

Securities trading policy

Ai-Media Technologies Limited ACN 122 058 708 (**Company**)

Effective date: 24 August 2021

Securities Trading Policy

1 INTRODUCTION

1.1 General

Pursuant to the Corporations Act and Listing Rules, the Directors, Management Team and certain other persons nominated by the Board are restricted from trading in Securities under certain circumstances and are subject to the Insider Trading prohibitions.

This document sets out the Securities Trading Policy for the Company. The Company will take a substance over form approach and will have regard to the intent and spirit of the Policy when applying and enforcing it

The purpose of this document is to explain the Company's policy and procedures for the buying and selling of Securities, and to ensure that public confidence is maintained in the reputation of Company, the Directors, the Management Team and Employees of the Company and the trading of the Company's Securities

1.2 Policy overview

This document outlines:

- (a) when the Management Team (including Directors) and certain other Employees nominated by the Board may Trade;
- (b) how to apply for approval to Trade during a Blackout Period; and
- (c) potential sanctions for a breach of the Insider Trading prohibitions.

2 DEFINITIONS AND INTERPRETATION

2.1 Definitions

In this document, unless otherwise specified, capitalised terms have the meaning set out below:

"ASX" means ASX Limited ACN 008 624 691 or the exchange operated by it, as the context requires.

"Authorised Trade" means a Trade authorised under paragraph 5.3.

"Blackout Period" means the period:

- (a) from the close of trading on the ASX on 30 June each year until the business day following the announcement to ASX of the interim or final full-year results (whichever occurs first);
- (b) the period from the close of trading on the ASX on 31 December each year until the business day following the announcement to ASX of the half-year results;
- (c) while the Company is required to lodge an Appendix 4C (Quarterly Report) with ASX:
 - (i) the period from the close of trading on the ASX on 30 September each year until the business day following the lodgement with ASX of the Appendix 4C for that period; and
 - (ii) the period from the close of trading on the ASX on 31 March each year until the business day following the lodgement with ASX of the Appendix 4C for that period;

- (d) the period from 28 days before until the day following the Company's annual general meeting;
- (e) the period from 28 days before until the day following a prospectus, cleansing notice or similar disclosure document is lodged by the Company with ASX; and
- (f) any other period that the Board specifies from time to time in its absolute discretion and subject to any applicable law.

"Board" means the Company's board.

"Chairman" means the chairman of the Board.

"CEO" means the executive officer (by whatever title known, whether chief executive officer, managing director or otherwise) with delegated day to day responsibility for the strategic and operational management of the Company.

"Company" means Ai-Media Technologies Limited ACN 122 058 708 and, as the context requires, its controlled entities.

"Corporations Act" means *Corporations Act 2001* (Cth).

"Designated Officer" means a person who is assigned the role of 'Designated Officer' for this Policy by the Board.

"Director" means a director of the Company.

"Employee" means all Directors, officers, senior management and other employees, consultants and contractors of the Company.

"Excluded Trade" or **"Excluded Trading"** means Trading in circumstances set out in paragraph 5.4.

"Inside Information" has the meaning given to that term in section 1042A of the Corporations Act.

"Insider Trading" has the meaning given to that term under Part 7.10, Division 3 of the Corporations Act.

"Listing Rules" means the listing rules of ASX.

"Management Team" means the Directors, CEO, chief financial officer, and any other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly.

"Policy" or **"Securities Trading Policy"** means the policy contained in this document or in any amending or replacement document.

"Restricted Person" means a person to whom this Policy applies being the Management Team and Employees nominated by the Board under paragraph 6.1.

"Secretary" means the secretary of the Company.

"Securities" include securities of any kind including ordinary shares, preference shares, debentures, convertible notes, options and hedging mechanisms or derivative instruments.

"Security Holder" means a registered holder of Securities.

“Trade” means to apply for, acquire or dispose of Securities or to enter into an agreement to apply for, acquire or dispose of Securities or to grant, accept, acquire, dispose, exercise or discharge an option or other right or obligation to acquire or dispose of Securities, and **Trading** has a corresponding meaning.

