

TRADING POLICY

Effective 17 April 2019

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LIMITED

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1. INTRODUCTION

The Corporations Act prohibits the trading in shares, options and other securities (“securities”) of a company by any person who is in possession of undisclosed price sensitive information or “inside information” regarding Mainstream Group Holdings Limited (hereafter known as “the Company” or “Mainstream”). The Corporations Act imposes substantial penalties on persons who breach those provisions.

This policy outlines:

- › **the legal and regulatory obligations** of all employees and Key Management Personnel (“KMP”) in relation to trading in Mainstream securities, or outside companies about which they acquire undisclosed or unpublished “inside information” through their position with Mainstream;
- › **additional obligations** of Mainstream employees in relation to trading in company securities, and the securities of other companies which an individual may have inside information about, which may include subsidiaries, or other companies such as suppliers, contractors and clients; and
- › **general provisions** in relation to trading of Mainstream securities and investment in client funds / products.

If you do not fully understand any aspect of this policy, you should speak to the Company Secretary or seek independent legal advice.

2. PURPOSE

The purpose of this policy is to ensure that Mainstream’s directors, officers, consultants, advisers, senior management and other employees (“Mainstream persons”) are aware of and abide by the legal restrictions on trading securities while in possession of inside information.

It also ensures that inside information is not provided to another person who may use that information to decide to buy or sell the Company’s securities for personal gain, and prohibits the procurement of another person to trade in the Company’s securities on behalf of the Mainstream person.

This policy also seeks to ensure that the Company is able to meet its reporting obligations under the ASX Listing Rules.

This Policy extends to the immediate family members of Mainstream persons, and to companies, trusts and entities controlled by Mainstream persons. Mainstream persons must take all reasonable steps to ensure that those people, companies, trusts and entities comply with this Policy. This includes taking all reasonable steps to ensure that they do not trade during the Black-Out Periods that apply within this Policy (see clause 4.2).

3. INSIDER TRADING PROVISIONS

3.1 DEFINITION OF INSIDE INFORMATION

Inside information is defined under the Corporations Act as information that is information that would, if it was publicly available, be likely to have a material effect on the price or value of the Company’s securities, or influence persons in deciding whether or not to buy or sell the Company’s securities.

Examples of inside information could include, but is not limited to, the following:

- a. a change in Board, senior management or business restructuring proposal

- b. acquiring or selling an interest in an asset or business;
- c. a threat of material litigation against the Company;
- d. sales and profit results that exceed or fall short of market expectations;
- e. a material change in debt, liquidity or cash flow;
- f. entry into, material variation or termination of a major client contract.

3.2 DELINEATING KEY MANAGEMENT PERSONNEL

Key Management Personnel (KMP) are persons who have authority and responsibility for planning, directing or controlling the Company's activities.

The Company has determined that its Key Management Personnel are the Chairman & Managing Director, Directors, Chief Executive Officer, Chief Financial Officer, and such other persons as the Managing Director or Board nominates.

3.3 REQUIREMENTS OF THIS POLICY

The requirements imposed by this policy are in addition to any legal prohibitions on insider trading pursuant to Section 1043A (of Part 7.10, Division 3) of the Corporations Act. This Section of the Corporations Act makes it an offence for a person in possession of inside information to trade in the Company's securities, or procure another person to trade in the Company's securities.

In addition, if you are in possession of any inside information you must not directly or indirectly communicate the inside information to another person if you know or ought reasonably to know, that the other person would or would be likely to trade in Mainstream shares or procure another person to trade in Mainstream shares. Inside information must not directly or indirectly be communicated to another person if communication of that information would breach Mainstream's confidentiality or privacy policy.

3.4 BREACH OF INSIDE TRADING PROVISIONS AND MAINSTREAM TRADING POLICY

Breach of the insider trading prohibition by Mainstream persons or family members could expose the individual to criminal and civil liability including fines and/ or imprisonment.

A breach of insider trading prohibition could also result in the individual being sued by another party of the Company for any loss suffered as a result of insider trading.

A breach of this Policy will be regarded by the Company as serious misconduct which may lead to disciplinary action and / or dismissal.

If you believe there is a breach of this Policy you should notify your manager, and the HR Manager or Company Secretary immediately. If in doubt, seek further clarification from the HR Manager or Company Secretary.

The insider trading prohibition is **mandatory** and not a matter of guidance.

4. TRADING OF SECURITIES

4.1 MAINSTREAM SECURITIES AND OTHER COMPANY SECURITIES

No Mainstream employee Director is able to buy or sell any Mainstream securities at any time, irrespective of “black-out periods” if the trade involves the use of inside information.

In addition, all Mainstream persons are prohibited from dealing in the securities of outside companies (including subsidiaries or associated companies, or other companies such as suppliers, contractors and clients) in respect of which they acquire inside information through their position with Mainstream.

4.2 SPECIFIED BLACK-OUT PERIODS

Employees, including KMP and Directors may not buy or sell Mainstream securities (unless otherwise authorised by the Board) during any of the following periods (each a “black-out period”) commencing:

- a. (a) 1 January each year and ending one trading day after the release of the Company’s half year results to the ASX; and
- b. (b) 1 July each year and ending one trading day after the release of the Company’s full year results to the ASX.

