

Securities Trading Policy

1. Introduction

The shares of Volt Power Group Limited (Company) are listed on the ASX. The Board has established this policy to apply to trading in the Company's shares on ASX. This policy applies to those persons defined below as Representatives of the Company.

This policy outlines:

- (a) When Representatives may deal in Company Securities;
- (b) When Representatives are permitted to deal in listed securities of another entity (because they may obtain Inside Information about another entity's securities while performing their duties for the Group); and
- (c) Procedures to reduce the risk of insider trading and the appearance of insider trading.

The objectives of this policy are to:

- (a) Minimise the risk of Representatives contravening the laws against insider trading;
- (b) Ensure the Company is able to meet its reporting obligations under the ASX Listing Rules; and
- (c) Increase transparency with respect to trading in Company Securities by Representatives.

To achieve these objectives, Representatives should consider this Policy to be binding on them in the absence of any specific exemption by the Board.

2. Defined Terms

In this Policy, the terms below shall bear the following meanings:

Approving Officer means:

- (a) for an Employee, the Chief Executive Officer;
- (b) for a director (except the Chairman), the Chairman of the Board; and
- (c) for the Chairman of the Board, any other two directors.

Authorised Officer means the Company Secretary of the Company, or in his absence, the Managing Director.

ASX means ASX Limited (ABN 98 008 624 691) and where the context permits, the Australian Securities Exchange operated by ASX Limited.

Business Day means any day of the week other than a Saturday, Sunday or Public Holiday.

Closed Period means a period in which Representative are prohibited from dealing in Company Securities, including:

- (a) from the date of any draft or preliminary information being made available to, or a person becomes aware of, relating to annual, half yearly or quarterly results;
- (b) within the month prior to the planned release of annual, or quarterly half yearly results;
- (c) within the month prior to the issue of a prospectus; and
- (d) where price sensitive information has not been disclosed because of an ASX Listing Rule exception.

Company means Volt Power Group Limited (ACN 009 423 189).

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Company Securities means all securities in the Company or a Group member whether or not listed or traded on the ASX or other financial market in Australia (including financial products issued or created over or in respect of the Company's Securities).

Corporations Act means the *Corporations Act 2001*.

Deal or **Dealing** in securities includes:

- (e) Applying for, acquiring, or disposing of, securities;
- (f) Entering into an agreement to apply for, acquire, or dispose of, securities; or
- (g) Granting, accepting, acquiring, disposing, exercising or discharging an option or other right or obligation to acquire or dispose of securities.

Generally available information is information that:

- (a) Is readily observable;
- (b) 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 as reasonable period for that information to be disseminated has elapsed since it was made known; or
- (c) Consists of deductions, conclusions or inferences made or drawn from information falling under paragraphs (a) or (b) above.

Inside Information means information that:

- (d) is not generally available; and
- (e) if it were generally available, a reasonable person would expect it to have a Material Effect on the price or value of Company Securities.

Key Management Personnel (KMP) means those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity in accordance with AASB 124 'Related Party Disclosure'.

Material or **Material Effect**: in relation to this Policy, information is taken to be Material or will have a Material Effect 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 Company Securities.

Representative being any person employed in any capacity by the Company or any of its subsidiaries and include full-time, part-time, casual employees and contractors. This includes family members and entities closely connected to Key Management Personnel of the entity.

3. Insider trading

If a person has information about securities and the person knows, or ought reasonably to know, that the information is Inside Information, the person is prohibited from:

- (a) Dealing in the securities
- (b) Procuring another person to deal in the securities; or
- (c) Giving the information to another person who the person knows, or ought reasonably to know, is likely to:
 - (i) Deal in the securities; or
 - (ii) Procure someone to Deal in the securities.

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.

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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.

4. When Representatives may deal

- (a) A Representative may only deal in Company Securities if he or she has complied with paragraph 8 below.
- (b) A Representative may deal in the securities of another publicly traded entity if he or she does not have information that he or she knows, or ought reasonably to know, is Inside Information in relation to Company Securities.

5. When Representatives may not deal

A Representative may not Deal or procure another person to Deal in Company Securities if he or she has information that he or she knows, or ought reasonably to know, is Inside Information in relation to Company Securities. A Representative must not also deal during a Closed Period.

6. Excluded trading

Subject to the insider trading provisions of the *Corporations Act 2001*, the following types of trading are excluded from the operation of the Securities Trading Policy:

- (a) Transfers of Company Securities already held into a superannuation fund or other savings scheme in which the Representative is a beneficiary
- (b) Transfers of Company Securities where there is no change in beneficial ownership
- (c) An investment in, or trading units of, a fund or other scheme (other than a scheme only investing in the Company Securities) where the assets of the fund or other scheme are invested at the discretion of a third party
- (d) Where a Representative is a trustee, trading in Company Securities by that trust provided the Representative is not a beneficiary of the trust and any decision to trade during a Closed Period is taken by the other trustees or by the investment managers independently of the Representative
- (e) Undertakings to accept, or acceptance of, a takeover offer
- (f) Trading under an offer or invitation made to all or most of the Company Security holders, such as, a 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. 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 pro rata issue
- (g) Acquisitions of Company Securities under a bonus issue made to all holders of Company Securities of the same class
- (h) The exercise (but not the sale of Company 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 Closed Period or the Company has had a number of consecutive Closed Periods and the Representative could not reasonably have been expected to exercise it at a time when free to do so
- (i) Trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in the Securities Trading Policy (including a plan whereby the Company or an agent sells Company Securities on

