



# Security trading policy

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## 1. Introduction

As a public and proposed listed company, the relevant corporation law and Australian Securities Exchange rules imposes restrictions on employees trading in the shares of Calix Limited and/or its subsidiaries. This policy applies to all Calix Group employees, Directors, and contractors and their associates. This policy contains:

- a) Basic guidelines that apply to all employees, Directors, and contractors; and
- b) Additional restrictions on trading by Directors and Key Management Personnel (as defined below).

Any breaches of this policy will be severely dealt with and may lead to summary termination. Any queries concerning this policy should be directed to the Company Secretary.

## 2. Definitions

In this policy:

- a) "Rules" means the Rules as updated from time to time of the Australian Securities Exchange market as applicable to Calix from time to time.
- b) "Associated Parties" means immediate family (including a spouse (or equivalent) or dependent), family company or trust or an entity in which a material interest is held.
- c) "Inside Information" means information that an employee (or director or contractor) knows or should know:
  - d) is not generally available; and
  - e) would be likely to have a material effect on the price or value of any company's securities (not just the Company's securities) if it was generally available.
- f) "securities" means and includes all ordinary shares, preference shares, debentures, convertible notes, options and derivatives such as warrants in an enterprise or options over shares in the enterprise.
- g) Clauses 1 to 3 of this Policy outline the procedures and rules prior to the Company listing on the ASX. Clauses 1-4 of this Policy outline the procedures and rules after the Company lists on the ASX.
- h) "Designated Persons" means Directors, executives and employees, contractors, consultants and advisors.

## 3. Guidelines for all staff— insider trading (pre and post listing)

- a) Employees are reminded that they are prohibited by law from trading in any securities of Calix, any of its related corporations or any other body corporate when in possession of Inside Information.
- b) This policy applies to all securities (whether issued by Calix, a subsidiary of Calix or any other company including any customers or suppliers of Calix).

- c) Persons covered by this policy must not trade through any member of their family or trade through a trust or company over which they have influence or control, in circumstances where they would be prohibited from trading in their own name.
- d) This prohibition extends to procuring another person to trade and, in the case of securities of listed corporations, to communicating the Inside Information to another person if the employee knows, or should know, that the other person would, or would be likely to, trade in the securities in question or procure another person to do so.
- e) Any person who contravenes the prohibition against insider trading may be found civilly and criminally liable. The penalties include severe fines and jail terms.
- f) A person in possession of Inside Information about Calix has a duty to keep that information confidential and must not in any way disclose or communicate that information to any person.
- g) These restrictions apply to all Calix Group employees, Directors, and contractors, in Australia, the UK and elsewhere. This Policy provides general guidance about restrictions on insider trading; ultimately it is the responsibility of each employee and director to ensure that none of his or her dealings breaches the law.
- h) Trading includes subscribing for, purchasing or selling, or entering into an agreement to subscribe for, purchase or sell, securities; and "trade" has the corresponding meaning.

#### **4. Additional restrictions on directors and key management personnel (post listing)**

##### 1.2. Scope

These additional restrictions apply to:

- a) Directors of Calix or its related companies;
- b) All staff who are paid on a monthly basis;
- c) Professional consultants and technical contractors to the Company employed on the Company premises;
- d) The Managing Director ('MD') of the Company or any subsidiary company;
- e) Any person who directly reports to the MD;
- f) Executive assistants to the MD, Company Secretary, Chief Financial Officer and Financial Controller;
- g) The corporate accountants, including the Financial Controller;
- h) Any other person that the MD informs in writing as being included within this category, Key Management Personnel; and
- i) Any other person having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly (together these persons comprise the "Key Management Personnel").

In order to preserve the reputation and integrity of Calix it is vital that when people associated with Calix deal in the Company's securities those dealings are not only fair but are seen to be fair. When Directors or Key Management Personnel deal in securities of Calix, such dealings must not reflect badly on them or the Company.

