

# Netwealth Trading Policy

(previously known as the Securities Trading Policy)

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## Netwealth Group Limited

Approved and adopted by:

- Netwealth Group Limited (ABN 84 620 145 404) on 29 June 2022
- Netwealth Investments Limited (ABN 85 090 569 109) AFSL (230975) on 29 June 2022
- Netwealth Group Services Pty Ltd (NGS) (ABN 89 135 940 840) on 29 June 2022
- Netwealth Superannuation Services Pty Ltd (ABN 80 636 951 310) (AFSL 528032) (RSE Licence L0003483) on 30 June 2022

## Document classification: General use

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## 1.0 Document overview

### 1.1 Purpose

The purpose of this Netwealth Trading Policy (**Policy**) is to ensure that public confidence is maintained in the reputation of Netwealth and its related bodies corporate (together, **the Group**), the directors and employees of the Group and in the trading of Netwealth's securities.

The Policy sets out the procedures and obligations for employees and directors of the Group when buying and selling Financial Products and/or Netwealth securities. This Policy forms part of Netwealth's Code of Conduct and failure by employees and directors of the Group to comply with the Policy could lead to disciplinary action.

The Policy recognises that some types of trading in securities are prohibited by Australian law.

This Policy applies to Employees of Netwealth (Employees includes all employees of the Group and its directors). Certain aspects of this Policy also apply to 'Connected Persons' of Employees.

### 1.2 Definitions

Term	Definition
Connected Persons	<p>Include:</p> <ul style="list-style-type: none"><li>• a family member who may be expected to influence, or be influenced by, the Employee in his or her dealings with Netwealth or Netwealth securities (this may include the Employee's spouse, partner and children, the children of the Employee's partner, or dependants of the Employee or the Employee's partner);</li><li>• any trusts, fiduciary arrangements, companies, partnerships and other entities that the Employee or any of the above-mentioned persons control (directly or indirectly) or significantly influence.</li></ul>
Employee	<ul style="list-style-type: none"><li>• any person employed by, contracted by or appointed by the Group for the provision of services to the Company or a related entity; and</li><li>• any director of the Group or its subsidiaries.</li></ul>
Financial Product	<p>Includes:</p> <ul style="list-style-type: none"><li>• Securities;</li><li>• Derivatives;</li><li>• Options;</li><li>• Debentures, stocks or bonds issued or proposed to be issued by a government;</li><li>• Interests in a managed investment scheme;</li><li>• Superannuation products, other than those prescribed by regulations; and</li></ul>

Term	Definition
	<ul style="list-style-type: none"> <li>• <b>Other financial products that can be traded on a financial market.</b></li> </ul>
Generally Available	Information is considered to be generally available if it consists of readily observable matter, or it has been made known in a manner that would likely bring it to the attention of people who trade Financial Products. Information is also generally available if it consists of deductions, conclusions and inferences drawn from readily observable or other published information.

### 1.3 Roles and Responsibilities

The following table sets out the roles and responsibilities for those involved in implementing, complying with and monitoring the Policy.

Role	Responsibilities
Netwealth entity Board(s)	<ul style="list-style-type: none"> <li>• Approve the Policy; and</li> <li>• Abide by the Policy</li> </ul>
Netwealth Compliance and Risk Management Committee	<ul style="list-style-type: none"> <li>• Assess breaches of the Policy in accordance with the Incident &amp; Breach Handling Policy.</li> </ul>
Risk and Compliance (R&C)	<ul style="list-style-type: none"> <li>• Notify the Compliance and Risk Management Committee of any Policy breaches rated Medium and above;</li> <li>• Provide training on the Policy;</li> <li>• Upload the Policy to the Shareholder public website on approval;</li> <li>• Monitoring of the trading@netwealth.com.au email address, Trading Registers and annual declarations;</li> <li>• Ensure that breaches of Policy are provided to People and Culture in accordance with Performance Review timing; and</li> <li>• Conduct annual investigations.</li> </ul>
People and Culture	<ul style="list-style-type: none"> <li>• Manage any disciplinary action associated with breaches of the Policy; and</li> <li>• Ensure Policy breaches are provided to the Employee's Manager as part of the performance review process</li> </ul>
Finance	<ul style="list-style-type: none"> <li>• Upload the Netwealth Trading Policy to the ASX within 5 days of approval; and</li> <li>• Maintain the register of Director's and Key Management Personnel's interests and publish appropriate statements to the market where required.</li> </ul>
Netwealth Executive (Senior Executive)	<ul style="list-style-type: none"> <li>• Support and promote awareness of the Policy, including ensuring Employees understand ramifications of non-compliance; and</li> </ul>

