

Country Road – Securities Trading Policy

1. Introduction

1.1 Purpose

This guidance note sets out the policy of Country Road Limited (**CRL**) regarding CRL Group directors, officers and employees engaging in dealings in Securities (in particular CRL Securities) or in insider trading.

CRL People are encouraged to be long-term holders of CRL shares. However, it is important that care is taken in the timing of any acquisition or disposal of Securities in CRL.

The purpose of this Policy is to assist CRL People to avoid conduct known as 'insider trading'. In some respects, CRL's policy extends beyond the strict requirements of the *Corporations Act 2001* (Cth) (the **Corporations Act**).

This Policy provides a basic explanation of what constitutes insider trading and CRL's policy to prevent it, including:

- a description of what conduct may constitute insider trading;
- a description of the permitted times CRL People can buy or sell Securities in CRL in order to minimise the risk of insider trading; and
- the steps for Restricted CRL People to take when buying or selling Securities in CRL.

1.2 Scope

This Policy applies generally to each CRL Person.

Restricted CRL People have additional responsibilities, which are set out in this Policy.

Some aspects of this Policy also extend to or affect Close Associates of Restricted CRL People, such as family members or companies, trusts and other entities controlled by them.

1.3 Responsibility

Each CRL Person has an individual responsibility to ensure that they comply with both the law relating to insider trading and the other requirements of this Policy. This Policy is only a general guide in relation to complex legal provisions, and should not be taken as legal advice.

If you do not understand this Policy or have further questions, guidance can be obtained from the Company Secretary. However, that guidance will not affect your individual responsibility to comply with your obligations.

2. What is insider trading?

2.1 Insider Trading Prohibition

CRL People must comply with the law at all times when they are in possession of Inside Information. In particular, CRL People must not engage in insider trading. In broad terms, a person will be guilty of insider trading if:

- (a) that person possesses Inside Information in relation to Securities (whether of CRL or any other entity); and
- (b) that person:
 - (i) applies for, acquires or disposes of those Securities, or agrees to do so; or
 - (ii) procures, encourages, incites or induces any other person (for example, a family member, friend, or family company or trust) to do any of the above things; or
 - (iii) passes on the Inside Information to a third party where that person knows, or ought reasonably to know, that the third party may use the information to do any of the above things.

These restrictions apply to anything the CRL Person does on their own behalf, or on behalf of another person.

These restrictions also apply to another person doing things on the CRL Person's behalf. For example, if a family member acquires Securities for a CRL Person while the CRL Person is in possession of Inside Information in relation to those Securities, then the CRL Person may face insider trading liability.

Furthermore, these restrictions apply to all Securities, including without limitation shares, options, rights and Derivatives.

2.2 What is Inside Information?

Inside Information is information that is not generally available and that, if it were generally available, a reasonable person would expect to have a material effect on the price or value of the relevant Securities.

A reasonable person would be taken to expect information to have a material effect on the price or value of particular securities if (and only if) the information would, or would be likely to, influence persons who commonly acquire securities in deciding whether or not to acquire or dispose of the particular securities in question.

Information is generally available where the information is:

- readily observable; or
- made known in a manner that would, or would be likely to, bring it to the attention of people who commonly invest in the relevant securities or securities of a kind similar to the relevant securities, and a reasonable period has elapsed to allow the information to be disseminated; or
- able to be deduced, concluded or inferred from those types of the information.

2.3 Examples of price sensitive information

To illustrate the prohibition described above, the following are possible examples of price sensitive information which, if it has not already been disclosed to the market and if it were made available to the market, may be likely to have the relevant material effect on the price or value of CRL Securities:

- CRL considering the acquisition or disposal of an interest in a major project;
- the threat of major litigation against CRL;
- CRL's financial results materially exceeding (or falling short of) the market's expectations;
- a proposed dividend or change in dividend policy;
- a proposed new share issue or change to capital structure; or
- a significant change in senior management.

2.4 Penalties

Insider trading is a criminal offence, attracting potential fines and imprisonment. Civil penalties and compensation may also be ordered against a person for engaging in insider trading.

In addition to the consequences applicable under law, CRL People who fail to adhere to the requirements of this Policy may face disciplinary action, including suspension or termination of employment with the CRL Group.

2.5 Not limited to CRL information

The prohibition in the Corporations Act against insider trading applies to Inside Information held by a CRL Person in respect of another company's Securities, as well as to Inside Information relating to the Securities of CRL.

2.6 Information however obtained

It does not matter how or where the person obtains the information - it does not have to be obtained from the CRL Group to constitute inside information.

2.7 Extra-territorial application

Under the Corporations Act, the prohibition against insider trading applies to acts within Australia and acts outside Australia that involve the Securities of companies that are Australian or do business in Australia. Hence, the law against insider trading applies to the conduct relating to dealing of CRL Securities which occurs both outside Australia as well as within Australia.

