

# Altium Director & Employee Share Trading Policy

## Introduction

The Altium Limited Staff share trading policy ("Policy") regulates the dealings by directors and employees in all securities issued by Altium Limited ("the Company").

This policy supplements but does not replace the insider trading provisions stated in the Corporations Act 2001 ('the Law').

## Purpose of the Policy

The aim of this policy is to ensure that all Altium directors and employees are aware that the law places restrictions on persons trading shares whilst in the possession of unpublished price-sensitive information.

Regardless of any terms in this policy, all directors and employees must adhere to the Law at all times and not trade Altium Limited Shares whilst in the possession of price-sensitive information that is not publicly available.

This Policy is designed to ensure that Employees and Directors are aware that they may not provide unpublished information to others who could use this Information as a trading advantage to profit over the market

## General Prohibition

- Altium directors and employees must not trade Altium shares whilst in possession of price sensitive information about the company which has not been publicly released to the market.
- Altium directors and employees must not provide any information which has not been publicly released to the market to any other individual or party to provide them with a trading advantage over the market.

## Trading Procedure

1. Before undertaking a trade it is recommended that all employees inquire of the CFO whether there are any imminent financial announcements due to be released or any other reason why it would be inappropriate to trade company shares.
2. Directors and Designated Officers are expected to inform the Chairman before commencing a trade.
3. Directors and Designated Officers can only trade company Shares in a "Trading Window" (see below) but must not trade at any time in which they have access to price sensitive information which is not available to the market, unless they have written permission from the Chairman granted only under extenuating circumstances. In this instance the decision of the Chairman and the circumstance will be recorded in the Minutes of a Board Meeting.
4. The Chairman should inform the Board before commencing a trade. If the trade is not in a "Trading Window" the Chairman should appeal to the board in writing and only commence a trade with written Board approval.
5. On completion of a trade all employees must complete a 'Staff Share Trading Form' and submit it to the Company Secretary.
6. All Directors must complete a 'Director Share Trading Form' OR provide a copy of the broker BUY/SELL confirmation within 2 days of trading and submit it to the Company Secretary to enable the Company to meet their ASX Listing Rule obligations.

## Recommended Trading Window

The recommended best time to trade is within the 4 week period immediately following a financial performance disclosure to the ASX or the Company Annual General Meeting.

You should only trade during this period if you do not have access to inside information which could have a material impact on the value/price of the company's securities.

# Altium Director & Employee Share Trading Policy

## What if my job makes me an insider all/most of the time?

Due to the nature of their job Directors and some employees have access to 'inside' information most/all of the time. These employees fall into the category of 'Designated Officers' and are subject to more stringent requirements.

## Who is a Designated Officer?

The company considers all Directors, Associate Directors and Direct Reports to the CEO to be 'Designated Officers'. In addition to these individuals, there may be other Managers or employees who at times fall into this category, if in doubt, please consult the Company Secretary.

## What are the Additional Rules for Designated Officers?

If you are an Altium Director or Designated Officer you must abide by the following rules in addition to adhering to the Corporations Act.

1. You must not trade if you or your associates have inside information.
2. You and your associates are restricted to trading during specified Trading Windows (see below)
3. You must notify the Chairman in writing of any trading intention, prior to undertaking any trading activity
4. On the completion of a trade by you or an associate, you must notify the Company Secretary the final trade details **within 2 business days**.
  - Employees should do this by completing a '**Staff Share Trading Notification Form**'.
  - Directors are required to complete a '**Director Share Trading Form**' OR provide a copy of the broker BUY/SELL confirmation.

## Derivatives and securities lending prohibited

Altium Directors and Designated Officers must not deal in options, hedges, and derivatives or like instruments which limit exposure to the market price of Altium shares ("Derivative") or create or give a mortgage, or security or other right to a lender or financier ("Security Interest") over any Altium shares. Any Derivative held or Security Interest existing prior to the date this provision was adopted is excluded from the operation of this Policy but should be disclosed to the Company Secretaries

## Trading Windows

Designated Officers must not trade outside the specified Trading Windows without written consent from the Chairman. The designated Trading Windows are the **4 week period immediately following**;

- The release of a Sales Update
- The release of the Audited Half Year Financial Results Announcement to the ASX.
- The release of the Audited Annual Financial Results Announcement to the ASX
- The Annual General Meeting

Even during these periods ALL DIRECTORS AND EMPLOYEES of Altium Limited are prohibited from trading at ANY TIME they have access to price sensitive information.