“Trader” means a Restricted Person who Trades.

2.2 Interpretation

Concepts not defined in this document but which have a meaning in the Corporations Act or the Listing Rules have that same meaning in this document.

3 SECURITIES COVERED BY THIS POLICY

3.1 Company Securities

This Policy applies to all Securities issued by the Company.

3.2 Other companies

This Policy also applies to the Securities of other companies:

- (a) in relation to the prohibition on Insider Trading (see paragraph 4);
- (b) which are either a joint venture partner of the Company or for which the Company has made (or is planning to make) a takeover offer; or
- (c) under paragraph 3.3.

3.3 Trading in other companies' Securities

- (a) Trading by a Restricted Person in the Securities of other companies in which the Company has a substantial interest (5% or more) is subject to this Policy.
- (b) This Policy does not affect the operation of the law, in particular the prohibition against Insider Trading, applying to any person if they had Inside Information concerning another company.
- (c) Employees may come into possession of Inside Information regarding another company while conducting the business of the Company (for example, where they are directly involved in client relationship management or negotiating contracts). Employees must not Trade in the Securities in another company if they are aware of Inside Information in relation to that company, no matter how they came into possession of the Inside Information.

3.4 Margin loans by Restricted Persons

- (a) Restricted Persons must obtain the Board's approval before entering into a margin loan or similar arrangements concerning the Company's Securities, or transferring Company Securities into an existing margin loan account.
- (b) Where a Restricted Person has entered into margin loan or similar funding arrangements for a material number of Securities, the Company may need to disclose the key terms of the arrangements, including the number of Securities involved, the trigger points, the right of the lender to sell unilaterally and any other material details.

- (c) Whether a margin loan arrangement is material under the Listing Rules is a matter which the Company must decide having regard to the nature of its operations and its particular circumstances.

3.5 Trading in financial products issued over Company Securities by third parties

- (a) Restricted Persons must not Trade at any time in financial products such as derivatives, options, warrants, futures, forward contracts, swaps, contracts for difference or other financial products issued or created over or associated with Company Securities by third parties such as banks and other institutions.
- (b) An exception applies where Company Securities form a component of a listed portfolio or index product.

3.6 Hedging of Company Securities

Under this Policy, hedging of Company Securities by Restricted Persons is subject to the following rules:

- (a) the hedge transaction must not be entered into, renewed, altered or closed out when the Restricted Person is in possession of Inside Information;
- (b) Company Securities acquired under an employee, executive or director equity plan operated by the Company must never be hedged prior to vesting;
- (c) Company Securities must never be hedged while they are subject to a holding lock or restriction on Trading under the terms of an employee, executive or director equity plan operated by the Company; and
- (d) Restricted Persons are permitted to hedge their vested and unrestricted Company Securities provided that the hedge transaction is treated as a Trade in Company Securities for the purposes of this Policy, and the relevant approvals and notifications required under this Policy are made on that basis.

4 INSIDER TRADING

4.1 Prohibited conduct

If a person has Inside Information in relation to a company and knows, or ought reasonably to know, that the information is Inside Information, that person must not:

- (a) Trade in that company's Securities;
- (b) procure another person to Trade in that company's Securities; or
- (c) communicate the information, directly or indirectly, to another person who the person knows, or ought reasonably to know, is likely to Trade in those Securities or procure another person to Trade in those Securities.

These restrictions apply to all Securities, not just the Company's Securities.

4.2 Consequences of Insider Trading

- (a) Insider Trading is a criminal offence.
- (b) Persons Trading with Inside Information risk prosecution, punishable by substantial fines or imprisonment or both, under the Corporations Act.
- (c) The Company may also be liable if a Restricted Person engages in Insider Trading.

- (d) Insider Trading is subject to the civil penalty provisions under the Corporations Act which empower a court to impose substantial pecuniary penalties, order payment of compensation to persons who suffer loss or damage as a result of the Insider Trading and make a disqualification order.
- (e) The Corporations Act applies to Securities in the Company even if you aren't based in Australia, by virtue of the Company being an Australian company.
- (f) In addition to any consequence under the Corporations Act, Insider Trading breaches this Policy. Breaches will be treated seriously by the Company and may attract disciplinary action, including termination of employment for any Restricted Person involved.