The law imposes a number of significant restrictions on Directors and other employees when they deal in the Company's securities. The Corporations Act 2001 (Cth) imposes severe penalties (both criminal and civil) on persons who conduct insider trading activities. The Rules also restrict trading in securities by employees of

listed companies. Perhaps more importantly, any perceptions of improper conduct by Calix Director's or Key Management Personnel have the potential to substantially damage the Company's reputation.

### 1.3. Disclosures to Security Analysts, Investors and Journalists

Directors and Key Management Personnel may be exposed to persons outside Calix such as security analysts, institutional investors and journalists. It is important that Directors and Key Management Personnel are aware that selective disclosure of non-public information may result in a breach of the insider trading rules. Information should be disclosed according to the Company's Continuous Disclosure Policy.

### 1.4. Restrictions on Trading in Securities

In addition to the overriding prohibition on dealing in securities when a person is in possession of Inside Information, Directors and Key Management Personnel must comply with the following restrictions (and ensure that their Associated Parties also comply):

#### a) Prohibition on Trading in Calix Securities

The Rules require that Directors and Key Management Personnel do not trade in Calix securities during certain 'close periods', which are:

- i. Two months before Calix publishes its preliminary annual results (or the period from 30 June to when Calix publishes, whichever is shorter);
- ii. Two months before Calix publishes its half-yearly results (or the period from 31 December to when Calix publishes, whichever is shorter);
- iii. One month before Calix publishes its Quarterly reports if Calix is listed on a basis that requires production of quarterly reports pursuant to the ASX Listing Rules (or the period from the end of the quarter to when Calix publishes, whichever is shorter).

The close periods based on Calix's current reporting calendar are marked 'X' below:

<b>Jan</b>	<b>X</b>	Quarterly results due end of Jan
<b>Feb</b>	<b>X</b>	Half Yearly results due end of Feb
<b>Mar</b>		
<b>Apr</b>	<b>X</b>	Quarterly results due end of April (where Calix is listed on a basis that requires production of quarterly reports)
<b>May</b>		
<b>Jun</b>		
<b>Jul</b>	<b>X</b>	Quarterly results due end of July (where Calix is listed on a basis that requires production of quarterly reports)
<b>Aug</b>	<b>X</b>	Preliminary annual results due end of August
<b>Sep</b>		
<b>Oct</b>	<b>X</b>	Quarterly results due end of October (where Calix is listed on a basis that requires production of quarterly reports)
<b>Nov</b>		
<b>Dec</b>		

Apart from these periods, which relate to when the Company releases financial results, the Rules also define a 'close period' by reference to 'unpublished price sensitive information' — thereby reinforcing the restriction on insider trading, discussed above.

b) Prohibition on Short-Term Trading

Directors and Key Management Personnel are generally prohibited from 'Short-Term Trading', which means buying and selling the same Calix securities within a six month period. ('Day-trading' is an extreme example of Short-Term Trading.) Short-Term Trading does not mean exercising an option granted under the Calix Share Option Plan (not yet implemented at the date of this Policy); that is, Directors or Key Management Personnel may acquire shares in Calix by exercising options, and then sell the shares within six months.

This embargo on Short-Term Trading may be exempted in limited circumstances. (Note that the Inside Information restrictions in Section 3 above still apply). Requests for such an exemption should be made to the Chair with a copy to the Company Secretary.

c) Exceptions to Trading Restrictions

The prohibition on trading in the 'close periods' does not apply to the following dealings:

- i. transfers of securities of the Company already held by Directors or Key Management Personnel to a superannuation fund or other saving scheme in which that Directors or Key Management Personnel is a beneficiary;
- ii. undertakings to accept, or the acceptance of, a takeover offer;
- iii. trading under an offer or invitation made to all or most of the 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; and
- iv. The 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 prohibited period and the Company has been in an exceptionally long prohibited period or the Company has had a number of consecutive prohibited periods and the Directors or Key Management Personnel could not reasonably have been expected to exercise it at a time when free to do so]