Role	Responsibilities
Employees	<ul style="list-style-type: none"> <li>Report any suspected incidents or breaches of the Policy to R&amp;C.</li> <li>Comply with the Policy;</li> <li>Provide required forms and reports as required;</li> <li>Ensure that your Connected Persons are aware of their responsibilities in accordance with this Policy and take appropriate steps to ensure that their Connected Persons do not breach this Policy; and</li> <li><b>REPORT ANY BREACH OR LIKELY BREACH OF THE POLICY to R&amp;C IMMEDIATELY.</b></li> </ul>

## 2.0 What is the Insider Trading restriction?

### 2.1 Inside Information

Inside Information is information that is not Generally Available to the public (also referred to as non-public information) and if it were Generally Available, a reasonable person would expect it to have material effect (upwards or downwards) on the price or value of a Financial Product. Employees or their Connected Persons may come into possession of Inside Information where they are directly involved in client relationship management or negotiating contracts. For example, where a person is aware that Netwealth or Group is about to sign a major agreement with another company, that person should not buy or sell securities in either the Company or the other company.

Inside Information may include:

- matters of supposition and other matters that are insufficiently definite to warrant being made known to the public;
- matters that are not yet certain; and
- matters relating to a person's intentions or likely intentions.

If the information may influence a person's decision to buy or sell a Financial Product and is not Generally Available it should be considered as Inside Information.

### 2.2 No trading while in possession of Inside Information

Insider Trading refers to buying or selling a security while in the possession of Inside Information about that security or sharing Inside Information about a security with others.

Employees and their Connected Persons are prohibited from:

- Dealing or subscribing or agreeing to trade in any Financial Product in which they have inside information;

- Getting another person to deal, subscribe or trade in any Financial Product in which they have Inside Information;
- Directly or indirectly communicating the Inside Information to another person who is likely to trade in the Financial Product;
- Dealing in any Financial Product when Netwealth has notified Employees that they (or their Connected Persons) cannot deal in those Financial Products (either for a specific period, or until the Company gives further notice).

## 2.3 Front Running

Front Running is trading a security with the intention to profit based on knowledge of a platform trade that is reasonably expected to impact on the price of the security/s.

Netwealth is a Responsible Entity and Custodian of assets. As such Employees of Netwealth may from time to time become aware of information that would be considered as Inside Information. The following are a few examples of Inside Information (note that this is not a full list) and include awareness of:

- the intention of a particular adviser or broker to purchase a particular stock (front running);
- the intention of a Model Manager to change stocks in a portfolio (front running);
- material changes in stocks due to trading patterns; and
- intentions to vote, or otherwise, where the outcome could influence the share price.

## 2.4 The Front Page Test – Netwealth Securities

It is important that public confidence in the Group is maintained. It would be damaging to the Group's reputation if the market or the general public perceived that Employees might be taking advantage of their position in the Group to make financial gains (by trading in Netwealth Securities on the basis of Inside Information).

As a guiding principle, Employees should ask themselves:

*If the market was aware of all the current circumstances, could the proposed trading be perceived by the market as taking advantage of my position in an inappropriate way? How would it look if the transaction were reported on the front page of the newspaper?* (The **Front Page Test**).

If the Employee is unsure, he or she (or their Connected Person) should email [trading@netwealth.com.au](mailto:trading@netwealth.com.au) which is the email address utilised by the Company Secretary to manage trading queries.

Where any approval is required for a trading under this Policy, approval will not be granted where the trading would not satisfy the Front Page Test.

## 3.0 Market Misconduct

Market Misconduct is where a person takes part in (either directly or indirectly) a transaction that has or is likely to have the effect of creating an artificial price for trading in Financial Products on a financial market or to maintain a price which is artificial.

Market Manipulation may occur as a result of:

- active trading in financial products in order to create or cause the effect of false or misleading appearances;
- entering into or engaging in fictitious or artificial transactions;
- creating, disseminating or distributing information which could induce a person to buy or sell the asset;
- distributing, publishing or promising information that is not true; or
- through dishonest concealment of material facts.

