



## Guideline 2.04 - Trading (Securities)

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### 1. Application

Policy 2 – Compliance and this Guideline applies to all NQBP Personnel.

### 2. Compliance

#### Insider Trading Prohibition

Under the *Corporations Act 2001* (Cth) (the **Corps Act**), it is illegal for Directors, employees and Contractors of NQBP to deal in any Securities when in possession of information that the person knows, or ought reasonably to know:

- (a) is not generally available; and
- (b) a reasonable person would expect to have a material effect on the price or value of those Securities if it was generally available ("**Inside Information**").

If any of the persons identified above are in possession of Inside Information about Securities, then those persons must not:

- (a) buy, sell or otherwise deal in those Securities;
- (b) encourage anyone else to deal in those Securities;
- (c) pass the information to anyone else that they know, or ought reasonably to know, will deal in those Securities, or encourage someone else to do so.

#### Dealing in NQBP Securities

As NQBP is a Government Owned Corporation (**GOC**) within the meaning of the *Government Owned Corporations Act 1993*, all shares are required to be held by shareholding Ministers.

In these circumstances, none of the "dealing in securities" restrictions and requirements under the Corps Act will be relevant to NQBP securities.

#### Compliance with Insider Trading Laws

Under the Corps Act, any person who contravenes the prohibition against insider trading may be found civilly and criminally liable. The criminal penalty in Australia is based on pecuniary penalties or prison (or both) for an individual, and a substantial monetary fine for a corporation.

Unlimited civil penalties may be payable in the form of compensation to the other parties to the transaction equivalent to the damages caused by the breach of this prohibition. Compensation could include any profits made from the particular inside trade.

#### Conflicts of Interest

In some circumstances, dealing in Securities may also amount to an actual or potential conflict of interest. In these circumstances, reference should be made to NQBP's Guidelines and Procedures in relation to Disclosure and Conflicts of Interest and the Code of Conduct.

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In addition, Schedule 1 to this Guideline includes additional information to help in determining the materiality of a conflict of interest in respect of shareholdings and securities.

### Examples of Inside Information

Directors, employees and Contractors may come into possession of 'Inside Information' about a company outside of the NQBP group, as a result of working on a particular project or assisting on a particular business matter (e.g. a proposed acquisition, construction project, alliance or tender).

While it is not possible to identify all information that would be deemed 'Inside Information' about such a company, the following types of information may be considered to be 'Inside Information' for the purposes of the insider trading prohibition:

- Financial performance, especially quarterly, half-year and year-end financial results and significant changes in financial performance, liquidity or cash flow;
- Company projections, profit forecasts and strategic plans;
- Unpublished announcements;
- Potential mergers, acquisitions, reconstructions, takeovers or the sale of company assets;
- Share splits, public or private securities/debt offerings and other proposed changes in the capital structure or borrowings, or changes in company dividend policies or amounts;
- Significant changes in senior management or on the board of the relevant company; and
- Actual or threatened major litigation or the resolution of such litigation.

### Entities with which the NQBP group interacts

A list of entities with which NQBP interacts, is included for guidance (Schedule 2).

This is a NON-EXHAUSTIVE list included for GUIDANCE ONLY. It should therefore not be relied upon when determining whether an actual breach of this or any other policy, guideline, procedure, standard or the law, has or is likely to occur.

### Condition of Employment

Compliance with the Policy 2 - Compliance and this Guideline is a condition of employment or engagement with NQBP. Breaches of Policy 2 - Compliance and this Guideline (whether or not they involve actual insider trading) will be treated seriously and may lead to disciplinary action, including summary termination.

A failure to disclose a material conflict of interest can also have serious consequences including:

- Disciplinary action;
- A referral of the matter to the Crime and Corruption Commission. If the Crime and Corruption Commission then considers that the circumstances could give rise to corrupt conduct, a range of actions may be undertaken including an investigation by the Crime and Corruption Commissioner or by NQBP and the imposition of penalties and sanctions; and
- Potential criminal sanctions under s.92A of the Criminal Code.

