



## **Trading Policy**

**MFF Capital Investments Limited**

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**ACN 121 977 884**

**27 October 2016**

# Trading Policy

## 1. Introduction

MFF Capital Investments Limited ("**Company**") is an Australian Securities Exchange Limited ("**ASX**") listed investment company.

The Company has appointed various external service providers ("**Service Providers**") to support its business activities and provide the following:

- a) research, trade execution and corporate administration services (including company secretarial services);
- b) portfolio administration;
- c) registry; and

custodian and prime broker services.

The services at (a) are provided by Magellan Asset Management Limited.

## 2. Objective

This Trading Policy ("**Policy**") sets out the circumstances in which:

- (a) Directors, officers and employees of the Company ("**Officers**");
- (b) directors, officers and employees of the Service Providers ("**Representatives of the Service Providers**"),

may deal in Company securities, which includes any shares in the Company, debentures (including convertible notes) issued by the Company, units of shares in the Company and options to acquire or subscribe for shares in the Company ("**Company Securities**") with the objective that no Officer or Representative of the Service Providers will contravene the requirements of the Corporations Act 2001 (Cth) ("**Corporations Act**"), the ASX Listing Rules ("**Listing Rules**") or any other applicable international companies or securities law.

This Policy seeks to ensure that:

- (c) Officers of the Company and Representatives of the Service Providers adhere to high ethical and legal standards in relation to their personal investment in Company Securities; and
- (d) personal investments of Officers of the Company and Representatives of the Service Providers do not conflict with the interests of the Company and other shareholders in relation to Company Securities.

## 3. Purpose

The purpose of this Policy is designed to protect the reputation of the Company and to ensure that such reputation is maintained or perceived to be maintained by persons external to the Company.

This Policy is not designed to prohibit Officers of the Company or Representatives of the Service Providers from investing in Company Securities, but does recognise that there may be times when they cannot or should not invest.

This Policy provides guidance to Officers of the Company and Representatives of the Service Providers as to the times that they may invest in Company Securities.

The requirements of this Policy also allow the Company to monitor the personal investment activity in Company Securities by Officers of the Company.

#### 4. **Outline of Corporations Act Requirements**

An Officer of the Company or Representative of the Service Providers possesses "inside information" in relation to Company Securities where:

- (a) the person possesses information that is not generally available and, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of Company Securities; and
- (b) the person knows, or ought reasonably to know, that the information is not generally available and, if it were generally available, a reasonable person would expect it to have a material effect on the price or value of Company Securities.

A reasonable person would be taken to expect information to have a material effect on the price or value of Company Securities if the information would, or would be likely to, influence persons who commonly invests in Company Securities in deciding whether or not to deal in Company Securities in any way.

If an Officer of the Company or Representative of the Service Providers possesses "inside information" in relation to Company Securities, the person must not:

- (c) deal in Company Securities in any way; or
- (d) procure another person to deal in Company Securities in any way; or
- (e) directly or indirectly, communicate the information, or cause the information to be communicated, to another person if the person knows, or ought reasonably to know, that the other person would, or would be likely to, deal in Company Securities in any way or procure a third person to deal in Company Securities in any way.

For the purposes of paragraphs (a) and (b) above, to "deal" in Company Securities includes subscribing for, purchasing or selling Company Securities or entering into an agreement to do any of those things.

Insider trading is a crime and can result in imprisonment, fines, orders to pay compensation and other penalties against the Company, Officers of the Company and Representatives of the Service Providers.

#### 5. **Application of the Policy**

This Policy applies to all Officers of the Company and to their respective associates (including a company or trust controlled by them, a spouse, dependant children, a close relative, a person acting in concert with them, etc). Representatives of the Service Providers will abide by their relevant Trading Policies noted by the Company as part of the due diligence prior to the Service Provider's appointment under contract.

#### 6. **Policy**

##### 6.1 **General principles** – Officers of the Company should note the following general principles regarding their personal trading of Company Securities:

- (a) avoid and be seen to avoid, actual or potential conflict between their personal interest and their duty to the Company and other stakeholders;
- (b) not to derive personal advantage from information which is not generally available and which has been obtained by reason of, or in the course of, their office or employment with the Company;

- (c) seek prior approval to trade Company Securities from the Company Secretary of the Company to ensure the Company's and other stakeholder interests are not compromised;
- (d) ensure any personal trading is on a scale that reflects the individual financial ability of the Officer of the Company to fund and maintain an appropriately sized portfolio;
- (e) ensure any personal trading does not adversely impact on the ability to perform normal duties of the Officer of the Company
- (f) not utilise broker credit - relevant exchange settlement terms must apply on all occasions and all transactions must be settled according to industry standards. Such prohibition does not extend to normal documented margin lending or loan facilities offered to the general public by brokers, banks or other lending institutions; and
- (g) Officers of the Company and Representatives of the Service Providers who have access to price sensitive information or "inside information" should not conduct personal trading in Company Securities.