The Board has the discretion to nominate additional black-out periods without explanation where the Company may be involved in transactions that might have a material impact on the share price.

The Company Secretary will notify Mainstream persons of the times when they are permitted to buy or sell the Company's securities and when black-out periods apply.

4.3 EMPLOYEE SHARE PLANS

The prohibition on trading in Company securities does not apply to acquisition of shares, rights or options by employees of the Company made under an employee share, option or right scheme, nor does it apply to the acquisition of shares as a result of the exercise of options under an employee options scheme.

The prohibition does, however apply to the sale of shares acquired under an employee share scheme and also to the sale of shares acquired following the exercise of an option granted under an employee option scheme.

4.4 EXCEPTIONAL CIRCUMSTANCES

Where an individual is in severe financial difficulty or where other exceptional circumstances apply (such as a court order to sell the Company's securities), and the individual is not in possession of inside information, the CEO (or, in the case of Directors, the Chairman) has discretion to approve the sale (but not purchase) of Mainstream securities during a black-out period.

The individual must submit the application in writing at least five (5) business days prior to required sale, and include a written statement advising they are not in possession of any inside information. Such approval must be given in writing prior to the relevant trade. **There is no discretion to approve dealings by any person in possession of inside information.**

5. ADDITIONAL PROHIBITIONS FOR KEY MANAGEMENT PERSONNEL (KMP)

5.1 SPECIFIC KMP PROHIBITIONS

Key Management Personnel are prohibited from:

- a. dealing at any time in financial products such as options, warrants, futures or other

financial products issued over Mainstream's securities by third parties such as banks and other institutions;

- b.** entering into transactions in products associated with Mainstream's securities which operate to limit the economic risk of their security holding in the Company (eg hedging arrangements) including Mainstream securities held beneficially (including, for example, in trust or under any Mainstream incentive plan) on that Mainstream person's behalf;
- c.** engaging in margin lending transactions of Mainstream securities;
- d.** engaging in short-term (less than 90 days) or speculative trading of Mainstream's securities at any time.

This policy also requires that **before** trading in the Company's securities:

- a.** Directors must advise the Chairman, Chair of the Audit and Risk Committee and Company Secretary of a proposed trade, in writing and confirm they are not in possession of any unpublished inside information;
- b.** Key Management Personnel (other than Directors) advise the Company Secretary or, in his or her absence, the Chief Executive Officer, of a proposed trade in Mainstream securities, in writing and confirm they are not in possession of any unpublished inside information;

No instructions may be provided to any broker until clearance is given in writing by the Company Secretary, Chairman or Chair of the Audit and Risk Committee.

Approval by the Chairman, Chair of the Audit and Risk Committee or Company Secretary must be obtained in writing and is valid for a period of up to 5 business days, provided the applicant does not become aware of unpublished market sensitive information or the approval is withdrawn during that period.

Key Management Personnel must notify the Company Secretary in writing of any dealings in Mainstream's securities within one business day of the trade.

5.2 SALE OF SECURITIES

KMP need to be aware of the market perception at the sale of Company securities, and the ability of the market to absorb the volume of shares being sold. Where a sale of shares represents a volume greater than 5% of the total securities held by the seller prior to the sale, the KMP is required to put the request in writing to the Board for approval at least five (5) business days prior to the execution of any sale.

5.3 ASX NOTIFICATION BY DIRECTORS

Directors are required to notify the Chair and the ASX within 14 days of any trading in the Company's securities which result in a change in the relevant interests of the director in their securities in the Company.

The Company is required to notify the ASX of the director's initial holdings upon appointment and subsequent trading within 5 business days of the change, and whether the trading occurred during a black-out period, and if so, whether written approval was obtained and on what date it was obtained.

Directors must provide the relevant information as soon as reasonably possible and in any event, no later than 3 business days after the date of appointment or change to the Company Secretary who will transmit the notifications to the ASX, and provide to the Board.

6. COMMUNICATION WITH THIRD PARTIES

Mainstream persons must not communicate inside information or cause that information to be communicated to another person other than for Mainstream's business purposes, and then only subject to appropriate confidentiality arrangements.

7. INVESTMENT IN CLIENT FUNDS / PRODUCTS

Mainstream persons can invest in the managed funds or other products of the Company's clients, however you will be required to declare the interest to the Head of Risk and Compliance before investing in a client's product.

Employees cannot have any involvement in processing their own transactions.

8. FURTHER INFORMATION

If you require any further information or assistance, or are uncertain about the application of the law or this trading policy in any situation, please contact the Company Secretary.

9. EMPLOYEE ACKNOWLEDGEMENT

I acknowledge that I have read and understood the Mainstream Limited Trading Policy and agree to abide by the information contained in this document, and any subsequent updates or amendments to this Policy.

Name of employee: _____

Signature of employee: _____

Date: ____ / ____ / ____