3. Guidelines for trading in the CRL Securities

CRL People are required to adhere to the following policies in addition to their obligation to comply with the law in relation to insider trading (see section 2 above).

3.1 Short-term or speculative dealing

CRL People are encouraged to be long-term holders of CRL Securities. No CRL Person may deal in CRL Securities for short-term gain.

3.2 Blackout Periods

(a) Operation of blackout periods

Since companies such as CRL are obliged by the statutory continuous disclosure regime to disclose price sensitive information immediately, there is a view that company officers and employees are always free to trade in their company's Securities. However, as a result of certain exceptions to this rule (such as the ability to withhold confidential information prepared for internal management purposes), it is safer for trading to be restricted to particular 'windows' of opportunity.

Strictly speaking, there is no particular time during which it is safe to deal in CRL Securities. The sole test is whether, at the particular time, a director, officer or employee is in possession of price sensitive information which is not generally available in the market.

However, there are certain periods of the year during which CRL People should not deal in CRL Securities due to the proximity of those periods to the release of CRL's financial or trading results, and hence a heightened risk of actual or perceived insider trading. CRL People are restricted from trading in CRL Securities during those periods, called 'blackout periods', as set out below.

CRL People can only deal in CRL Securities during the following periods:

- in the four weeks following the release of the annual accounts;
- in the four weeks following the release of the half-yearly results; and
- in the four weeks following the Annual General Meeting.

All other times throughout the year other than those set out above are considered to be 'blackout periods' and CRL People are prohibited from dealing in CRL Securities during these periods.

It is worth noting that even during the four week 'window' periods listed above, it is important to be aware that there may be occasions when it is not proper for CRL People to deal in CRL Securities because of their knowledge of impending or actual developments which are not known in the market place. There are, of course, times when a company is considering a major event (such of those referred to in paragraph 2.3 above) and will not advise the market of this until the occurrence of the event is more certain.

(b) Exemptions – exceptional circumstances

In exceptional circumstances CRL People may be given prior written clearance to dispose of (but not acquire) CRL Securities where they would otherwise be restricted by this Policy due to the application of a blackout period. Those circumstances are where the person:

- is in severe financial hardship or other exceptional circumstances apply; and
- is not actually in possession of Inside Information in relation to CRL Securities; and
- has consulted the Company Secretary of CRL (or, in the case of the Company Secretary, the Chairman of CRL) and the Company Secretary (or Chairman, as applicable) has given prior written approval to dispose of the CRL Securities.

The Company Secretary (or Chairman, as applicable) has sole discretion to decide whether or not the above circumstances are satisfied.

As a guide:

- severe financial hardship would not normally include a tax liability unless the person has no other means of satisfying the liability; and
- exceptional circumstances may include where the person is required by a court order, or otherwise by applicable law or regulatory requirement, to sell the relevant CRL Securities during a blackout period.

A CRL Person who wishes to seek prior written clearance under this section 3.2(b) must first make a written request to the Company Secretary (or Chairman, as applicable). The request should be in the form specified by CRL from time to time, and should set out the reasons why the applicant considers that clearance should be provided. Any requests and clearances may be provided by email. Any clearance will be valid for two business days from the date it is given, or such other period specified in it.

3.3 Blacklisted Securities

From time to time, CRL will be engaged in certain activities where Inside Information in relation to Securities of another entity may be made available to CRL People as a result of their role or position with CRL. CRL wishes to minimise the risk that such CRL People, because of their position, might be perceived to be engaged in inappropriate dealings, and therefore CRL may blacklist certain Securities in relation to particular CRL People.

Where CRL notifies a CRL Person in writing that they are subject to a blacklist in relation to a particular Security, that person must not deal in the Security for the period of time specified in the notice, unless they first comply with the notification and approval procedure outlined in Section 4.2 below (as if that person were a Restricted CRL Person and the Security were a CRL Security).

A person notified of the application of a Security's blacklisted status must not discuss the fact that the Security is blacklisted with any person other than the Chairman or another director of CRL or the Chief Executive Officer, Chief Financial Officer or Company Secretary of CRL (or any other person approved by the Chairman or Company Secretary from time to time), to the extent necessary for the resolution of any questions or issues.

3.4 Derivatives over CRL Securities

As noted in Section 2.1 above, the insider trading provisions apply to trading in Derivatives, including price protection arrangements ("hedging"), in respect of CRL Securities. It is contrary to CRL policy for CRL People to use, or allow to be used, any such price protection arrangements in relation to any CRL Securities (such as shares, options or performance rights).

3.5 Margin Lending

Margin Lending poses special risks to the compliance of CRL People with this Policy and the law. As such, it is contrary to CRL policy for CRL People to enter into Margin Lending arrangements that involve CRL Securities.

4. Additional Requirements for Restricted CRL People

4.1 Prior notification and approval procedure

Any Restricted CRL Persons wishing to buy or sell CRL Securities **must** advise the Company Secretary (or, in the case of the Company Secretary, the Chairman of CRL) of their intention to do so **before** buying or selling the Securities. This notification obligation operates at all times.

