

## 1. PURPOSES

Southern Cross Media Group Limited (**Company**) has adopted this policy for the purposes of:

- (a) explaining the conduct in relation to dealings in securities including insider trading that is prohibited under the Corporations Act 2001 (Cth) and the procedures that apply to protect the Company and its people from breaching those prohibitions;
- (b) minimising the risk of insider trading in the Company's Securities and eliminating any appearance of possible insider trading; and
- (c) maintaining public confidence in the good reputation of the Company and its people and in trading of the Company's securities.

## 2. SCOPE OF THIS POLICY

- (a) This policy applies to all directors, officers, employees and contractors of the Company (**Personnel**).
- (b) All Personnel are prohibited from Dealing in any Securities where a Personnel has Inside Information in relation to those Securities, and passing on Inside Information to others who may Deal in the Securities.
- (c) Additional trading restrictions apply to Designated Persons. Designated Persons must also take steps in relation to Dealings by their Connected Parties. See section 4 (Additional Restrictions for Designated Persons) for further information in relation to Connected Parties.
- (d) If in doubt, Personnel should not Deal and should contact the Company Secretary.

## 3. RESTRICTIONS ON ALL PERSONNEL – INSIDER TRADING

### 3.1 What is Inside Information?

- (a) **Inside information** is information that:
  - (i) is not generally available (see section 3.2); and
  - (ii) if it were generally available, a reasonable person would expect it to have a material effect on the price or value of Securities or on a decision to buy or sell Securities.
- (b) Inside Information could be rumours, speculation, matters of supposition or inference, intentions of a person (including the Company) and information which is insufficiently definite to warrant disclosure to the public. The financial impact of the information is important, but strategic and other implications can be equally important in determining whether information is Inside Information.

### **3.2 When information is 'generally available'**

Information is generally available if it:

- (a) is readily observable;
- (b) has been brought to the attention of people who commonly invest in the Securities (e.g. through an announcement to ASX), and a reasonable time period has passed; or
- (c) consists of deductions, conclusions, or inferences made or drawn from the available information.

### **3.3 Prohibition on insider trading**

- (a) If you have any Inside Information about the Company (or another relevant entity, such as a company with which the Company is considering a transaction with) which is not publicly known, it is a criminal offence for you to:
  - (i) Deal in Securities of the Company or the other relevant entity;
  - (ii) advise or procure another person to Deal in Securities of the Company or the other relevant entity; or
  - (iii) pass on (directly or indirectly) the Inside Information to someone else (including colleagues, family, friends, or other Connected Parties) knowing (or where you should have reasonably known) that the other person will, or is likely to, use that Inside Information to Deal in, or procure someone else to Deal in, Securities of the Company or the other relevant entity.
- (b) This offence is called "insider trading".
- (c) These prohibitions apply no matter how Personnel learn of the Inside Information, and regardless of whether they Deal in their own name. Personnel need not be an "insider" to come across Inside Information. It does not matter how Personnel come to know the Inside Information (e.g. they could 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).

### **3.4 Insider trading is prohibited at all times**

The insider trading prohibitions apply at any time when Personnel have Inside Information even where: the Dealing falls outside a Blackout Period;

- (a) the Dealing falls within an exclusion under this policy; or
- (b) clearance has been given for the Dealing (whether in exceptional circumstances or otherwise).

### 3.5 Consequences of insider trading

If you engage in insider trading, you can be subject to:

- (a) criminal liability including large fines and imprisonment;
- (b) civil liability or penalty, which may include being sued for any loss suffered as a result of the insider trading; and
- (c) reputational damage, which may occur even where an insider trading breach is not proven.

### CONFIDENTIAL INFORMATION

4. All Personnel have a duty of confidentiality to the Company and must not reveal any confidential information concerning the Company, use that information in any way that may injure or cause loss to the Company, or use that confidential information to gain an advantage for themselves or someone else. additional restrictions for designated persons.

#### 4.1 Restrictions on trading during Blackout Periods

- (a) In addition to the prohibition on insider trading (see section 3) which applies at all times, Designated Persons are not permitted to Deal in the Company's Securities during a Blackout Period, except where exceptional circumstances apply and with the prior written approval of the Clearance Officer under section 4.3:

Designated Person	Clearance Officer
Chairman of the Board	Chair of the Audit and Risk Committee
Other Designated Person	Chairman of the Board

- (b) The relevant Clearance Officer may appoint a delegate to act on their behalf (e.g. if they are temporarily unavailable).