4.3 Prohibition

Insider Trading is prohibited at all times and applies to Securities of other entities other than the Company or its subsidiaries if you possess Inside Information about those entities.

The Company may notify Employees that they must not Trade in Securities (either for a specified period, or until the Company gives further notice). The Company may do this when it considers there is a high risk that such persons may be in possession of Inside Information.

4.4 What is Inside Information

- (a) Inside Information is information that:
 - (i) is not generally available; and
 - (ii) if it were generally available:
 - (A) a reasonable person would expect it to have a material effect (upwards or downwards) on the price or value of the Securities in question; or
 - (B) would, or would be likely to, influence persons who commonly invest in Securities in deciding whether to acquire or dispose of the Securities in question.
- (b) Information is **generally available** if it:
 - (i) consists of readily observable matters or deductions;
 - (ii) has been made known in a manner likely to bring it to the attention of persons who commonly invest in Securities of the relevant type and a reasonable period for that information to be disseminated has elapsed since it was made known – for example if it has been released to the ASX or published in an annual report, prospectus or similar document and a reasonable time has elapsed; or
 - (iii) consists of deductions, conclusions or inferences made or drawn from information falling under paragraphs 4.4(b)(i) or 4.4(b)(ii).
- (c) Examples of **readily observable** matters are:
 - (i) a change in legislation which will affect the Company's ability to make certain types of investments; or
 - (ii) a severe downturn in global securities markets.

- (d) Inside Information may include matters of supposition, matters that are not yet certain and matters relating to a person's intentions.
- (e) Some examples which may constitute Inside Information include:
 - (i) the financial performance of the Company against its budget or against investor and analyst expectations;
 - (ii) an undisclosed significant change in the Company's market share;
 - (iii) changes in the capital structure of the Company, including proposals to raise additional equity or increase debt;
 - (iv) material acquisitions or sales of assets by the Company;
 - (v) major new initiatives or proposed changes in the nature of the business of the Company;
 - (vi) changes to the Board or significant changes in the Management Team;
 - (vii) likely or actual entry into, or loss of, a material contract;
 - (viii) a proposed dividend or other distribution or a change in dividend policy; or
 - (ix) a material claim against the Company or other unexpected liability.
- (f) It does not matter how or in what capacity a person becomes aware of the Inside Information. Information does not have to be obtained from the Company to constitute Inside Information.

4.5 The Front Page Test

- (a) It is important that public confidence in the Company is maintained. It would be damaging to the Company's reputation if the market or the general public perceived that Employees might be taking advantage of their position in the Company to make financial gains (by Trading in Securities on the basis of Inside Information).
- (b) As a guiding principle, Employees should ask themselves:

If the market was aware of all the current circumstances, could I be perceived to be 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?

This is referred to as the **Front Page Test**.

- (c) Where any approval is required for a Trade under this Policy, approval will not be granted where the Trade would not satisfy the Front Page Test.

5 SECURITIES TRADING

5.1 Prohibited Trading

A Restricted Person must not Trade:

- (a) if they have Inside Information;
- (b) during a Blackout Period (unless it is an Excluded Trade or an Authorised Trade);
- (c) for short term or speculative gain; or

- (d) for more than \$50,000 worth of Securities to any party if written approval from the Chairman is not obtained, covering the form of and timing of the sale, and the management of its public disclosure, before entering into discussions for the potential sale of those Securities.

5.2 Permitted Trading by a Restricted Person who is not a member of the Management Team

A Restricted Person who is not a member of the Management Team may Trade if:

- (a) they do not have Inside Information;
- (b) it is not during a Blackout Period; and
- (c) it is not for short term or speculative gain.

