

# Share Trading Policy

## 1. Purpose

The purpose of this Policy is to:

- explain the type of conduct in relation to dealings in securities that is prohibited under the Corporations Act, which is applicable to all employees of DuluxGroup; and
- establish a procedure relating to buying and selling securities by directors and senior executives that provides protection against the misuse of unpublished information which could materially affect the value of securities.

The Board considers that compliance with this Policy is essential to ensure that the highest standards of conduct are being met by all employees of DuluxGroup. DuluxGroup also wishes to ensure that any perception of executives or employees dealing in shares when they should not do so is avoided.

DuluxGroup directors and employees are expected to familiarise themselves with the requirements detailed in this Policy. Any non-compliance with this Policy will be regarded as serious misconduct which may entitle DuluxGroup to terminate the employment of any employee who is found to be in breach of this Policy.

## 2. Employees and others covered by this policy

In this Policy:

**'Closely Related Party'** means: (a) a family member who may be expected to influence, or be influenced by, the Employee's dealings in DuluxGroup shares including a spouse, a de facto partner or a child or dependent of the Employee or the Employee's spouse or de facto partner; or (b) a company, partnership or trust which the Employee controls or significantly influences.

**'Director'** means the executive and non-executive directors of DuluxGroup Limited, and their Closely Related Parties;

**'DGE Member'** means Senior Employees who are members of the DuluxGroup Executive team (which includes DuluxGroup's key management personnel) and their Closely Related Parties;

**'Employee'** means Directors, officers, employees, contractors and consultants of DuluxGroup;

**'Senior Employee'** means employees of DuluxGroup who are Job Grade 38 and above, and their Closely Related Parties.

### **3. Insider trading laws**

#### (a) Overview

Employees are subject to laws that regulate securities trading in public companies that are designed to protect the market against insider trading. Laws regarding buying and selling securities are intended to ensure that the share market is fully informed, and that no individual buyer or seller has an unfair advantage over others.

A person will be guilty of insider trading if that person possesses information in relation to a company which is not generally available to the market, and if it were generally available, would be likely to affect the price or value of that company's securities (**Inside Information**) and that person:

- buys or sells securities in the company;
- enters into an agreement to subscribe for, buy or sell, securities;
- procures someone else to buy or sell securities in the company; or
- passes on Inside Information to someone else – including colleagues, family or friends – knowing (or where the person should have reasonably known) that the other person will use that information to trade in, or procure someone else to trade in, securities.

It does not matter how the Employee or other person learns of this information (including whether they learn it in the course of carrying out their responsibilities or in passing in the corridor or in a lift or at a dinner party).

The financial impact of the information is important but strategic and other implications can be equally important in determining whether information is Inside Information. The definition of information is broad enough to include rumours, matters of supposition, intentions of a person (including DuluxGroup) and information which is insufficiently definite to warrant disclosure to the public.

The offence, called 'insider trading', can subject a person to criminal liability including large fines and/or imprisonment. There could also be civil liability, which may include being sued by another party or DuluxGroup, for any loss suffered as a result of illegal trading.

#### (b) Insider Trading is prohibited at all times

If an Employee possesses Inside Information, they **must not**:

- buy or sell securities;
- advise or procure another person to buy or sell securities;
- advise or get others to do so or pass on the Inside Information to others. This prohibition applies regardless of how the person learns of the information.

The prohibition on insider trading is not limited to information concerning DuluxGroup or to dealing in DuluxGroup securities. As part of their job, employees may acquire information which is not generally known to the public at large (eg. in relation to a DuluxGroup customer or supplier) and which might materially affect the price or value of shares of that company.

Where an Employee has Inside Information about another company or entity, the Employee must not deal in securities or that company or entity. For example, if DuluxGroup is negotiating a major transaction with another company, an Employee who is aware of the negotiations would not be able to deal in shares of DuluxGroup or the other company.

#### **4. Additional restrictions on trading**

Additional restrictions on trading in DuluxGroup securities apply to Directors and Senior Employees, and, in some instances, other Employees.

In general, a Director or Senior Employee may only trade in DuluxGroup securities on the ASX during a 'Trading Window' (see part 4(a) below), provided the Director or Senior Employee is not in possession of Inside Information. Directors and Senior Employees are generally not permitted to trade at any other time (see part 4(b) below).

