



## ▲ SECURITIES TRADING POLICY

Board Approved January 2011



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### 1. BACKGROUND

Boom Logistics Limited (**Boom**) is committed to ensuring that public confidence is maintained in Boom, its employees and the trading of its securities.

Whilst insider trading laws state that you must not deal in any securities if it would be in breach of the insider trading laws, this policy is specific to trading in Boom securities.

The purpose of this policy is to:

- explain the types of conduct in dealing in securities that are prohibited under the Corporations Act 2001 (Cth) (**Corporations Act**). Such prohibitions apply to all Directors and employees of Boom and its related bodies corporate as defined in the Corporations Act (collectively the **Group**); and
- establish a best practice procedure for buying and selling securities that protects Boom and its Directors and employees against the misuse of unpublished information which could materially affect the value of securities.

#### 1.1 Who must comply with this Policy?

This policy applies to all Directors of the Group, the members of the Executive Management Team and all employees of Boom (collectively, **Employees**).

It also applies to Connected Persons of Employees.

In this policy, the persons mentioned above will be collectively referred to as **Relevant Persons**.

**Connected Person** means, in relation to an Employee:

- a. a family member of an Employee who may be expected to influence, or be influenced by, that Employee in his or her dealings with Securities (this may include that Employee's partner, parents, siblings and children, the parents, siblings or children of that Employee's partner, or dependants of that Employee or that Employee's partner);
- b. a company or other entity of which an Employee is a Director or Executive; and
- c. any other entity in respect of which an Employee has an ability to control.

#### 1.2 What if I breach the Policy?

Every Boom employee has an individual responsibility to ensure that they comply with the law relating to insider trading and this policy.

Breaches of this policy will be regarded as serious misconduct which may entitle Boom to take corrective disciplinary action, including summary termination of your appointment or employment with Boom.

A person who commits a breach of the insider trading provisions could be subject to criminal liability (substantial fines or imprisonment or both may be imposed) or civil liability (substantial fines may be imposed) under Australian law. A person who contravenes or is involved in a contravention of these provisions may also be liable to compensate any person who suffers loss or damage resulting from the conduct.

### **1.3 Insider Trading – What are the rules?**

Broadly, a person will breach the insider trading laws if they possess “price sensitive information” about a company and at the same time they:

- a. buy or sell securities in that company or enter into an agreement to subscribe for, buy or sell securities in that company (“dealing”); or
- b. encourage someone else to buy or sell securities in that company (“encouraging investment”); or
- c. pass on that information to another person (e.g. a friend or family member) where they know, or ought reasonably to know, that that person would be likely to buy or sell securities or encourage someone else to buy or sell securities of that company (“tipping”).

Price sensitive information means:

- information which is not generally available to the market; and
- if it were generally available to the market, a reasonable person would expect it to have a material effect on the price or value of a company’s securities.

Non-public price sensitive information which you may have access to could include:

- information about Boom’s financial results;
- information about Boom’s budgets and financial projections;
- information acquired through working on a due diligence investigation;
- information about a proposed major contract or transaction;
- information about a proposed procurement contract or transaction;
- information about any other listed entity in which Boom may have an interest; or
- information about a customer or strategic partner that has come to your knowledge through

your employment or position with Boom.

These restrictions apply to all publicly traded securities, not just Boom securities. Relevant Persons may come into possession of 'inside information' where they are directly involved in client relationship management or negotiating contracts. For example, where the Relevant Person is aware that the Group is about to sign a major agreement with another company, the Relevant Person should not buy securities in either Boom or the other company.

## 2. RESTRICTIONS ON DEALING IN SECURITIES

### 2.1 No trading when in possession of inside information – all Relevant Persons

A **Relevant Person** must not deal in the Group's securities where:

- a. they are in possession of price sensitive or 'inside' information which is not yet public; or
- b. Boom is in possession of price sensitive or 'inside' information and has notified Relevant Persons that they must not deal in the Company's securities (either for a specified period, or until the Company gives further notice).

### 2.2 Other prohibited dealings – all Relevant Persons

#### a. No dealings during Blackout periods

Relevant Persons **must not** deal in Boom's securities during any of the following periods:

- the period from the close of trading on 30 June each year until the second business day following the announcement to ASX of the preliminary final statement or full year results;
- the period from the close of trading on 31 December each year until the second business day following the announcement to ASX of half-yearly results; and
- any other period that Boom specifies from time to time.

#### b. Exceptional circumstances

If a Relevant Person needs to deal in securities due to exceptional circumstances but such dealing would breach this policy, the Relevant Person may apply to the Chairman (in the case of Directors, Executives, and their Connected Persons) or the General Counsel or Company Secretary (in the case of other Relevant Persons) for a waiver from compliance with the provisions of paragraph 2.2(a).

Exceptional circumstances for these purposes include severe financial hardship, compulsion by court order or any other circumstance that is deemed exceptional by the

Chairman or General Counsel or Company Secretary (as relevant).

Relevant Persons seeking a waiver under this clause must apply in writing to the Chairman or General Counsel or Company Secretary (as relevant) setting out the circumstances of the proposed dealing (including an explanation as to the severe financial hardship or circumstances that are otherwise exceptional) and the reason the waiver is requested. A waiver will only be granted if the Relevant Person's application is accompanied by sufficient evidence (in the opinion of the Chairman or General Counsel or Company Secretary, as relevant) that the dealing of the relevant securities is the only reasonable course of action available in the circumstances.

If a waiver is granted, the Relevant Person will be notified in writing (which may include notification via email) and in each circumstance the duration of the waiver to deal in securities will be 3 business days.

**c. No short-term dealing – buying and selling within 3 month period**

Relevant Persons must not deal in Boom's securities on a short-term trading basis. Short-term trading includes buying and selling securities within a 3 month period, and entering into other short-term dealings (for example, forward contracts).