5.3 Permitted Trading by a Restricted Person who is a member of the Management Team

- (a) A member of the Management Team may not Trade at any time, including outside of a Blackout Period, unless they obtain prior written approval from:
 - (i) the Chairman, in the case of the Management Team; or
 - (ii) in the case of the Chairman, a Director chosen by the Board for that purpose (**Chosen Director**) or the CEO if there is no Chosen Director.
- (b) Approval will only be granted for Trades proposed to be made:
 - (i) outside of a Blackout Period; or
 - (ii) in the exceptional circumstances set out in paragraph 5.5 below (to the extent applicable).
- (c) There are certain times during the year when approval under this Policy is more likely to be granted. These are the periods commencing on:
 - (i) the day after release of the Company's full-year results;
 - (ii) the day after release of the Company's half-year results;
 - (iii) the day after release of the Company's quarterly results (if applicable);
 - (iv) the day after the Company's annual general meeting; and
 - (v) any period that the Company has a current prospectus or other form of disclosure document on issue under which persons may subscribe for Securities.

Members of the Management Team who wish to seek approval to Trade under this Policy are encouraged to do so during these periods.

- (d) To obtain approval, members of the Management Team must send an email to the Chairman (or, in the case of an approval sought by the Chairman, the Chosen Director or CEO, as relevant) setting out the details of the potential Trade and whether it will occur outside of a Blackout Period or whether exceptional circumstances justify the Trade.
- (e) The Chairman (or, in the case of an approval sought by the Chairman, the Chosen Director or CEO, as relevant) will notify the member of the Management Team

whether the request has been granted by return email, and may impose conditions on the Trade in their discretion.

- (f) If granted, the approval will last for 7 days from the day the approval was granted, or such other time specified in the approval, after which point the approval is no longer effective and fresh approval must be sought.
- (g) Approval under this Policy is not an endorsement of the Trade. Personnel are responsible for their own compliance with the law.

5.4 Excluded Trading

Subject to any requirements of applicable law, this Policy does not apply to:

- (a) transfers of Securities already held by a Restricted Person into a superannuation fund or other saving scheme in which the Restricted Person is a beneficiary;
- (b) where a Restricted Person is a trustee, Trading by that trustee provided the Restricted Person is not a beneficiary of the trust and any decision to Trade during a Blackout Period is taken by the other trustees or by the investment managers independently of the Restricted Person;
- (c) undertakings to accept, or the acceptance of, a takeover offer;
- (d) Trading under an offer or invitation made to all or most of the Security Holders, such as a pro-rata rights issue, a security purchase plan, a dividend or distribution reinvestment 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 (which 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 pro-rata issue);
- (e) disposals by a secured lender exercising their rights, for example, under an approved margin lending arrangement;
- (f) the grant or exercise (but not the sale of Securities following 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 Blackout Period;
- (g) Trading under a non-discretionary trading plan for which prior written approval has been provided in accordance with this Policy provided the Restricted Person did not enter into the plan or amend the plan during a Blackout Period and the trading plan does not permit the Restricted Person:
 - (i) to exercise any influence or discretion over how, when, or whether to Trade; or
 - (ii) to cancel the trading plan or cancel or otherwise vary the terms of his or her participation in the trading plan during a Blackout Period other than in exceptional circumstances;
- (h) Trading by a fund or other scheme (other than a scheme only investing in Company Securities) with whom a Restricted Person is associated, where the assets of the fund or scheme are invested at the discretion of a third party and the Restricted Person excludes themselves from the decision-making process of such Trading (either regularly or in respect of any Trades in Company Securities); and

- (i) Trading under a buy or sell order which is placed but not completed outside of a Blackout Period, provided that, once the Blackout Period commences:
 - (i) the order must be completed within three business days otherwise it will lapse; and
 - (ii) the order cannot be varied.

However, given such Trades **remain subject to the Insider Trading rules** in the Corporations Act, Employees should still consider any legal or reputational issues (and discuss any concerns they have with the Secretary) before proceeding with the Trade.

