

# SUNLAND GROUP LIMITED

## SECURITY TRADING POLICY

### PURPOSE AND OBJECTIVE:

This policy statement provides an overview of the key legal principles relating to insider trading and sets out the policy of Sunland Group Limited and its subsidiaries ('Sunland Group' or 'Sunland') on all Executive and Non-Executive Directors, Designated Officers and employees, (collectively **Personnel**), dealing in shares of the Group and other Group financial products.

The purpose is to ensure all Personnel are aware of their obligations in relation to trading, therefore addressing the risk of misuse of inside information and inappropriate dealings.

This policy statement provides only a general overview of the legal principles and should therefore only be used as a general guide, not as legal advice. If Personnel have any queries on whether or not they may trade or whether they are in possession of inside information, they should contact the Company Secretary.

Sunland recognises the primacy of the insider trading laws and the importance of managing both regulatory and reputational risk. Any perception that directors or employees may have traded on the basis of an unfair advantage and/or breached their legal obligations could have a significant impact on the personal reputation of those persons, and negatively affect the Company's standing in the market. Therefore the purpose of this Policy is to both manage the risk of insider trading, and to avoid any perception of insider trading and the significant reputational harm that may cause. The Policy will be administered and communicated to Sunland Personnel in accordance with its purpose.

### BACKGROUND:

#### Code of Conduct

A Code of Conduct applies to all employees of Sunland Group and its subsidiaries. The Code of Conduct forms part of employment contracts and addresses the need for all directors, management and staff to respect the integrity of the Group and the assets of the Group used during office hours. In addition to this, directors, management and staff are expected to comply with the performance duties outlined in their respective schedule of duties.

#### Insider Trading – the Law

The provisions of the Corporations Act 2001 Sections 1042A – 1045A outline insider trading prohibitions and their application.

Generally, if you have "inside- information" (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 financial products) relating to the Group, it is not permitted to:

- buy, sell or otherwise deal in shares of the Group or other Group financial products.
- advise, procure or encourage another person (for example, a family member, a friend, a family company or trust) to buy or sell Group financial products; or
- pass on information to any other person, if you know or ought reasonably to know that the person may use the information to buy or sell Group financial products.

The insider trading rules apply to the following financial products:

- securities - including a company's shares, debentures (including convertible notes), managed investment interests made available by it, units of shares or of managed investment interests and exchange traded and over the counter put and call options over any of those securities,
- derivatives - including exchange traded options, equity swaps, futures or options, equity futures or other futures which relate to any financial products of a company,
- managed investment products,
- superannuation products, and
- any other financial product that can be traded on a financial market (that is, tradeable on a stock exchange or futures exchange or other type of licensed financial market).

Insider trading is a criminal offence. It is punishable by substantial fines or imprisonment or both. A company may also be liable if an employee or Director engages in insider trading.

Insider trading may also attract civil penalties. A court may impose substantial pecuniary penalties for insider trading and order payment of compensation to persons who suffer loss or damage because of insider trading.

## **Application of this Policy**

This Policy applies to the following persons:

- all Executive and Non-Executive Directors, Designated Officers (which includes those determined to be Key Management Personnel) and other employees (collectively **Personnel**) of the Company, and its subsidiaries; and;
- persons that Personnel may be expected to control or have influence over, including family members, associates or other entities.

The following officers are considered Designated Officers of Sunland Group. Designated Officers will be as defined by the Corporate Governance and Audit Committee from time to time and include:

- Chief Financial Officer
- Company Secretary
- National Director Communities
- Executive Development Manager

Key Management Personnel has the meaning in Accounting Standard AASB 124 Related Party Disclosure. As at the date of this policy, it means all persons having authority and responsibility for planning, directing and controlling the activities of Sunland Group, directly or indirectly, including any director (whether executive or otherwise) of Sunland Group.

'Restricted Persons' are Executive and Non-Executive Directors, Designated Officers, Trustees of both the SERF and SEIF, Key Management Personnel and any family member or associate over whom they have influence.