### Reporting of Breaches

If any person:

- to which the Compliance Policy and this Guideline applies, breaches the Compliance Policy and this Guideline or any laws governing insider trading; or
- is or becomes aware of any such breaches by Directors, officers, or employees or Contractors of NQBP,

the relevant person must report the breach immediately to the Chief Executive Officer or Chairman of the Board. The Board will be informed accordingly and will decide on the appropriate action to take.

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### Who to Contact

Individuals should direct their questions about the Compliance Policy and this Guideline and its application in the first instance to their supervisor or manager. If further assistance is required, questions may be directed to the Company Secretary or the Chief Executive Officer.

### 3. Compliance Policy, Procedure, Standard and Legislative Framework

NQBP is a Government Owned Corporation and a port authority and is required to comply with its own policies, prescribed applicable legislation and State Government policies and procedures. This policy should be read in conjunction with:

- a. Procedure 2.02 Disclosure and Conflicts of Interest
- b. Standard 2.01 Code of Conduct
- c. Standard 2.02 Integrity Framework – Corrupt Conduct and Public Interest Disclosures
- d. Procedure 2.01 Compliance
- e. Corporate Governance Guidelines for Government Owned Corporations February 2009.
- f. *Corporations Act 2001* (Cth)
- g. *Government Owned Corporations Act 1993* (Qld)
- h. *Criminal Code Act 1899* (Qld)
- i. *Crime and Corruption Act 2001* (Qld)
- j. *Police Powers and Responsibilities Act 2000* (Qld)

### 4. Policy Review Date

This Guideline should be reviewed by 30 June 2019.

### 5. Definitions

**Contractors:** means contractors or consultants engaged by NQBP under a personal services consultancy agreement or other similar arrangements.

**NQBP:** means North Queensland Bulk Ports Corporation Limited ACN 136 880 218.

**NQBP Employee:** means employees and Contractors of NQBP but does not include NQBP directors.

**NQBP Personnel:** means NQBP officers (for example NQBP directors) and NQBP Employees.

**Securities:** has the same meaning as in the Corps Act and includes shares of any type (including preference shares), debentures, interests in managed funds, as well as options in relation to any of these types of securities.

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**Schedule 1**

**Materiality Guidelines - Shareholdings and Securities**

**Introduction**

For a detailed discussion on conflict of interests, please refer to Procedure 2.02 - Disclosure and Conflicts of Interest.

The purpose of these guidelines is to provide further guidance and assistance when a determination is being made whether a material conflict has arisen, in respect of shareholdings and other security related interests.

**General Principles and examples**

For a conflict of interest to be considered to be a material conflict of interest, the relevant Director, employee or Contractor should have, or should reasonably have, a realistic expectation that they (or a family or other associate) stand to benefit or suffer a loss, whether directly or indirectly.

Some examples include where a Director of the Board:

- holds shares in a small company which has a commercially valuable contractual relationship with NQBP;
- holds shares in a large (i.e. multi-national) corporation which has an existing commercial relationship with NQBP. In these circumstances, the size of the shareholding held in the large corporation will be relevant when determining whether there is a material conflict of interest;
- has obtained confidential information during a Board meeting which has considered the ongoing financial viability of a company in which the Director is a shareholder;
- holds shares in a company which is to be awarded a contract with NQBP which will then have the effect of significantly increasing the value of the shares; and
- the Director's family holds shares in a family owned company which has submitted a tender to enter into a large service supply contract with NQBP.

**Materiality Matrix**

Having regard to the examples set out above, the following table sets out a matrix which may provide assistance when a Director, employee or Contractor is determining whether a material conflict of interest has arisen. The key elements to determine materiality are the size of the shareholding held by the relevant Director, employee or Contractor **and** the intensity or closeness of the commercial relationship between the entity (in which the relevant shares are held) and the operations and business of NQBP.

Intensity/closeness of the commercial relationship between the NQBP and the relevant entity	Size/level of Shareholding held by the Relevant Person		
	Low	Medium	High
High	Not material	Material	Material
Medium	Not material	Material	Material
Low	Not material	Not Material	Material

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