



Share Trading Policy

Policy Objectives

As part of the duty to avoid conflicts, the Corporations Law prohibits any director or employee of a company from making improper use of:

- his or her position with the company; or
- information acquired by virtue of that position, to gain (directly or indirectly) an advantage for any person or to cause detriment to the company.

In addition, the Corporations Law prohibits any person from trading in securities of a company at a time when that person possesses certain information that is not generally available and which, if disclosed publicly, would be likely to materially affect the market price of the securities.

Directors and employees are encouraged to be long-term holders of Arq Group's shares. However, in light of the prohibitions in the Corporations Law and the ASX Listing Rules, it is important that care is taken in the timing of any trading in Arq Group's shares by its directors and employees.

These guidelines set out our policy on the trading in Arq Group shares by its directors and employees. The purpose of these guidelines is to assist directors and employees to comply with the law and to adequately manage conflicts of interest. In some respects, this policy extends beyond the strict requirements of the Corporations Law.

These guidelines include a basic explanation of what constitutes insider trading and our policy to prevent it, including:

- a description of what conduct may constitute insider trading;
- a description of the safest times for directors and employees to buy or sell shares in Arq Group in order to minimise the risk of insider trading;
- closed periods during which directors, officers and key management personnel (and parties related to them) are not permitted to trade in Arq Group shares; and
- the steps for directors and employees to take when buying or selling share in Arq Group.





Insider Trading is Prohibited

What is insider trading?

Insider trading is a criminal offence. It may also result in civil liability. In broad terms, a person will be guilty of insider trading if:

- (a) that person possesses information which is not generally available to the market and, if it were generally available to the market, would be likely to have a material effect on the price or value of a company's securities (i.e., information that is 'price sensitive'); and
- (b) that person:
 - buys or sells securities in Arq Group; or
 - procures someone else to buy or sell securities in Arq Group; or
 - passes on that information to a third party where that person knows, or ought reasonably to know, that the third party would be likely to buy or sell the securities; or
 - procures someone else to buy or sell securities of Arq Group.

Information is generally available if:

- it consists of readily observable matter; or
- it has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in securities of bodies corporate of a kind whose price or value might be affected by the information, and since it was so made known, a reasonable period for it to be disseminated among such persons has elapsed.

Examples

To illustrate the prohibition described above, the following are possible examples of price sensitive information which, if made available to the market, may be likely to affect materially the price of Arq Group shares:

- the likely grant (or loss) of a major domain names registration services contract;
- Arq Group considering a significant new joint venture or partnering arrangement which could result in a material increase in its revenues or profits;
- Arq Group considering a major acquisition or a disposal of a line of business;
- a proposal to launch a significant new product or service;
- Arq Group's financial results materially exceeding (or falling short of) the market's expectations; or
- the threat of major litigation against Arq Group.





Dealing through third parties

A person does not need to be a director or employee of Arq Group to be guilty of insider trading in relation to securities in Arq Group. The prohibition extends to dealings by directors and employees through nominees, agents or other associates, such as family members, family trusts and family companies.

Information however obtained

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

Employee share schemes

The prohibition does not apply to subscriptions for shares by employees made under an employee share scheme. However, the prohibition will apply to the disposal of shares acquired under such a scheme. It could also apply to the exercise of employee options.

Dividend Reinvestment Plan

The prohibition does not apply to shares issued pursuant to the company's Dividend Reinvestment Plan.

Guidelines for Trading in Arq Group's Securities

General rule

Directors and employees of Arq Group **must not buy or sell shares** in Arq Group when they possess price sensitive information which is not generally available to the market.

In addition, directors, officers and key management personnel must not buy or sell shares in Arq Group during a "closed period" except with prior approval as set out in this policy. The term "Key management personnel" is defined by reference to the Australian Accounting Standards Boards' AASB 124).

No short-term trading in Arq Group's securities

It is also contrary to Company policy for directors and employees to be engaged in short-term trading of Arq Group's shares. For example, buying and selling Arq Group's shares within a short period of time with the view of realising a profit or minimising a loss as opposed to holding the shares as a long term investment.





Safest times to deal in Arq Group's securities

Generally, directors and employees of Arq Group should be wary of dealing in Arq Group's shares or the shares of any other companies with which Arq Group is or may be involved.

The only appropriate time for a director or employee to acquire or sell Arq Group's shares is **when he or she is not in possession of price sensitive information which is not generally available to the market.**

In addition, directors, officers and key management personnel may not deal in Arq Group's shares during the following periods ("closed periods") unless expressly permitted in writing to do so by the Chairman:

- from the close of each half-yearly or yearly results period (i.e. 30 June and 31 December each year) until 24 hours following the release of Arq Group's half-yearly or yearly results;
- the two weeks immediately before the Annual General Meeting when it is customary for the Chairman and CEO to provide further information about Arq Group's current performance; or
- any other period which may be designated as a "closed" or "black-out period" by the Chairman.

In the past, the view has been that it is safest to trade in a company's securities during 'window' periods immediately following the release of information to the public; for instance, in the period following the Annual General Meeting or the release of the annual or half-yearly results.

However, publicly listed companies and other disclosing entities are now required by statute to disclose price sensitive information on an on-going basis. Therefore, it is no longer relevant to refer to specific 'window' periods during which it is safest to trade in a company's securities. There are, however, certain carve-outs from a listed company's continuous disclosure obligation (such as where the information relates to confidential and incomplete negotiations of a material transaction). Accordingly, directors and employees cannot assume that they are always free to trade outside of the "closed" periods set out above.

Once price sensitive information which was not previously available to the market has been released to the market, it is safest to trade in Arq Group's securities after a reasonable amount of time has passed in respect of the market announcement. What is a reasonable amount of time in the circumstances is a matter of judgement, however, the question is whether enough time has passed for investors or shareholders to have obtained the information.

If in doubt, queries should be directed to the Chairman (in the case of directors) or Company Secretary (in the case of employees).





Clearance procedures

Any director, officer or key management personnel of the Company wishing to trading in Arq Group's shares, or exercise options over Arq Group's shares, **must** advise the Chairman (in the case of directors) or the Company Secretary (in the case of an executive officer or key management personnel) of their intention to do so **before** buying or selling the shares or exercising options. This notification obligation operates at all times.

Directors, and key management personnel must not buy or sell Arq Group's shares, or exercise options, until approval has been given by the Chairman (in the case of directors) or the CEO (in the case of key management personnel). Approval will only be granted to trade during a closed period in certain exceptional circumstances such as severe financial hardship or any other circumstance which the Board determines appropriate. It is important to stress, however, that **this approval does not absolve the person proposing to deal of their obligation to comply with the law**. It is a means of giving the director or executive officer greater comfort (for example, there may be something imminent which may be material but of which they are not yet aware and it may cause subsequent embarrassment were trading to have occurred shortly prior to such a development being announced). It is not a **sanction**.

This procedure should prevent potential embarrassment and adverse publicity concerning trading Arq Group's shares 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.

ASX notification by Arq Group

The ASX Listing Rules requires Arq Group to notify the ASX within 5 days of any dealing by a director in Arq Group's shares (either personally or through a third party) which results in a change in the relevant interests of the director in Arq Group's shares. It is also necessary to advise whether the trade occurred during a closed or 'blackout' period and, if so, whether prior written approval was granted. A director should therefore also contact the Company Secretary prior to dealing in any of Arq Group's shares to enable Arq Group to comply with this requirement.