6.2 **Short term trading** – Generally speaking, Officers of the Company should never engage in short term trading of Company Securities. In general, the purchase of Company Securities with a view to resale within a 12 month period and the sale of Company Securities with a view to repurchase within a 12 month period would be considered to be transactions of a "short term" nature. However, the sale of Company Securities immediately after they have been acquired through the conversion of a security (for example, exercise of an option) will not be regarded as short term trading.

6.3 **Dealing in Company Securities** - Officers of the Company may only deal in Company Securities PROVIDED that the person is NOT in possession of any inside information relating to Securities and in accordance with the other requirements of this Policy.

6.4 **Blackout Period** - A "Blackout Period" operates in respect of which Officers of the Company must refrain from dealing in Company Securities during the following periods:

- (a) the close of business on 31 December and 30 June up to the end of the Trading Day of the Company's announcement of its interim and final financial results, as applicable; and
- (b) the opening of business on the last Trading Day of each month up to the end of the Trading Day of the Monthly Net Tangible Asset per Share announcement.

If executive options are issued, all holders of executive options are automatically regarded as being subject to this "Blackout Period" restriction. Representatives of the Service Providers will abide by their relevant Trading Policies noted by the Company as part of the due diligence prior to the Service Provider's appointment under contract.

"Trading Day" means a day on which shares are traded on ASX other than:

- (c) a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day and Boxing Day; and
- (d) any other day which ASX declares and publishes is not a trading day.

6.5 **Notification and Confirmation of Dealing in Securities** - Officers of the Company proposing to deal in Company Securities must notify the Company Secretary before commencing the transaction and confirm that they are not in possession of any inside information. The Officer of the Company also provide the Company Secretary with subsequent written confirmation of the trading that has occurred.

6.6 **Exceptional Circumstances for Dealing in Securities** – An Officer of the Company wishing to deal in Company Securities during a Blackout Period identified in Clause 6.3, may, in writing to the Company Secretary, apply for consent to so do, but the Company Secretary, after consultation with the board of directors of the Company or, where the applicant is a director of the Company, with the chairman of the board of directors, will generally refuse to provide prior written consent to deal in Company Securities unless exceptional circumstances exist (such as financial hardship or a court order requiring the sale of Company Securities).

In any event, an Officer of the Company or Representative of the Service Providers should not deal in Company Securities at any time if he or she is in possession of any inside information relating to Company Securities.

**6.7 Exercise of options, participation in employee share option plans, etc** - Subject to the insider trading and other provisions of the Corporations Act, this Policy does not apply to Officers of the Company in the following circumstances:

- (a) acquiring the Company's ordinary shares by conversion of securities giving a right of conversion to ordinary shares;
- (b) acquiring Company Securities under a dividend reinvestment plan, top up plan, rights issue, security purchase plan or bonus issue made to all or most of the holders of securities of the same class;
- (c) an investment in, or trading in any units of, a fund or any scheme (other than a scheme investing only in the Company Securities) where an Officer of the Company is not in the position to influence the trading activities of that fund or scheme;
- (d) transfers of the Company Securities already held by an Officer of the Company into a superannuation fund in which that person is a beneficiary;
- (e) undertakings to accept, or the acceptance of, a takeover offer for the Company Securities;
- (f) acquiring, or agreeing to acquire, options under a Company share option plan; and
- (g) exercising options acquired under a Company share option plan (but may not sell all or part of the shares received upon exercise of the options other than in accordance with these procedures).

## **7. ASX Notification**

In accordance with section 205G Corporations Act, a director of the Company must notify the ASX within 14 days after any change in his or her relevant interest in Company Securities or securities a related body corporate of the Company.

In accordance with Listing Rule 3.19A.2, a director of the Company must notify ASX within 5 business days after any change in his or her relevant interest in Company Securities or securities of a related body corporate of the Company or any change in interests in contracts to which the director is a party or under which the director is entitled to a benefit, and that confer a right to call for or deliver shares in or debentures of the Company or a related body corporate of the Company.

A director of the Company must notify the Company Secretary in writing of the requisite information for the Company Secretary to make the necessary notifications to Australian Securities & Investments Commission and ASX as required by the Corporations Act and the Listing Rules.

## **8. Questions**

If you have any questions regarding this policy you should contact the Company Secretary.