5.5 Exceptional circumstances

- (a) Written approval for exceptional circumstances referred to in paragraph 5.3 will only be granted if:
 - (i) the Trade is not, or would not be:
 - (A) contrary to law;
 - (B) for short term or speculative gain;
 - (C) to take advantage of Inside Information; or
 - (D) seen by the public, press, other Security Holders or ASX, as unfair; and
 - (ii) exceptional circumstances exist justifying the exercise of the discretion to issue the written approval.
- (b) Exceptional circumstances include where the Trade is necessary:
 - (i) to sell Securities to realise cash in a time of exceptional financial hardship (excluding a tax liability);
 - (ii) to comply with the requirements of a Court order or enforceable undertaking; and
 - (iii) because delaying the Trade to the next permitted period would:
 - (A) cause greater exceptional financial hardship;
 - (B) be exceptionally detrimental to the family's affairs; or
 - (C) be a breach of a Court order.
- (c) Any written approval must state the period for which the authority for Trading is given.
- (d) Despite any authority given under this Policy, the responsibility for Trading rests with the individual Trader.

5.6 Guidance for written approval

A person authorised to provide written approval under this Policy must only provide such approval in accordance with the law and in a responsible and sensible manner having regard to the purpose of this Policy and having regard to desirable protocols to be followed to prevent Trading inside Blackout Periods (except in exceptional circumstances) and protocols

regarding Inside Information or the public perception that Insider Trading may have occurred by reason of this Policy not being adhered to.

5.7 Trading by Directors

- (a) Each Director must notify the Secretary of any Trading by that Director so as to facilitate the timely lodgement with ASX of an Appendix 3Y or other prescribed form notifying ASX of the initial acquisition, change in or cessation of Directors' interests as required by the Listing Rules.
- (b) Each Director's disclosure obligations in relation to their notifiable interests are set out in a director's disclosure deed (required by Listing Rule 3.19B).

5.8 Informing the Company of Trades

- (a) Each Trader must notify the Secretary of the details of completed transactions within 14 days after each transaction. Notification is necessary whether or not prior authority was required.
- (b) The Secretary must maintain a register of Securities transactions under this Policy.

6 PERSONS COVERED BY THIS POLICY

6.1 Restricted Persons

The Board may nominate persons to be included as a Restricted Person. Those persons must be informed of their nomination and be listed in a schedule maintained by the Designated Officer. They may include:

- (a) corporate and divisional accounting officers reporting directly to any members of the Management Team;
- (b) secretaries and assistants performing confidential work and reporting to any members of the Management Team; and
- (c) Employees who have access to the Company's financial results; and
- (d) other persons who regularly possess Inside Information.

6.2 Families and trusts

If a Restricted Person is prohibited from Trading under this Policy, that person must use their best endeavours to prohibit any Trading by:

- (a) any related party, including:
 - (i) family members who may be expected to influence, or be influenced by, the Restricted Person in his or her dealings with the Company or Company Securities (this may include the Restricted Person's spouse, partner and children, the children of the Restricted Person's partner, or dependants of the Restricted Person or the Restricted Person's partner); and
 - (ii) a company or any other entity which the Restricted Person has an ability to control; or
- (b) any investment manager on their behalf or on behalf of a related party.

6.3 Trustees

A Restricted Person who is a trustee of a deceased estate should inform any co-trustees or trust beneficiaries of his or her relationship with the Company and the restrictions on his or her ability to give advice in respect of Securities covered by this Policy.

6.4 All other persons

For the avoidance of doubt, paragraph 4 of this Policy applies to all Employees of the Company and any other person who has access to Inside Information at any time.

7 AWARENESS AND TRAINING

The highest standards of corporate conduct are critical to the Company's reputation. The Secretary will instigate induction and on-going training, and set up appropriate processes, to promote compliance with this Policy. A copy of this Policy will be available on the Company's website. It will be distributed to all Restricted Persons and made available to all Employees and other persons as relevant.

8 CONTACT

Employees should contact the Secretary if they are unsure about whether it is acceptable to Trade or communicate with others in relation to the Company's Securities or other Securities or if they have any other queries about this Policy.

You may wish to seek your own professional legal advice before Trading in the Company's Securities.

9 REVIEW

The Board will review this Policy on an annual basis.

POLICY INFORMATION

Policy status: Adopted

Approval Body: Board of Directors

Policy Maintained by: Company Secretary

Policy Contact: companysecretary@ai-media.tv

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