Speculating in short-term fluctuations in Boom's securities does not promote shareholder and market confidence in the integrity of Boom or Boom's employees.

## **2.3 Trading windows and other permitted dealings**

Where paragraphs 2.1 or 2.2 do not apply, Relevant Persons may deal in Boom's securities subject to the notification requirements set out below.

The restriction in paragraph 2.1 applies to all dealings in Boom's securities despite any approval given to a Relevant Person by Boom and the Relevant Person is responsible for ensuring that the dealing does not breach this restriction.

**a. Directors and Executives**

Directors and Executives may only deal in Boom securities during the 6 week period commencing on the second business day after:

- the announcement to ASX of the preliminary final statement or full year results;
- the announcement to ASX of the half-yearly results;
- the holding of the Annual General Meeting; or
- any period that the Company has a current prospectus or other form of disclosure document on issue under which persons may subscribe for securities.

If a market announcement is made outside these periods that results in the market having the same price sensitive information as the Directors and Executives, then Directors and Executives may deal in Boom securities during the 3 week period commencing on the second business day after any such announcement.

Directors and Executives must provide details of any trade to the Company Secretary and General Counsel for disclosure to the ASX within 2 business days of each trade.

**b. Relevant Persons (other than Directors and Executives)**

**Subsequent notification required**

Where a Relevant Person other than a Director or Executive deals in Boom securities, they must notify the Company Secretary of any such dealing within 5 business days of the relevant dealing occurring.

**2.4 Margin Lending Arrangements**

- a. Any dealing in the Company's securities by Relevant Persons pursuant to a margin lending arrangement must be conducted in accordance with this policy. Such dealings would include:
  - 1. entering into a margin lending arrangement in respect of the Company's securities;
  - 2. transferring securities in the Company into an existing margin loan account; and
  - 3. selling securities in the Company to satisfy a call pursuant to a margin loan.
- b. Directors and Executives must comply with the procedure set out in paragraph 2.3 for any proposed dealing in the Company's securities in connection with a margin lending arrangement, irrespective of any trading window.

**2.5 Hedging of company securities**

- a. Hedging includes entering into transactions in financial products that operate to limit the economic risk associated with holding company securities.
- b. Hedging of Boom's securities by a Relevant Person is subject to the following overriding prohibitions:
  - 1. the hedge transaction must not be entered into, renewed, altered or closed out when the Relevant Person is in possession of inside information;
  - 2. Boom securities must never be hedged prior to the vesting of those Boom securities; and
  - 3. Boom securities must never be hedged while they are subject to a holding lock or

restriction on dealing under the terms of an employee share plan operated by Boom.

- c. Relevant Persons are permitted to hedge their Boom securities on the following conditions:
1. the hedge transaction is treated as a dealing in Boom securities for the purposes of this policy, and the relevant approvals and notifications are made on this basis; and
  2. the relevant requirements under paragraph 2.3 of this policy have been satisfied.

Where a Relevant Person enters into a hedging arrangement in respect of Boom securities, Boom may, where appropriate, disclose the fact and nature of the hedge (e.g. in its annual report or to ASX).

## 2.6 Employment Share Schemes

In the ordinary course, this policy does not prevent Relevant Persons from receiving benefits under applicable Boom employee benefit schemes. However, such dealings are still subject to paragraph 2.1 of this policy where applicable.

In addition, the following restrictions apply:

- the trustees of those schemes need to administer them in accordance with relevant laws; and
- the subsequent disposal of securities acquired under an employee benefit scheme is subject to the prohibitions outlined above.

## 2.7 Exclusions

Further to paragraph 2.6 above, Paragraphs 2.2 and 2.3 of this policy do not apply to:

- a. the following categories of passive trades:
- acquisition of Boom's securities through a dividend reinvestment plan;
  - acquisition of Boom's securities through a share purchase plan available to all retail shareholders;
  - acquisition of Boom securities through a rights issues; and
  - the disposal of Boom securities through the acceptance of a takeover offer;
- b. dealings where there is no effective change to the beneficial owner of the securities (such as a transfer to a family trust or to a self-managed superannuation fund); and
- c. subject to paragraph 2.4, a disposal of Boom securities that is the result of a secured lender

exercising their rights, for example, under a margin lending arrangement.

### 3. FREQUENTLY ASKED QUESTIONS

#### ***Can Directors, Executives and employees always trade during the window period?***

No. You cannot deal in Boom securities if it would breach the insider trading rules, even during the window periods.

#### ***What does “securities” mean?***

The use of the term “securities” includes shares, units in a managed investment scheme, any form of derivatives (including any financial products issued or created over or in respect of Boom securities) such as warrants or options, superannuation products and other tradable financial products.

#### ***Can I use other people to deal on my behalf?***

You can be guilty of insider trading even though you are not the actual person who bought or sold the securities. The prohibition extends to:

- a. dealings by you through nominees, agents or other associates (e.g. family members, friends, family trusts, family companies and partnerships); and
- b. procuring other people to deal in securities, which includes inducing or encouraging those people to deal.

#### ***Does it affect me in my capacity as trustee?***

This policy affects you regardless of the capacity in which you are acting. If you are the trustee of a trust, you are still bound by this policy in discharging your duties.

If you are a trustee of a trust that invests in shares, you should make sure that your co-trustees are aware that you are bound by this policy. This will help you avoid potential difficulties in the future.

#### ***Does it matter how I obtain inside information?***

Information does not have to be obtained from Boom to be inside information. It does not matter how or where you obtain the price sensitive information, just that you possess it.

#### ***Who can provide me with more information on the policy?***

If you have any questions about this policy or concerns about possible breaches, you can contact the General Counsel or Company Secretary.