



**ENVIRONMENTAL CLEAN  
TECHNOLOGIES LIMITED**

## Securities Trading Policy

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Version 3

## Contents

1	INTRODUCTION.....	3
2	DEFINED TERMS.....	3
3	INSIDER TRADING .....	4
4	WHAT IS INSIDE INFORMATION? .....	4
5	WHAT IS DEALING IN SECURITIES? .....	4
6	WHEN DIRECTORS, SENIOR MANAGEMENT AND OTHER EMPLOYEES MAY DEAL .....	5
7	EXCEPTIONAL CIRCUMSTANCES.....	5
8	CLEARANCE TO DEAL.....	5
9	COMMUNICATING INSIDE INFORMATION.....	6
10	SPECULATIVE DEALING .....	6
11	EXCEPTIONS TO THE POLICY .....	6
12	NO HEDGING.....	7
13	BREACH OF POLICY.....	7
14	DISTRIBUTION OF POLICY .....	7
15	ASSISTANCE AND ADDITIONAL INFORMATION.....	7
16	CHANGE TO POLICY .....	7
17	APPROVED AND ADOPTED .....	7
18	APPENDIX A .....	8

## 1 Introduction

- 1.1 The shares of Environmental Clean Technologies Limited (Company) are listed on the Australian Stock Exchange Limited (ASX).
- 1.2 This Securities trading policy (the Policy) outlines:
  - a) when directors, senior management and other employees may deal in Company Securities; and
  - b) procedures to reduce the risk of insider trading.

## 2 Defined terms

In this policy:

**Approving Officers** means:

- c) the Chairman of the Board and one other Director; or
- d) in the Chairman's absence, any two Directors.

**Black Out Period** means the following periods of time:

- a) 31 December until midday Eastern Standard Time (EST) on the next business day after the day on which the half year results are announced; and
- b) 30 June until midday EST on the next business day after the day on which the full year results are announced; and
- c) Any other period that may be declared from time to time by the directors.

**Company Securities** means shares, options or performance rights over those shares and other securities convertible into shares, and any financial products of the Company traded on ASX.

**Dealing Window** means a period of 8 weeks commencing midday EST on the next business day after the day on which each of the following events occurs:

- a) the announcement of half year results;
- b) the announcement of annual results;
- c) the issue of a prospectus relating to equity securities.

**Family** in relation to a person means that person's spouse or defacto partner and any dependant children of that person.

**Specified Person** means:

- a) all directors and officers of the Company;
- b) all employees of the Company;
- c) in relation to any person under (a) or (b) above:
  - (i) any member of their Family;
  - (ii) their nominee, including an investment manager;
  - (iii) a trust and or superannuation fund of which they, any member of their Family, or any Family controlled company, are the trustee, member or beneficiary;
  - (iv) a person in partnership or acting in concert with them or any of their connected persons mentioned in (i) to (iii) above (acting in his or her capacity as such);
  - (v) a company which they or their Family control; and
  - (vi) any person or entity over which the persons mentioned in (a) or (b) above has control.

- d) any who is notified to be a Specified Person by the Chairman or Board of the company.
- e) Any other person that is a "key management personnel" as defined in AASB 124 Related Party Disclosures. [http://www.aasb.gov.au/admin/file/content105/c9/AASB124\\_12-09.pdf](http://www.aasb.gov.au/admin/file/content105/c9/AASB124_12-09.pdf)<sup>1</sup>

### 3 Insider trading

- 3.1 If a person has information about listed securities and the person knows, or ought reasonably to know, that the information is inside information, it is likely to be illegal for the person to:
  - a) deal in the securities;
  - b) procure another person to deal in the securities; or
  - c) give the information to another person who the person knows, or ought reasonably to know, is likely to:
    - (i) deal in the securities; or
    - (ii) procure someone else to deal in the securities.
- 3.2 Insider trading is a criminal offence. It is punishable by substantial fines or imprisonment or both. A company may also be liable if an employee or director engages in insider trading.
- 3.3 Insider trading may also attract civil penalties. A court may impose substantial pecuniary penalties for insider trading and order payment of compensation to persons who suffer loss or damage because of insider trading.

### 4 What is inside information?

- 4.1 Inside information is information that:
  - a) is not generally available; and
  - b) if it were generally available, would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the relevant securities.
- 4.2 Information is generally available if it:
  - a) is readily observable;
  - b) has been made known in a manner likely to bring it to the attention of persons who commonly invest in securities of the relevant type, and 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 paragraphs 4.2(a) or 4.2(b).

### 5 What is dealing in securities?

- 5.1 Dealing in securities includes:
  - a) applying for, acquiring or disposing of, securities;
  - b) entering into an agreement to apply for, acquire or dispose of, securities; and
  - c) granting, accepting, acquiring, disposing, exercising or discharging an option or other right or obligation to acquire or dispose of securities.

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<sup>1</sup> Appendix A

- d) encumbering, offering as security or establishing a lien over securities.
- 5.2 This policy will not restrict a grant by the Company to an employee of an option, performance right or other convertible security, or their exercise, at a time when the only inside information known to the employee is also known by the Company.