All Employees are prohibited at all times, from any action that could result in Market Manipulation.

## 4.0 Netwealth Securities - When can Employees and Connected Persons trade in Netwealth's securities?

### 4.1 No trading in blackout periods

Employees and their Connected Persons must NOT trade in Netwealth's securities during any of the following blackout periods:

- the period from the close of trading on the ASX on **30 June** each year, or if that date is not a trading day, the last trading day before that day, until the day following the announcement to ASX of the full-year results (usually mid August);
- the period from the close of trading on the ASX on **31 December** each year, or if that date is not a trading day, the last trading day before that day, until the day following the announcement to ASX of the half-year results (usually mid February); and
- any other period that the Board specifies from time to time.

The Company Secretary will provide an email confirming when Netwealth commences 'blackout'. If you are ever unsure about whether Netwealth is in blackout, please email the Netwealth [Governance](mailto:governance@netwealth.com.au) Team mailbox at [governance@netwealth.com.au](mailto:governance@netwealth.com.au).

### 4.2 Exceptional circumstances

If an Employee or their Connected Person needs to trade in securities during a blackout period due to exceptional circumstances and is not in possession of any Inside Information, then the Employee may apply in writing to [governance@netwealth.com.au](mailto:governance@netwealth.com.au). The trading team will then present the case to:

- either of the Joint Managing Directors (in the case of Senior Executives, Nominated Employees, or their Connected Persons);

- the Chair of the Board (in the case of directors or their Connected Persons);
- the Chair of the Group's Compliance and Risk Management Committee (in the case of the Chair of the Board or his/her Connected Persons).

Approval to trade will only be granted if the Employee's or their Connected Person's application is accompanied by sufficient evidence (in the opinion of the person providing clearance) that the trading is the most reasonable course of action available in the circumstances. The person providing clearance should consult with members of management where appropriate to determine if there is any reason (legal or reputational) why approval to trade should not be granted.

Exceptional circumstances are likely to include severe financial hardship or compulsion by court order.

If approval to trade is granted, the Employee will be notified in writing (which may include notification via email) and in each circumstance the duration of the approval will be **within five** business days. A record of the approval will be provided to the [governance@netwealth.com.au](mailto:governance@netwealth.com.au) email address and kept on file.

Unless otherwise specified in the notice, any trading permitted under this section 4.2 must comply with the other sections of this Policy.

### 4.3 Prior approval required for any trading outside blackout periods

- (a) During any period that is not a trading blackout period, **Employees must**, prior to any proposed trading, notify [governance@netwealth.com.au](mailto:governance@netwealth.com.au) and **seek approval** for the proposed trading in Netwealth's securities (including any proposed trading by one of their Connected Persons).

The only exception to this is where Netwealth has issued a notice to employees that Netwealth is in an 'open' trading window. An 'open' trading window is a bulk pre-approval for a limited period. The Company Secretary (or their delegate) will notify staff of this at the time it occurs and will define how long the bulk pre-approval will expire.

Netwealth may do this on the day following its announcement to the market and will generally allow any employee who wishes to trade within the next three-weeks with approval to do so. Employees **MUST** still confirm their trade by emailing the trade confirmation to [governance@netwealth.com.au](mailto:governance@netwealth.com.au) within 24 hours of completing their trade. Employees and their Connected Persons must check that the notification from the Company Secretary (or their delegate) has been received and not removed, prior to trading.

**Note: Directors, Senior Executive and their Connected Persons require pre-approval prior to trading during the 'open' trading window and are subject to the process outlined under clause 4.3(b) set out below.**

- (b) The [governance@netwealth.com.au](mailto:governance@netwealth.com.au) mailbox is monitored by the Company Secretary (or their delegate) and the request will be handled as follows:

- 1) For any Senior Executive or Nominated Employee, the Joint Managing Directors must be informed and have provided approval before a trade is undertaken;
  - 2) For the Chair of the Board the Chair of the Group's Compliance and Risk Management Committee must be informed and have provided approval before a trade is undertaken; and
  - 3) For any other director, the Chair of the Board must be informed and have provided approval before a trade is undertaken.
- (c) A request for approval to trade will be answered as soon as practicable.
- (d) The Company Secretary (or their delegate) may direct the person who is proposing to trade in the Company's securities not to trade, or impose conditions on the trading in their discretion, and is not obliged to provide reasons for any direction or condition. These instructions would have been provided by the relevant approver.
- (e) Following receipt of approval to trade, the approved trading must occur within **five** business days following approval, otherwise the approval is no longer effective and fresh approval must be sought.