## **POLICY:**

<b>1</b>	<b>Sunland Group Security Trading Policy</b>
<b>1.1</b>	<p><u>Prohibited Periods for Restricted Persons</u></p> <p>A Restricted Person must not trade in Sunland Group securities during 'Prohibited Periods'. Prohibited Periods are:</p> <ul style="list-style-type: none"> <li>• from 1 January until the release of half year profit results;</li> <li>• from 1 July until the release of annual profit results; and</li> <li>• any other period as determined by the Board from time to time. Sunland Group will notify Restricted Persons of these periods.</li> </ul>
<b>1.2</b>	<p><u>Approval to trade during a Prohibited Period</u></p> <p>Where a Restricted Person seeks to trade during a Prohibited Period, written approval from the Chairman is required, or in the absence of the Chairman, approval from two independent directors. Where the Chair wishes to trade, written approval from two independent directors is required. Approval will be valid for 5 days after it is granted, and will only be given in Exceptional Circumstances as outlined in section 3.</p> <p>When considering a request the Chairman will take into account a range of factors to determine if the risk of insider trading, or the appearance of insider trading is not a concern. These factors include but are not limited to whether:</p> <ul style="list-style-type: none"> <li>• The Company is about to release a periodic report or other financial information to the market;</li> <li>• The Company will shortly release market sensitive information under ASX Listing Rule 3.1; and</li> <li>• The Company is considering a matter that is subject to ASX Listing Rule 3.1A</li> </ul> <p>Permission to trade may be withdrawn if new information arises, or if there is a change in circumstances.</p>
<b>1.3</b>	<p><u>Trading Windows for Restricted Persons</u></p> <p>A Restricted Person may trade in Sunland Group securities during 'Trading Windows' without written approval. Trading Windows are the four week period:</p> <ul style="list-style-type: none"> <li>• commencing on the release of half year profit results;</li> <li>• commencing on the release of annual profit result; and</li> <li>• commencing on the close of the Annual General Meeting.</li> </ul>
<b>1.4</b>	<p>Outside Prohibited Periods and Trading Windows, a Restricted Person may only trade in Sunland Group securities with the prior written approval of the Chairman or, in the absence of the Chairman, approval from two independent directors.</p>

<b>2</b>	<b>Insider Trading</b>
<b>2.1</b>	Irrespective of the above trading restrictions and windows, the laws prohibiting insider trading continue to apply to Personnel. If an individual is in possession of any inside information, then that person is prohibited from trading in securities. This provision applies to any security of the Sunland Group.
<b>2.2</b>	<p>Examples of possible inside information include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• financial performance against budget;</li> <li>• entry into or termination of a material contract (such as a major joint venture);</li> <li>• a material acquisition or sale of assets;</li> <li>• an actual or proposed takeover or merger;</li> <li>• an actual or proposed change to the Group's capital structure</li> <li>• a proposed dividend or a change in dividend policy; or</li> <li>• a material claim or other unexpected liability.</li> </ul>
<b>3</b>	<b>Exceptional Circumstances</b>
<b>3.1</b>	<p>If a Restricted Person needs to trade in securities due to exceptional circumstances during a Prohibited Period, the Restricted Person must apply in writing to, and receive approval from, the Chairman; or in the case of the Chairman, two independent Directors. The application must set out the circumstances of the proposed trade (including an explanation of the exceptional circumstances) and the reason the approval is requested, and include a declaration that the Restricted Person is personally satisfied they are not in possession of inside information.</p> <p>The Chairman may give approval for a Restricted Person to trade in securities during a Prohibited Period if they are satisfied the Restricted Person:</p> <ul style="list-style-type: none"> <li>• is in severe financial hardship, for example having a pressing financial commitment which cannot be satisfied otherwise than through the sale of securities of Sunland Group;</li> <li>• has exceptional circumstances, for example where securities are transferred from one member of a family or trust to another when to delay the transaction to the next permitted period would be detrimental to the family's affairs;</li> <li>• is required by a court order, or there are court enforceable undertakings to transfer or sell the securities or there is some other overriding legal or regulatory requirement for the Restricted Person to do so; or</li> <li>• has other exceptional circumstances.</li> </ul> <p>In the absence of the Chairman, approval must be received from two independent directors.</p>
<b>4</b>	<b>Excluded Trading</b>
<b>4.1</b>	<p>Trading excluded from this policy includes the following:</p> <ul style="list-style-type: none"> <li>• transfers of securities already held into a superannuation fund or other saving scheme in which the Restricted Person is a beneficiary;</li> <li>• transfers of securities between a KMP and someone closely related to the KMP;</li> <li>• disposal of securities that is a result of a secured lender or financier exercising its rights under a margin lending or other secured financing arrangement.</li> <li>• an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the securities of Sunland Group) where the assets of the funds or other scheme are invested at the discretion of a third party;</li> <li>• where a Restricted Person is a trustee, trading in the securities of Sunland Group by that trust provided the Restricted Person is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by the other trustees or by the investment managers independently of the Restricted Person;</li> <li>• undertakings to accept, or the acceptance of, a takeover offer;</li> <li>• trading under an offer or invitation made to all or most of the security holders, such as a rights issue, security purchase plan, dividend re-investment plan and an equal access buy back, where the plan that determines the timing and structure of the offer has been approved by the Board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pre rata issue;</li> <li>• the exercise (but not the sale of securities following the exercise) of an option or a right under an employee incentive scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a Prohibited Period and Sunland Group has had a number of consecutive Prohibited Periods and the Restricted Person could not reasonably have been expected to exercise it at a time when free to do so;</li> <li>• trading under a non-discretionary trading plan for which prior written clearance has been provided</li> </ul>