Restricted CRL Persons must not buy or sell CRL Securities until approval has been given by the Company Secretary (or Chairman, as applicable). Notice of the proposed dealing should be given by completing and submitting a notification and request in the form CRL may specify from time to time. Any notifications or approvals may be provided by email.

Any approval will be valid for two business days from the date it is given, or such other period specified in it, meaning that the relevant dealing can only occur during that period (subject to the other requirements of this Policy).

This procedure is intended to (among other things) avoid potential embarrassment and adverse publicity relating to trading in CRL Securities when, for example, there may be important corporate information (whether or not material in a legal context) not publicly released, or when projected financial results may deviate from market expectations.

4.2 ASX notification by directors

Directors should note that the Corporations Act obliges a director to notify the ASX within 14 days after any dealing in CRL Securities (either personally or through a third party) which results in a change in the relevant interests of the director in CRL Securities.

In addition, under the ASX Listing Rules CRL is required to notify the ASX of such dealings within 5 business days of such dealings taking place. Directors have agreed with CRL to provide notice of such dealings to CRL as soon as possible after such dealing to enable CRL to comply with its obligations under the Listing Rules. A notice given by CRL to the ASX under the ASX Listing Rules satisfies the director's obligation to notify the ASX under the Corporations Act.

Any director requiring assistance in this regard should contact the Company Secretary.

4.3 Dealings by Close Associates

This Policy extends to the Close Associates of a Restricted CRL Person in relation to CRL Securities, including immediate family members of the Restricted CRL Person and any trusts, companies and other entities that the Restricted CRL Person controls.

This means that each Restricted CRL Person must take all reasonable steps to ensure that their Close Associates comply with this Policy in relation to CRL Securities. This includes taking all reasonable steps to ensure that their Close Associates do not engage in insider trading or short-term dealings in CRL Securities or deal in CRL Securities during an applicable blackout period, and that their Close Associates comply with the notification and approval procedure outlined in Section 4.2 above if that would be required for the dealing by the Restricted CRL Person in the CRL Securities.

5. Definitions

For the purposes of this Policy, the following terms have the meaning set out below:

ASX means the Australian Securities Exchange.

blackout period means periods during which no CRL Person may trade in CRL Securities as set out in Section 3.2(a) above.

Close Associate means, in relation to a Restricted CRL Person:

- (a) a family member of that Restricted CRL Person who may be expected to influence, or be influenced by, that Restricted CRL Person in his or her dealings with Securities (this may include that Restricted CRL Person's spouse, de facto partner and children who live at home, the children of that Restricted CRL Person's spouse or de facto partner who live at home, or dependants of that Restricted CRL Person or that Restricted CRL Person's spouse or de facto partner); and
- (b) a company, trust or other entity which is controlled by that Restricted CRL Person (whether alone or jointly with any other Close Associate).

Corporations Act means the *Corporations Act 2001* of Australia.

CRL means Country Road Limited (ACN 006 759 182).

CRL Group means CRL and its controlled entities.

CRL Person means each director, officer and employee of CRL or an entity in the CRL Group, and **CRL People** has a corresponding meaning.

deal includes, in relation to Securities, an acquisition or disposal of the Securities, or the entry into a Derivative in relation to the Securities, or the grant, acceptance, acquisition, disposal or exercise of an option to acquire or dispose of the Securities, or the use of the Securities as security or the grant of any encumbrance over the Securities, or the engagement in any other transaction involving a beneficial interest or a change in beneficial ownership of the Securities, or the entry into any agreement to do any of the above things. This includes, without limitation, engaging in securities lending.

Derivatives has the meaning given in section 761D of the Corporations Act and includes options, forward contracts, swaps, futures, warrants, caps and collars.

Inside Information means, in relation to any Securities, any information that is not generally available and that, if it were generally available, a reasonable person would expect it to have a material effect on the price or value of the relevant Securities, as discussed in Section 2.2 above. Information is 'generally available' if, amongst other things, it consists of readily observable matter or it has been brought to the attention of investors by an ASX announcement and a reasonable period for its dissemination has elapsed since the announcement. A reasonable person would be taken to expect information to have a material effect on the price or value of particular Securities if the information would, or would be likely to, influence persons who commonly acquire Securities in deciding whether or not to acquire or dispose of the particular Securities in question.

Margin Lending includes the borrowing of money against the value of CRL Securities, where the loan is secured by those CRL Securities.

Restricted CRL Person means:

- (a) each director of CRL;
- (b) the Company Secretary of CRL;
- (c) each member of the CRL Executive Management Committee; and
- (d) any other CRL Person who is one of the CRL Group's key management personnel,

and **Restricted CRL People** has a corresponding meaning.

Securities include shares, options, rights, debentures, interests in a managed investment scheme, Derivatives and other financial products covered by the insider trading provisions of the Corporations Act.