## **6 When directors, senior management and other employees may deal**

- 6.1 Subject to paragraph 5.2, a person other than a Specified Person may deal in Company Securities if both of the following are satisfied:
- a) they do not have information that they know, or ought reasonably to know is inside information in relation to Company Securities; and
  - b) it is outside of a Black Out Period.
- 6.2 Subject to paragraph 5.2, a Specified Person may only deal in Company Securities if the following are satisfied:
- a) they do not have information that they know, or ought reasonably to know is inside information in relation to Company Securities; and
  - b) it is outside of a Black Out Period; and
  - c) they deal during a Dealing Window period; or
  - d) they have obtained clearance to deal in accordance with paragraph 8.

## **7 Exceptional Circumstances**

- a) A Specified Person who is not in possession of inside information, may be given prior written clearance to sell or otherwise dispose of the securities of the Company during a Black Out Period or outside a Dealing Window under the trading policy where the Specified Person is in severe financial hardship or there are other exceptional circumstances. The determination of Exceptional Circumstances will be at the discretion of the Chairman or in the case of the Chairman, by the director who, in normal circumstances acts as Chair in the absence of the Chairman.
- b) Exceptional Circumstances will include severe financial hardship if the Specified Person has a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant securities of the Company or there is a legal or regulatory requirement for the Specified Person to transfer or sell securities of the Company.
- c) A Specified Person must apply in writing to the Chair for consideration under the Exceptional Circumstances provisions of the Policy and the Chair must respond in writing, and if it is deemed the Exceptional Circumstances do apply then the Specified Person may obtain clearance to deal in accordance with paragraph 8.

## **8 Clearance to deal**

- 8.1 A Specified Person must make a request in writing to the Company Secretary before dealing in Company Securities as prescribed in paragraph 6.2.

- 8.2 The written request must also include confirmation that they have read the Securities Trading Policy and confirm that they understand their obligations relating to insider trading as per Division 3 of Part 7.10 of the Corporations Act (secs. 1042A-1045A).
- 8.3 The Company Secretary must request clearance from the Approving Officers.
- 8.4 The Approving Officers must not give clearance if:
- a) there is a matter about which there is inside information in relation to Company Securities which the Specified Person is aware of when the Specified Person requests clearance or proposes to deal in Company Securities; and
  - b) the Approving Officers have any other reason to believe that the proposed dealing breaches this policy.
- 8.5 If clearance is given, the Specified Person must:
- a) complete the dealing within 48 hours of approval; and
  - b) advise the Company Secretary of the dealing, including the number of securities bought or sold on specific dates.
- 8.6 The Company Secretary must keep a file of any written record of:
- a) any information received from a Specified Person in connection with this policy;
  - b) any clearance given under this policy; and
  - c) the outcome of any cleared deal.

## 9 Communicating inside information

- 9.1 If a Specified Person has information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities, the Specified Person must not directly or indirectly communicate that information to another person if he or she knows, or ought reasonably to know, that the other person would or would be likely to:
- a) deal in Company Securities; or
  - b) procure another person to deal in Company Securities or the securities of the other entity.
- 9.2 An employee must not inform colleagues (except the Approving Officer or the Company Secretary) about inside information or its details, unless in the proper course of the Company's business.

## 10 Speculative dealing

Directors, senior management and other employees may not deal in Company Securities on considerations of a short term or speculative nature.

## 11 Exceptions to the policy

This policy does not apply in the following circumstances:

- a) trading in a managed securities portfolio where they are not in a position to influence a choice of the portfolio; or

- b) trading under a dividend reinvestment plan established by the Company where an instruction has been given to reinvest dividends; or
- c) where the trading results in no change in beneficial interest in the securities; or
- d) where the trading occurs under an offer to all or most of the security holders of the Company; or
- e) where the transaction concerned consists of the acquisition of ordinary shares in the Company by means of conversion of securities giving a right to ordinary shares (but does not consist of the sale of those shares following conversion).

## 12 No Hedging

Employees may not enter into any transaction which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of:

- a) shares in the Company which are subject to a restriction on disposal under an employee share or incentive plan; or
- b) options or performance rights (or shares in the Company underlying them) granted under an employee share or incentive plan.

## 13 Breach of policy

A breach of this policy by directors, senior management and other employees is serious and may lead to disciplinary action, including dismissal. It may also be a breach of the law.

## 14 Distribution of policy

This policy must be distributed to all directors, officers and employees of the Company.

## 15 Assistance and additional information

Directors, senior management and other employees who are unsure about any information they may have in their possession, and whether they can use that information for dealing in securities, should contact the Company Secretary.

## 16 Change to policy

The board may vary this policy at any time in its absolute discretion.

## 17 Approved and adopted

This policy was update to version 1.2, approved and adopted by the board on 6<sup>th</sup> October 2014

## 18 Appendix A

The following attachment provides details per Item 2.e regarding AASB124.