#### 4.2 When are the Blackout Periods?

- (a) **Blackout Period** means any of the following periods:
  - (i) the period beginning on 1 January and ending at 10:00am on the next trading day after release of the Company's results for the six months ended on the preceding 31 December;
  - (ii) the period beginning on 1 July and ending at 10:00am on the next trading day after release of the Company's results for the year ended on the preceding 30 June;
  - (iii) the period beginning on four weeks before the Company's AGM and ending at 10:00am on the next trading day after the Company's AGM; and

- (iv) any other period notified by the Company Secretary to Designated Persons in accordance with section 4.2(b).
- (b) In consultation with the Chairman, the Company Secretary will give notice of a Blackout Period if information that is available to Designated Persons:
  - (i) is not required to be disclosed by the Company (e.g. under the continuous disclosure provisions of the ASX Listing Rules and the Corporations Act); but
  - (ii) if generally available, could affect the price or value of the Company's Securities.

#### **4.3 Exemption in exceptional circumstances**

- (a) The Clearance Officer will grant approval for a Designated Person to dispose of the Company's Securities during a Blackout Period only in exceptional circumstances, such as where a person is in severe financial hardship (i.e. can only meet financial commitment by selling their Securities), is bound by a court order or a court enforceable undertaking, or some other overriding legal or regulatory requirement to transfer, or accept a transfer of, Securities. Approval to acquire the Company's Securities during a Blackout Period will not be granted.
- (b) A Designated Person who wishes to obtain the Clearance Officer's approval must submit their request in writing to the Company Secretary providing details of the exceptional circumstances. The Designated Person must include a statement in their request that they are not in possession of any Inside Information that might preclude them from trading. The Company Secretary must pass on the request directly to the relevant Clearance Officer.
- (c) A request for clearance to Deal will be answered as soon as practicable. The Clearance Officer may refuse approval without providing reasons (in their absolute discretion) and may revoke their approval at any time (including if new information comes to light or there is a change of circumstances). The Clearance Officer's decision is final and binding. If a request is not approved or an approval is revoked, that fact must be kept confidential.
- (d) Any approval granted by the Clearance Officer will be valid for 14 days or a shorter period specified in the approval, otherwise the approval is no longer effective, and fresh approval must be sought. The recipient of the approval will be required to provide evidence of any Dealing executed in reliance on the approval.
- (e) Approval is not an endorsement of the proposed Dealing and each Personnel is responsible for their own investment decisions and ensuring their compliance with the insider trading laws. If Personnel come into possession of Inside Information after receiving a clearance to trade, they must not trade despite having received the clearance.

#### 4.4 Excluded Dealings

Subject to compliance with insider trading laws and ASX disclosure requirements, the following types of trading are excluded from the operation of this policy and do not require prior written clearance (i.e. the restriction in section 4.1(a) does not apply):

- (a) **certain transfers:** transfers of Securities between a Designated Person and Connected Parties, or by a Designated Person to their superannuation fund, in respect of which prior written clearance has been provided in accordance with this policy;
- (b) **pro rata rights issue:** a disposal of rights acquired, or acquisition of, Securities under a pro-rata issue;
- (c) **security purchase plans and dividend or distribution reinvestment plans:** acquisition of the Company's Securities through a security purchase plan or dividend or distribution reinvestment plan where the Designated Person does not commence or amend their participation in the plan during a Blackout Period;
- (d) **pre-determined investment or divestment plans:** acquisition or disposal of the Company's Securities under a non-discretionary trading plan for which prior written clearance has been provided by the board and:
  - (i) the Designated Person did not enter into or amend the plan during a Blackout Period;
  - (ii) the plan does not permit the Designated Person to exercise any influence or discretion over how, when or whether to Deal; and
  - (iii) the plan cannot be cancelled during a Blackout Period except in exceptional circumstances;
- (e) **incentive schemes:** acquisition by a Designated Person of the Company's Securities through the ordinary operation of the Company's incentive plans, or the conversion of a convertible Security;
- (f) **takeover, scheme or buyback:** disposal of the Company's Securities through acceptance of a takeover offer, scheme of arrangement, or equal access buy-back;
- (g) **acting as trustee:** Dealings by Personnel as a trustee, provided they are not a beneficiary of the trust and the decision to Deal is taken by other directors or trustees of the trust independent of them;
- (h) **convertible Securities:** where the final date for the exercise of the option or right, or conversion of the Security falls during a Blackout Period and the Designated Person could not reasonably be expected to have exercised the option or right during a permitted trading period; or
- (i) **indirect and incidental trading:** indirect and incidental trading that occurs as a consequence of a Personnel Dealing in Securities issued by a managed investment scheme, listed investment company, exchange traded fund or similar investment vehicle that is managed by a third party and that happens to hold as part of its portfolio Securities in the Company.