#### 4.4 Confirmation of trade required

Following any trade, Employees must promptly notify [governance@netwealth.com.au](mailto:governance@netwealth.com.au), ideally by close of business on the day of the trade. This is to assist the Company to comply with its disclosure obligations under the ASX Listing Rules.

## 5.0 Other restrictions on trading and additional requirements for Employees

### 5.1 Trading Register

All Employees must keep an up-to-date register containing information relating to all trading of Financial Products (**Trading Register**).

The Trading Register must be supplied to [governance@netwealth.com.au](mailto:governance@netwealth.com.au) on request.

### 5.2 No short-term trading in Netwealth's securities

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

Note: Multiple purchases within a 3-month period is acceptable – this strategy may be used to assist in obtaining an average cost over a period, but the Employee or their Connected Person must not sell the NWL securities within 3 months of the last purchase. Similarly, multiple sales within a 3-month period is acceptable, but the Employee or their Connected Person must not purchase the NWL securities within 3 months of the last sale.

For the purpose of this section an 'Employee' and a 'Connected Person' are considered separately, as long as the NWL securities have not been transferred between the individuals. For example, an Employee purchases NWL securities within their wrap account in April, and a Connected Person sells NWL securities in May. This is not considered short-term trading UNLESS the Employee has transferred those NWL securities to the Connected Person.

Where an Employee or a Connected Person need to make a short-term trade, a request to the NWL Board may be made. The NWL Board have discretion to authorise a short-term trade where there is a reasonable grounds for doing so.

### 5.3 Margin lending arrangements

- (a) Employees and their Connected Persons must obtain approval in accordance with the procedure set out within this Policy for any proposed dealing in the Netwealth's securities in connection with a margin lending arrangement.
- (b) Examples of such dealings include:
  - 1) entering into a margin lending arrangement in respect of the Netwealth's securities;
  - 2) transferring securities in Netwealth into an existing margin loan account; and
  - 3) selling securities in Netwealth to satisfy a call pursuant to a margin loan.
- (c) The relevant approver may, at its discretion, make any approval granted in accordance with this Policy conditional upon such terms and conditions as Netwealth sees fit (for example, regarding the circumstances in which Netwealth's securities may be sold to satisfy a margin call).

### 5.4 Hedging of Company securities

Hedging includes entering into transactions in Financial Products that operate to limit the economic risk associated with holding Company securities.

Under this Policy, hedging of the Company's securities is subject to the following rules:

- (a) any Employee or their Connected Persons must not enter into, renew, alter or close out a hedge transaction when they are in possession of Inside Information;
- (b) Company securities acquired under an Employee share plan operated by the Company must never be hedged prior to vesting;
- (c) Company securities that are subject to a holding lock or restriction on dealing under the terms of an Employee share plan operated by the Company must never be hedged; and
- (d) Employees and their Connected Persons are permitted to hedge their vested and unrestricted Company securities provided that the hedge transaction is treated as a dealing in Company securities for the purposes of this Policy, and the relevant approvals and notifications required under section 4 are made on that basis.

## 5.5 Restrictions on purchasing Financial Products in competitor and Financial Technology companies

Directors, Senior Executives, the Netwealth Sales Team and their Connected Persons must request Board approval prior to making a personal investment into a:

- Specialist Platform Provider other than Netwealth (being Hub 24, Praemium); or
- a provider who intends or may intend to provide services to Netwealth and those services provided to Netwealth are material to that company (for guidance, Netwealth would generate approximately 10%+ of their revenue)

A request must be made in writing to [governance@netwealth.com.au](mailto:governance@netwealth.com.au) and the Company Secretary (or their delegate) will assess and provide the request to the Board for approval. You will then be advised directly as soon as practicable of the outcome.