## Extenuating Circumstances

Trading outside of a Trading Window is strictly prohibited without written permission from the board. Employees/Directors seeking to trade outside of a Trading Window should prepare a written submission to the Chairman detailing the reasons why the employee/Director is seeking consent to trade.

Permission will only be considered in extenuating circumstances such as extreme personal hardship and shall be assessed on a case by case basis. Where the Chairman decides to grant permission, the Director/Employee will receive a written 'consent to trade' letter and the decision and reasoning will be recorded in the Board Minutes.

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## Important Terms to Understand

### ***Who is an Insider?***

You are considered to be an 'insider' if:

You have access to information that is not publicly available, knowledge of which a reasonable person would expect to impact the value of the company's securities if it were publicly available; and

It is reasonable to expect you to be aware that this information is not publicly available and that if it were published, it would have a material effect on the value/price of the security.

### ***What do we mean by Company Securities?***

Any Altium Limited share or option held over an Altium Limited share.

### ***What do we mean by Inside Information?***

Inside information is information about the company that has not been made public through the Australian Stock Exchange Company announcements platform

Examples include;

- Financial results
- Dividend declaration
- Sales/profit forecast or actual results
- Information concerning a merger, acquisition, float, takeover sale or partial sale of a business
- Details of a significant new product/technology or a substantial new business contact.
- Appointment or resignation of a director or senior executive
- Information concerning significant litigation

### ***Who is an associate?***

A spouse, child or dependent, spouse's child or dependent or company controlled by a director or employee along with any other closely related party (as that term is defined in the Corporations Act).

### ***When are you no longer an Insider?***

You are no longer an 'insider' when the inside information you are aware of, is publicly released.

### ***How does this Policy affect my Options?***

Vested Options may be exercised at any time; however the resulting shares are subject to the insider trading provisions.

This means you can't exercise your options and sell your shares immediately if you are in possession of inside information.

### ***Responsibility and Liability for trading decisions***

Every Director and employee of the company is solely responsible and liable for any trading decisions they enter into. The company expects its employees to adhere to the law at all times and nothing stated in this policy overrides this obligation. If an employee has any concerns about commencing a trade they should seek independent legal advice.

## Appendix A

### Insider trading Legislation

Division 3 of Pt 7.10 Section 1043 of the Corporations Act serves to regulate insider trading. "Insider trading" has come to mean the dealing in securities by a person who is in possession of "delicate" and often price sensitive information in relation to the corporation's affairs which is not generally available, with the result that the person either makes a profit or defrays a loss.

The significant features of the insider trading provisions are:

- insider trading extends to a corporation as well as a natural person
- it is not necessary to establish a connection between the person in possession of the inside information and the corporation to which the information relates. The prohibition extends to any person who is in possession of inside information and uses it to deal in relevant financial products (s1043A)

### Penalties for Insider Trading

In the case of an individual, imprisonment for 10 years or a fine the greater of the following:

- (a) 4,500 penalty units;
- (b) if the court can determine the total value of the benefits that have been obtained by one or more persons and are reasonably attributable to the commission of the offence — 3 times that total value;

or both.

In the case of a body corporate, a fine the greatest of the following: (a) 45,000 penalty units;

- (b) if the court can determine the total value of the benefits that have been obtained by one or more persons and are reasonably attributable to the commission of the offence — 3 times that total value;
- (c) if the court cannot determine the total value of those benefits — 10% of the body corporate's annual turnover during the 12-month period ending at the end of the month in which the body corporate committed, or began committing, the offence.

Note 1: Penalties are listed under item 310 under the Corporations ACT 2001 Schedule 3 – Penalties Table which is subject to review and change. The value of a penalty unit is subject to change - at the date of this document a 1 Penalty Unit was equivalent to **\$180 AUD**.

Note 2: Penalty units are reviewed every three years. The next review is due in late 2018

**Policy Reviewed & Amended 14 June 2016**