The Board may also, in exceptional circumstances, authorise Directors or Key Management Personnel (or their Associated Parties) to trade in Calix securities during an embargo period. Such exceptional circumstances comprise only the following:

- i. if Director, Key Management Personnel or their associate will be in severe financial hardship if they cannot trade in Calix securities;
- ii. if Director, Key Management Personnel or their associate are required by a court order, court enforceable undertaking or other legal or regulatory requirement to transfer or sell their Calix securities; or
- iii. as the Company recognises that exceptional circumstances, by their nature, cannot always be specified in advance, where the circumstance have been deemed exceptional by the Chair or, where the Chair is involved, the Managing Director. The onus of proof that a circumstance or set of circumstances is exceptional for the purposes of the exception rests with the relevant Director or Key Management Personnel. Such Director or Key Management Personnel must satisfy the Chair that they are in severe financial hardship or that their circumstances are otherwise exceptional and that the proposed trading of the relevant securities is the only reasonable course of action available.

An exemption will not be granted if the Board considers that the person has access to information that is not generally available, but if it were, would be likely to "materially affect" the price of Calix securities. An exemption will also only be granted if allowed under the Rules, which allow certain exceptions where binding

commitments have been entered into before the close period, or to alleviate severe personal hardship. Requests for such an exemption should be made to the Chair with a copy to the Company Secretary.

d) Board of Directors' Discretion

The Board of Calix have an absolute discretion to place an embargo on individual Directors or Key Management Personnel members from trading in Calix securities at any time.

#### 1.5. Notification Rules for Dealing in Calix Securities

a) Notification Rules for Directors

Directors are required to notify the Chair of any intention to trade securities three working days before any such intended dealings take place. This will allow the Company to notify its 'Nominated Advisor' on the market prior to trades by Directors.

The ASX Listing Rules require the Company to disclose details of Directors' interests in securities, and in contracts relevant to securities. The Company has therefore entered into an agreement with each Director under which the Director must provide the necessary information to the Company within three business days after the date of the transaction. This should be done by written notice (which may be via email) to the Chair (with a copy to the Company Secretary) showing:

- i. Name of Shareholder / Optionholder
- ii. Date of Transaction
- iii. Type of Transaction (Purchase, Sale, etc.)
- iv. Number of Securities
- v. Price per Security

In the case of trades by an organisation (private company, etc.) in which a Director has a material interest, the Director concerned must notify the Company of trades in securities of the Company (or its subsidiaries) by that organisation in accordance with the terms of this policy.

b) Notification Rules for other Key Management Personnel

Key Management Personnel are required to notify the Chair of any intention to trade securities three working days before any such intended dealings take place.

Key Management Personnel must also notify the Company of dealings in securities of the Company (by the Key Management Personnel member or an Associated Party) within three days of such trading. This should be done by written notice (which may be via email) to the Chair (with a copy to the Company Secretary) showing the details set out in (a) above.

## 5. Amendments to this policy

The Board reserves the right to amend this policy from time to time. Where an amendment to this policy would be considered a material change under the ASX Listing Rules, the Company must give the amended policy to the ASX company announcements office for release to the market within five business days of the material changes taking effect.

Examples of amendments that would constitute material changes include:

Changes to the fixed periods specified in this policy as periods when Key Management Personnel are prohibited from Trading in the Company's securities (ie 'close periods');

Changes with respect to Trading that is excluded from the operation of this policy; and

Changes with respect to the exceptional circumstances in which Key Management Personnel may be permitted to Trade during a close period.

If an amendment to this policy initiated by the Board does not constitute a material change, the Board is not required to provide the ASX company announcements office with the amended trading policy, but may, in its discretion, choose to provide the amended trading policy to the ASX company announcements office.



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Peter Turnbull

Chair

Version adopted by the board on 28 April 2018

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[www.calix.global](http://www.calix.global)