#### 4.5 Other restrictions on trading in the Company's Securities

- (a) Designated Persons and their Connected Parties are prohibited from engaging in the following Dealings:
  - (i) **short term trading:** Dealing in the Company's Securities on a short term trading basis (including buying and selling Securities within three months of purchase or acquisition), except with the prior written approval of the Clearance Officer under section 4.3;
  - (ii) **short selling:** entering into instruments or transactions to borrow and sell Securities with the intention of buying Securities back at a later date;
  - (iii) **security or margin interests:** creating a security interest or other financial interest, or entering into a margin loan, in respect of Securities; and
  - (iv) **hedging:** engaging in hedging arrangements, Dealing in derivatives, or entering into other arrangements which use the Company's Securities as security for loans or that varies economic risk related to the Company's Securities e.g. dealing in warrants, equity swaps, put and call options, contracts for difference and other contracts intended to secure a profit or avoid a loss based on fluctuations in the price of the Company's Securities.
- (b) The board approval cannot be granted for proposed Dealings that are prohibited Dealings.

#### 4.6 Connected Parties

Designated Persons must take appropriate steps to ensure that their Connected Parties only Deal in Securities in circumstances where the Designated Person to whom they are connected would be permitted to Deal under this policy (e.g. by obtaining clearance in accordance with this policy in respect of the Connected Parties' Dealings and not Dealing during Blackout Periods).

### 5. THE FRONT PAGE TEST

- (a) It is important that public confidence in the Company is maintained.
- (b) As a guiding principle, prior to any decision to Deal in Securities, all Personnel should ask themselves:

*"If the market was aware of all the current circumstances, could I be perceived to be taking advantage of my position in an inappropriate way? How would it look if the transaction were reported on the front page of the newspaper?" (The Front Page Test)*
- (c) Dealings that would not satisfy The Front Page Test should not occur, even where the Dealing may not strictly be prohibited under this policy or otherwise at law.

Personnel should consult the Company Secretary if unsure of whether there could be an adverse reputation or perception issue associated with a proposed Dealing.

## 6. DIRECTOR NOTIFICATIONS

- (a) Directors must also comply with all requirements in the Corporations Act and the ASX Listing Rules in relation to notification of Dealings in the Securities.
- (b) Under ASX Listing Rule 3.19A, details of Dealings in the Securities are required to be released to ASX within five business days of the transaction. While the information may be provided to ASX on the director's behalf, the obligation to comply with ASX Listing Rule 3.19A is the responsibility of the director. Under section 205G of the Corporations Act, directors must notify ASX within 14 days after any change in their interest if the Company has failed to do so.

## 7. BREACH OF POLICY

- (a) Compliance with insider trading laws and this policy is an individual's responsibility.
- (b) Strict compliance with this policy is mandatory. Breaches of this policy will be regarded as serious misconduct which may lead to disciplinary action, including removal or dismissal.
- (c) The requirements imposed by this policy are separate from, and in addition to, the legal prohibitions against insider trading in the Corporations Act (see section 3.5 for consequences of breaching insider trading laws).

## 8. REVIEW OF POLICY

- (a) This policy will be reviewed periodically to check that it is operating effectively.
- (b) The Company Secretary is authorised to make administrative amendments to this policy.
- (c) The Company will give the ASX a copy of an amended Policy if it makes a material change within 5 business days of the change taking effect.

## 9. DEFINITIONS

<b>ASIC</b>	The Australian Securities and Investments Commission.
<b>ASX</b>	The Australian Securities Exchange.
<b>Blackout Period</b>	Has the meaning in section 4.2.
<b>Clearance Officer</b>	Has the meaning in section 4.1(a).
<b>Connected Party</b>	(a) A family member who may be expected to influence, or be influenced by, the Designated Person in his or her Dealings with the Company or Company Securities (this may include the Designated Person's spouse, partner and children, the children of the Designated Person's partner, or dependants of the Designated Person or the Designated Person's partner); and

- (b) a company or any other entity which the Designated Person has an ability to control (which may include family trusts or superannuation funds where the Designated Person is a trustee or beneficiary).

**Corporations Act**

The *Corporations Act 2001* (Cth).

**Deal or Dealing**

Applying for, acquiring or disposing of a Security. It also extends to subscribing for new Securities, exercising options over Securities and creating a derivative over Securities and includes entering into an agreement to do any of those things, or entering into an agreement to buy or sell Securities or otherwise apply for, acquire or dispose of Securities.

**Designated Person**

- (a) Directors of the Company;
- (b) Executives of the Company; and
- (c) any other persons who have been advised in writing that they are a “Designated Person” under this policy.

**Executive**

The Chief Executive Officer, any direct executive report to the Chief Executive Officer and their direct executive reports.

**Personnel**

Has the meaning in section 2(a).

**Securities**

In the case of a listed company:

- (a) any share in, or debenture of, the company;
- (b) an option over an unissued share in, or debenture of, the company; and
- (c) a renounceable or unrenounceable right to subscribe for a share in, or debenture of, the company.