ethical business behaviour and to ensure that the conduct of directors, officers, employees, contractors and consultants of **nbn** accord with **nbn**'s values, community expectations and the law.

## Purpose

This policy has been designed to assist directors, officers, employees, contractors and consultants of **nbn** to avoid conduct known as 'insider trading'.

## Scope

This policy applies to all **nbn** directors, officers, employees, contractors and consultants.

## Policy

The directors, officers, employees, contractors and consultants of **nbn** must not engage in insider trading.

### What is insider trading?

A person who possesses material non-public information about an entity will engage in insider trading if they:

- apply for or buy or sell securities in the entity; or
- encourage anyone else to do so; or
- communicate the information to another person who might reasonably be expected to apply for or buy or sell the securities.

The term "security" is very broad and includes shares, units in a trust, derivatives, debentures, superannuation products and other financial products.

Material non-public information about an entity is information that satisfies the following:

- the information is not generally available; and
- if it became generally available, a reasonable person would expect it to have a material effect on the price or value of securities in the entity (i.e. the information would, or would be likely to, influence people who commonly acquire securities to decide whether or not to buy or sell securities in the entity).

Information is generally available if it:

- consists of readily observable matter; or



- has been made known in a manner that would, or would be likely to, bring it to the attention of people who commonly invest in securities, and a reasonable period for it to be disseminated among such people has elapsed; or
- consists of deductions, conclusions or inferences made or drawn from other readily observable or generally available information.

The following are examples of information that may have a material effect on the price or value of securities:

- financial results materially different to market expectations;
- consideration of a major acquisition or disposal of assets;
- the threat of major litigation against the entity;
- the likely granting, loss or termination of a major contract;
- the likely granting, loss or termination of a government approval;
- a proposed dividend or change in dividend policy;
- a proposed new share issue; and
- a significant change in senior management.

It is important to note that buying and selling securities through a company, trust or superannuation fund that you directly control could also be insider trading. However, superannuation funds where you do not direct or approve the purchase or sale of equities are unlikely to constitute insider trading.

#### **What are the consequences of insider trading?**

- Insider trading is a criminal offence, and the penalties for a breach by an individual of the insider trading prohibition are: (a) a jail term of a maximum of 15 years; and/or (b) a fine that is the greater of: (i) \$945,000 and
- (ii) if the court can determine the benefit derived and detriment avoided because of the insider trading, three times the amount so determined.
- Insider trading will also attract civil liability – i.e. orders for compensation for those who suffer loss as a result of such trading.

## **Roles and responsibilities**

- You are responsible for ensuring that you do not engage in insider trading.
- You must take all reasonable measures to avoid engaging in insider trading.
- Where there is any doubt as to whether a situation could be considered insider trading, you should seek guidance from your manager or the Chief Legal Counsel.
- All breaches of this policy should be immediately reported to the Chief Legal Counsel.

## **More information**

If you require additional information in relation to this policy or you have any suggestions for improvement to this policy please contact the Policy Owner or a member of the **nbn** Legal Group.



## Related policies

- Managing Performance and Behaviour
- Board Charter (Section 8, Code of Conduct)
- Code of Conduct (Employees and Contractors)
- Whistleblower

*Philip Knox*  
*Chief Financial Officer*  
*Effective as of 24 August 2021*



## Document control

Policy owner	Philip Knox
Revision	8.0
Issue date	24 AUGUST 2021
Review date	To be next reviewed in August 2023 then every two years unless required earlier.
Classification	nbn-Confidential: Commercial
Status	Draft
Policy author	Philip Knox
Policy approver	Board of Directors
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Department or business unit	Chief Financial Offer

## Revision history

Revision	Description	Policy author
8.0	Reviewed, updated and approved at BM 153 (24 August 2021) to reflect the change of policy ownership from <b>nbn</b> 's Chief Legal Counsel to the Chief Financial Officer.	Philip Knox
7.0	Reviewed, updated and approved at BM 132 (27 August 2019) to include changes as a result of amendments to the penalty provisions of the Corporations Act, to update <b>nbn</b> values and to include reference to <b>nbn</b> 's Whistleblower Policy.	Justin Forsell
6.0	Reviewed, updated and approved at BM 111 (29 August 2017) to include minor changes.	Justin Forsell
5.0	Reviewed, updated and approved at BM 89 (25 August 2015) to include new branding, new corporate values and reference to the <b>nbn</b> Code of Conduct.	Justin Forsell
4.0	The Policy has been updated to include minor changes including updating the penalties for breach of the insider trading prohibition.	Justin Forsell
3.0	The provenance box has been updated to include all relevant administration fields and information.	Justin Forsell
2.0	Updated Logo to New NBN Co Logo Standard and updated classification in line with revised policy	HCC
1.0	Approved Policy	Justin Forsell