## 6.0 Are any dealings excluded from this Policy?

Sections 4.1, 4.3 and 5.2 of this Policy do not apply to:

- (a) participation in an Employee incentive plan operated by Netwealth. However, where securities in Netwealth granted under an Employee incentive plan cease to be held under the terms of that plan, any dealings in Netwealth securities must only occur in accordance with this Policy;
- (b) the following categories of trades:
  - acquisition of Netwealth securities through a dividend reinvestment plan;
  - acquisition of Netwealth securities through a share purchase plan available to all retail shareholders;
  - acquisition of Netwealth securities through a rights issue; and
  - the disposal of Netwealth securities through the acceptance of a takeover offer, scheme of arrangement or equal access buy-back;
- (c) dealings that result in no material change to the beneficial interest in the securities (for example, transfers of Netwealth securities already held by an Employee or their Connected Person into a superannuation fund or trust of which the Employee or their Connected Person is a beneficiary);
- (d) trading under a pre-approved non-discretionary trading plan by a non-executive director where:
  - the non-executive director is required under a Netwealth policy to acquire Netwealth securities over a period of time;

- the non-executive director did not enter into the plan or amend the plan during a blackout period;
  - the plan does not permit the non-executive director to exercise any influence or discretion in relation to trading under the plan; and
  - the plan cannot be cancelled during a blackout period, other than in exceptional circumstances; and
- (e) a disposal of securities of Netwealth that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement.

However, such dealings **remain subject to the Insider Trading rules** in the Corporations Act. Please refer to the Group Insider Trading and Market Manipulation Policy for more information.

## 7.0 Declarations and Breaches

### 7.1 Annual declaration

All employees will be asked to complete an annual declaration in relation to their compliance with the Policy.

### 7.2 Breaches of the Policy

Breaches of the Australian Insider Trading laws have serious consequences for the Employee or Connected Person concerned as well as Netwealth. Penalties under the Corporations Act include financial penalties and imprisonment.

Independently, breaches of this Policy will be regarded by Netwealth as serious and will be subject to appropriate sanctions.

Any person who is suspected of breaching this Policy may be suspended from attending the workplace on full pay pending the outcome of investigations into the alleged breach.

Any person who breaches this Policy could face disciplinary action (including forfeiture of securities and/or suspension or termination of employment).

We will take a substance over form approach and will have regard to the intent and spirit of this Policy when applying and enforcing it.

## 8.0 Whistleblowing

If an Employee suspects or has evidence of a contravention to the Policy and the person wishes to remain anonymous, the Employee must raise their concerns in accordance with the Netwealth Whistleblowing Policy.

## 9.0 Who should I contact?

Employees should contact the [governance@netwealth.com.au](mailto:governance@netwealth.com.au) if they are unsure about whether it is acceptable to deal or communicate with others in relation to Netwealth's securities or other securities; or they have any other queries about this Policy.

## APPENDIX A:

### Netwealth Employee Annual Trading Declaration FY20XX (issued via ELMO<sup>1</sup>)

You must answer this declaration truthfully, failure to do so is a breach of Policy and your employment conditions.

1..	Did you buy, sell or transfer NWL securities or options during the last financial year?	YES/NO
2.	To your knowledge, has any of your Connected Persons (as defined in the Trading Policy) bought, sold or transferred NWL securities or options during the last financial year?	YES/NO
3.	Are you a trustee or a beneficial owner of a trust or company that has bought, sold or transferred NWL securities or options during the last financial year (including SMSF)?	YES/NO
4.	Have you communicated any information external of Netwealth that could be considered insider trading or front running?	YES/NO
5.	Have you participated in any action that could be considered market misconduct or market manipulation?	YES/NO

**Please confirm that you have met the following (where relevant i.e. answered "YES" to questions 1-3 above):**

6.	Traded within the trading window (where the Company Secretary has provided pre-approval for a 3 week period following Netwealth's half-year or annual announcement)	YES/NO
7.	Have requested pre-approval from <a href="mailto:trading@netwealth.com.au">trading@netwealth.com.au</a> and that approval was granted prior to you trading?	YES/NO
8.	Provided a copy of your trade details to <a href="mailto:trading@netwealth.com.au">trading@netwealth.com.au</a> within 24 hours of your trade	YES/NO
9.	Considering your trading of NWL securities, did you buy/sell the NWL securities within a 3-month (or less) period?	YES/NO
10.	During the past financial year did you hedge (as defined in the Trading Policy pg.8) your NWL securities?	YES/NO

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<sup>1</sup> Directors will receive a copy of the Annual Trading Declaration for completion from the Company Secretary (or their delegate) by email.

DECLARATION:

I confirm that I:

- Have answered the above questions honestly; and
- Understand and am aware of my obligations under the Netwealth Trading Policy;

Signed

First Name

Last Name