##### **(a) Trading Windows**

Directors and Senior Employees may deal in DuluxGroup securities:

- in the 28 day period commencing 1 day after the announcement of the DuluxGroup half-year results;
- in the 28 day period commencing 1 day after the announcement of the DuluxGroup full-year results; and
- at such other times as resolved by the Board;

(together referred to as **Trading Windows**);

EXCEPT where the Director or Senior Employee is in possession of Inside Information. In such circumstances the Company Secretary may, during the Trading Window, notify the Director or Senior Employee that they may not deal in DuluxGroup securities during all or part of any such period.

Inside of a Trading Window, Directors and Senior Employees must comply with the following requirements in respect of any dealing in DuluxGroup securities:

- Directors and DGE Members must inform the Company Secretary in writing of their intention to trade and consult with the Chairman;
- the Chairman must inform the Company Secretary in writing of his/her intention to trade and consult with the Chairman of the Audit and Risk Committee and the Chief Executive Officer; and

- all Senior Employees (other than DGE Members) must inform the Company Secretary and the Chief Financial Officer in writing of their intention to trade.

(b) Trading at all other times

Outside of a Trading Window, Directors and Senior Employees must receive **prior written** clearance for any proposed dealing in DuluxGroup securities as follows:

- Directors and DGE Members must inform the Company Secretary of their intention to trade and inform and receive prior written consent of the Board; and
- all Senior Employees (other than DGE Members) must inform the Company Secretary of their intention to trade and receive the prior written consent of the Chief Executive Officer.

Clearance to trade outside of a Trading Window will only be approved in exceptional circumstances (such as severe financial difficulties) and provided that the Director or Senior Employee is not aware of Inside Information.

(c) Short Term Dealing and Short Term Derivative Arrangements

Employees must not deal in DuluxGroup securities on a 'short-term' basis. Employees must not enter into short term (ie. less than 3 months) derivative arrangements (for example, forward contracts).

(d) Employee, executive and director share plans

The restrictions on Directors and Senior Employees from trading outside of a Trading Window do not prevent Directors and Senior Employees from participating in DuluxGroup's incentive and share plans.

The restrictions on trading outside of a Trading Window will apply in respect of any subsequent trading in DuluxGroup securities that are acquired under a DuluxGroup incentive or share plan.

(e) Participation in rights issues, dividend reinvestment plan etc.

Directors and Senior Employees may at any time elect to participate or accept entitlements under a rights issue, share purchase plan or dividend reinvestment plan (or similar) that is available to DuluxGroup shareholders on the same terms. No trading of DuluxGroup securities acquired as a result of participation is permitted outside of a Trading Window.

(f) Margin Loan Arrangements

This paragraph applies to all Directors and any Employee who is a participant in the Long Term Equity Incentive Plan (**LTEIP**) or any other DuluxGroup long term incentive arrangements implemented from time to time (**Relevant Employees**).

Relevant Employees may not enter into or otherwise deal in securities via a margin loan arrangement in relation to securities which are unvested, held “at risk” or held subject to restrictions under a DuluxGroup employee, executive or director plan, including without limitation, securities held subject to a loan under the LTEIP.

Otherwise, Employees may not enter into or otherwise deal in securities via a margin loan arrangement in relation to DuluxGroup securities without the prior consent of the Company Secretary.

(g) Prohibition on hedging

Employees may not create a derivative over or enter into a derivative arrangement in relation to securities which are unvested, held “at risk” or held subject to restrictions under a DuluxGroup employee, executive or director plan, including without limitation, securities held subject to a loan under the LTEIP.

Otherwise, where an Employee holds shares acquired pursuant to one of DuluxGroup’s employee share plans, the Employee must not enter into a transaction to limit the economic risk of such shares, whether through a derivative, hedge or other similar arrangement, without the prior written approval of the Chief Executive Officer (in the case of Senior employees) or the Board (in the case of the Directors).

All other Employees must obtain prior written approval of the Company Secretary.

**5. Penalties**

Adhering to the standards of conduct as contained in this Policy is one of the conditions of employment with DuluxGroup, and the failure to comply with these standards may result in an Employee being subject to disciplinary action (which, in extreme cases, may result in dismissal).

A breach of the insider trading provisions described in this Policy carries significant civil and criminal penalties. A person who contravenes or is involved in a contravention of these provisions may also be liable to compensate any person who suffers loss or damage because of the conduct.

**6. Who to contact**

Any questions concerning the interpretation or application of this Policy should be referred to the Company Secretary. When in doubt, Employees are encouraged to consult with the Company Secretary prior to dealing in securities.