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behalf of the Representative to meet any tax consequences arising from the conversion of rights or exercise of options held by the Representative) and where:

- i. The Representative did not enter into the plan or amend the plan during a Close Period; and
 - ii. The trading plan does not permit the Representative to exercise any influence or discretion over how, when or whether to trade.
- (j) The issue or grant of Company Securities by the Company to a Representative where shareholder approval for the issue of the Company Securities has been obtained and if Inside Information exists both the Company and the Representative are fully aware of the Inside Information
- (k) A disposal of Company Securities that is the result of a secured lender exercising their rights, for example, under a margin lending agreement

7. Exceptional circumstances

Dealings in Company Securities by Representatives during a Closed Period may be permitted with the prior written approval from the Approving Officer in the following circumstances:

- (a) Severe financial hardship where the Representative has a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant Company Securities;
- (b) In order to comply an undertaking given to, or an order by, a court, or there is some other overriding legal or regulatory requirement for the Representative to adhere to; and
- (c) Such other exceptional circumstances as may from time to time be determined by the Approving Officer to be consistent with the objectives of the Securities Trading Policy.

The Representative seeking clearance must satisfy the Approving Officer that they are in severe financial hardship or that their circumstances are otherwise exceptional and that the proposed sale or disposal of the relevant Company Securities is the only reasonable course of action available.

The Approving Officer may seek legal advice prior to any decision on whether to approve any Dealings in Company Securities.

8. Clearance procedures for securities dealing

- (a) A Representative must inform the Approving Officer at least two business days prior to dealing in Company Securities by submitting a Security Trading Request.
- (b) The Approving Officer must approve or reject the Securities Trading Request as soon as practicable (generally within three business days). The Representative must not deal in Company Securities until it has received clearance from the Approving Officer.
- (c) The Approving Officer may only give clearance during periods that are not Closed Periods or in any of the exceptional circumstances listed in the Securities Trading Policy. The Approving Officer may not give clearance during those periods or circumstances if:
 - i. There is a matter about which there is Inside Information in relation to Company Securities when the request for clearance is made, regardless of whether the Representative knows about the matter. In making this determination, the Approving Officer should exercise caution and refuse the clearance if there is any possibility that Inside Information may exist;
 - ii. The Securities Trading Request is lodged during a Closed Period;
 - iii. The proposed dealing is during a Closed Period; and

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- iv. The Approving Officer has any other reason to believe that the proposed dealing breaches the Securities Trading Policy.
- (d) Any clearance given by an Approving Officer must be for a specified duration as determined by the Approving Officer.
- (e) The Approving Officer must keep a record of:
 - a. Any information received from a Representative in connection with this Policy;
 - b. Any Security Trading Requests received; and
 - c. Any clearance given under this Policy.

Irrespective of any clearances given under the Securities Trading Policy, Representatives are not to deal with Company Securities whilst in possession of Inside Information.

9. Dealings by associated persons and investment managers

If a Representative may not deal in Company Securities, he or she has a personal responsibility to take all reasonable and necessary steps to prevent any dealing in Company Securities by:

- (a) Any associated person (including family or nominee companies and family trusts); or
- (b) An investment manager acting on behalf of the Employee or any associated person.

10. Communicating Inside Information

If a Representative has information that he or she knows, or ought reasonably to know, is Inside Information in relation to Company Securities or the listed securities of another entity, the Representative must not directly or indirectly communicate that information to another person if he or she knows, or ought reasonably to know, that the other person would or would be likely to:

- (c) Deal in Company Securities or those securities of the other entity; or
- (d) Procure another person to deal in Company Securities or the securities of another entity.

A Representative must not inform colleagues about Inside Information or its details.

11. Notification of trades in Company Securities

ASX Listing Rules 3.19A and 3.19B require the Company to notify dealing in securities by Directors within 5 business days. Three appendixes are included in the Listing Rules for the purpose of this notification, being Appendix 3X - Initial Director's Interest Notice, Appendix 3Y - Change of Director's Interest Notice and Appendix 3Z - Final Director's Interest Notice.

Section 205G of the *Corporations Act 2001* requires a Director of a listed company to notify ASX within 14 days of acquiring or disposing of a relevant interest in any securities of the Company. This is an obligation of the Director, not the Company. There is no prescribed form for such notifications. ASIC has granted relief from the requirements of section 205G where notifications are made by the Company under Listing Rules 3.19A and 3.19B.

All Personnel are required to notify the Managing Director or, in his absence, the Company Secretary of any dealings in securities within 5 business days.

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12. Speculative dealing

A Representative may not deal in Company Securities on considerations of a short-term nature.

13. Hedging Prohibition

A Representative must not enter hedging arrangements with respect to securities in the Company (including any shares, options and rights) including entering into transactions in financial products that operate to limit the economic risk associated with holding securities in the Company. This includes limiting exposure to risk in remuneration, regardless of whether it has vested, remains subject to a holding lock or payable in the foreseeable future.

14. Breach of Policy

Strict compliance with this policy is mandatory for all persons covered under this policy. Breaches of this policy may damage the Company's reputation in the investment community and undermine confidence in the market for Company Securities. Accordingly, breaches will be taken very seriously by the Company and will be subject to disciplinary action, including possible termination of a person's employment or appointment.

A breach of this Policy may also be a breach of the law for which the Representative may be found criminally and civilly liable.

Insider trading is a criminal offence and is punishable by substantial fines and/or imprisonment.

15. Assistance and additional information

Representatives who are unsure about any of the information they may have in their possession, and whether they can use that information for Dealing in Company Securities, should contact the Authorised Officer.