

Securities Trading Policy

This Decmil (inclusive of all subsidiary companies of Decmil Group Limited, collectively referred to in this Policy as Decmil or Company) securities trading policy sets out the Company's policy regarding the sale and purchase of Company securities by its Directors and employees.

A reference in this policy to 'securities' includes shares, options, warrants and any other security on issue from time to time. This policy is separate from, and additional to, the legal constraints imposed by common law, the Corporations Act and ASX Listing Rules.

Directors and employees are encouraged to be long-term holders of the Company's securities. However, it is important that care is taken in the timing of any acquisition or sale of such securities.

The purpose of this policy is to assist Directors and employees to avoid conduct known as 'insider trading', and to avoid any adverse inference of unfair dealings by Directors and employees being drawn.

This policy provides:

- A description of what conduct may constitute insider trading.
- A description of the safest times for Directors and employees to buy or sell securities in the Company to minimise the risk of insider trading.
- A description of the times when Company policy prohibits trading in the Company's securities.
- The steps for Directors and certain 'Restricted Employees' to take when buying or selling securities in the Company.

1. What is Insider Trading

1.1 Prohibition

In broad terms, a person will be guilty of insider trading if:

- a. That person possesses information, which is not generally available to the market and, if it were generally available to the market, would be likely to have a material effect on the price or value of a company's securities i.e. information that is 'price sensitive'.
- b. That person:
 - i. buys or sells securities in the Company;
 - ii. procures someone else to buy or sell securities in the Company; or
 - iii. passes on that information to a third party where that person knows, or ought reasonably to know, that the third party would be likely to buy or sell the securities or procure someone else to buy or sell the securities of the Company.

Information is 'generally available' where the information is:

- a. readily observable; or
- b. made known in a manner that would, or would be likely to, bring it to the attention of people who commonly invest in the Company's securities or securities of a kind similar to

the Company's securities, and a reasonable period has elapsed to allow the information to be disseminated, or able to be deduced, concluded or inferred from those types of information.

1.2 Penalties

Insider trading is a criminal offence.

The criminal penalties for a breach of the insider trading prohibition include:

- a. For an individual - a fine of up to \$220,000 and a jail term of up to five (5) years.
- b. For a corporation - a fine of up to \$1,100,000.
- c. In addition, the insider trader, and any other persons involved in the contravention may also be liable to compensate third parties for any resulting loss.

1.3 Examples

To illustrate the prohibition described above, the following are possible examples of price sensitive information which, if made available to the market, may be likely to affect materially the price of the Company's securities:

- a. A proposed major acquisition or disposition.
- b. A significant business development or a proposed change in the nature of the Company's business.
- c. Details of potential litigation that would have a substantial effect on the Company.
- d. The likely award or non-award of a major contract.

1.4 Dealing Through Third Parties

A person does not need to be a Director or employee of the Company to be guilty of insider trading in relation to securities in the Company. The prohibition extends to dealings by Directors and employees through nominees, agents or other associates, such as family members, family trusts and family companies.

1.5 Information – However Obtained

It does not matter how or where the person obtains the information - it does not have to be obtained from the Company to constitute inside information.

2. Policy for Trading in the Company's Securities

2.1 General Rule

Directors and personnel of the Company must not buy or sell securities in the Company when they are in possession of sensitive information which is not generally available to the market.

2.2 No Short-Term Trading in the Company's Securities

It is also contrary to Company policy for Directors and personnel to be engaged in short term trading of the Company's securities (i.e. buy and sell within a 12-month period).

2.3 Trading in Products Relating to the Company's Securities

Directors and personnel are prohibited from:

- a. Trading in financial products issued or created over the Company's securities by third parties, or trading in associated products.
- b. Entering into transactions which operate to limit the economic risk of the security holdings in the Company.

2.4 No Trading in a Close Period by Directors and 'Restricted Employees'

In addition, to avoid any adverse inference of unfair dealing being drawn, Directors and 'Restricted Employees' must not deal in the Company's securities during a 'close period'. A close period is the period from the end of the financial year or half financial year, to the time of release of the annual or half year results.

At any other time outside the periods nominated in clause 2.5, and the Chairperson believes the market is fully informed, an approach by a Director or "Restricted Employee" to the Chairperson may allow for the trading of shares; however, this will be by exception only.

In cases where this may occur, the Director or "Restricted Employee" must first liaise with the Company Secretary and advise their intention, before receiving written approval from the Company Secretary for the trade period.

"Restricted Employees" are:

- a. Senior executives and managers that are invited to participate in the Company's Performance Incentive Program.
- b. All personnel involved in preparing the Company's statutory financial information.
- c. Any other personnel determined by the Board from time to time.

2.5 Safest Times to Deal in the Company's Securities

There is no particular time during which it is safe to deal in the Company's securities. The sole test is whether, at the particular time, a Director or personnel is in possession of price sensitive information which is not generally available in the market.

As a matter of practice, however, the following periods are the most appropriate times for Directors and personnel to deal in securities in the Company:

- a. In the four (4) weeks following the release of the Company's annual results.
- b. In the four (4) weeks following the release of the Company's half-year results.
- c. In the four (4) weeks following the Annual General Meeting.

Even at these times, it is important to be aware that there may be occasions when it is not proper for Directors or personnel to deal in the Company's securities because of their knowledge of impending or actual developments which are not known in the market place.

The Company Secretary must be informed prior to any trade to ensure a Director or personnel is aware of any impending announcement.

There are, of course, times when a company is considering a major event and will not advise the market of this until the occurrence of the event is more certain.

3. Disclosure Policy for Directors and Senior Executives

Prior to trading in the Company's securities, Directors must notify the Chairperson, and "Restricted Employees" must advise the Company Secretary of their intention to trade, and confirm to the Chairperson or the Company Secretary (as the case may be) that they are not in possession of price sensitive information that is not generally available to the market.

Further, Directors and "Restricted Employees" must not trade in the Company's securities until approval has been given by the Chairperson or the Company Secretary (as the case may be).

Clearance must not be given to trade in the Company's securities during:

- a. Any close period.
- b. Any period when there exists any matter which constitutes unpublished price sensitive information in relation to the Company's securities.
- c. Any period when the proposed dealing is in breach of this policy.

This procedure should prevent potential embarrassment and adverse publicity concerning trading the Company's shares when, for example, there may be important corporate information (whether or not material in a legal context) not publicly released, or when projected financial results may deviate from market expectation.

4. ASX Notification

The Corporations Act obliges a Director to notify the ASX within five (5) business days after any dealing in the Company's shares (either personally or through a third party) which results in a change in the relevant interests of the Director in the Company's shares.

In addition, under the ASX Listing Rules the Company is required to notify the ASX of such dealings within five (5) business days of such dealings taking place. Directors have agreed with the Company to provide notice of such dealings to the Company as soon as possible after such dealings, to enable the Company to comply with its obligations under the Listing Rules.

A notice given by the Company to the ASX under the ASX Listing Rules satisfies the Director's obligations to notify the ASX under the Corporations Act. Any Director requiring assistance in this regard should contact the Company Secretary.

5. Responsibilities

Compliance with these Guidelines for trading in the Company's securities does not absolve that individual from complying with the law, which must be the overriding consideration when trading in the Company's securities.

The Company Secretary is responsible for maintaining this policy and ensuring that it is communicated to Directors and personnel.

This Policy was approved by the Decmil Group Limited Board on 23 June 2020.



David Saxelby
Chair of the Board