	<p>in accordance with procedures set out in this policy and where:</p> <ul style="list-style-type: none"> <li>○ the Restricted Person did not enter into the plan or amend the plan during a Prohibited Period;</li> <li>○ the trading plan does not permit the Restricted Person to exercise any influence or discretion over how, when, or whether to trade; and</li> <li>○ Sunland Group's trading policy does not allow the Restricted Person to cancel the trading plan or cancel or otherwise vary the terms of his or her participation in the trading plan during a prohibited period other than in exceptional circumstances.</li> </ul>
<b>5</b>	<b>Prohibited Trading and Transactions</b>
<b>5.1</b>	<p>Personnel are prohibited from participating in or entering into any of the following under this Policy:</p> <ul style="list-style-type: none"> <li>● trading in derivative products over Sunland Securities, including warrants, exchange-traded and over-the-counter options, and contracts for difference;</li> <li>● price protection arrangements in respect of unvested remuneration or vested remuneration which is the subject of a holding lock (hedging);</li> <li>● short-term trading of Sunland Securities over a period not less than 3 months unless approved by the Chairman or two independent directors;</li> <li>● short-selling – the borrowing and sale of Sunland Securities with the intention of purchasing the securities at a later date at a lower price, thus closing out the short position at a profit;</li> <li>● margin lending – the nature of margin lending arrangements, including the right of a lender to sell securities the subject of such an arrangement, may mean that the requirements of this Policy would be breached by the actions of a third party. Therefore Personnel are not permitted to enter into margin lending arrangements that involve Sunland Securities.</li> </ul> <p>It is recommended that Restricted Persons do not engage in trading via open orders or “stop loss” deals as this may result in trades being executed during Prohibited Periods.</p>
<b>6</b>	<b>Breaches of this Policy</b>
	<p>Sunland has established processes to ensure Personnel are aware of, and understand their obligations under this Policy, and to monitor and enforce compliance with the Policy. The Company Secretary is responsible for maintaining a register of all requests for permission to deal under this Policy, decisions relating to those requests, and any relevant trades.</p> <p>Measures in addition to those described above include:</p> <ul style="list-style-type: none"> <li>● Personnel are provided with a copy of this Policy and any amendments to the Policy;</li> <li>● sending email reminders of the start and finish dates for Black Out Periods, one week before commencement of the period and immediately before commencement;</li> <li>● Restricted Persons are required to provide annual written confirmation that they are aware of and understand this Policy and are in compliance with the Policy.</li> </ul> <p>All Personnel must comply with the principles and requirements of this Policy. Failure to comply may result in the relevant staff member being subject to disciplinary action, including possible dismissal. The Company may require any person who has acquired securities in breach of this policy to sell those securities as soon as possible within the requirements of the law, and donate any profit from the sale to charity.</p> <p>A breach of this Policy may also result in exposure to potential civil or criminal liability under applicable laws and regulations.</p>
<b>7</b>	<b>Further Application of Policies</b>
<b>7.1</b>	It is also prohibited for a Restricted Person to procure others to trade where the Restricted Person is precluded from trading.
<b>7.2</b>	In the course of performing duties, Restricted Persons may obtain inside information relating to another company in a variety of circumstances. If this 'inside information' relating to a company other than Sunland Group is not 'generally available' the same insider trading rules outlined at section 2 above apply to buying and selling securities in that company.

<b>8</b>	<b>Further Disclosure and Other Matters</b>
<b>8.1</b>	<p>Directors should be mindful of their disclosure obligations under both the Corporations Act and the ASX Listing Rules and advise the Company Secretary of any change to their interests in Sunland Group securities as soon as possible so that any necessary notification to the market may be made.</p> <p>A Restricted Person must advise the Company Secretary of any change to their interests in Sunland Group securities within two business days of the change.</p>
<b>8.2</b>	<p>The hedging of vested options should be disclosed to the Company Secretary within two business days of the transaction.</p>
<b>8.3</b>	<p>The hedging of unvested options by any Restricted Person or employee is prohibited</p>
<b>8.4</b>	<p>Where a material change has been made to this Policy, the amended Policy must be provided to the ASX within 5 business days of the material changes taking effect, in accordance with ASX Listing Rule 12.10.</p>