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Corporate Governance Policy – Securities Trading

Nomad Building Solutions Limited
ABN 52 117 371 418

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Nomad Building Solutions Limited
ABN 52 117 371 418
(Company)

Corporate Governance Policy – Securities Trading

1. Introduction

- 1.1 This policy imposes constraints on directors, employees and consultants of the Company dealing in securities of the Company. It also imposes disclosure requirements on directors.
- 1.2 This policy has been adopted by the Board of the Company.

2. Objectives

- 2.1 The objectives of this policy are to:
 - (1) minimise the risk of directors, employees and consultants of the Company contravening the laws against insider trading;
 - (2) assist the Company in meeting its reporting obligations under the ASX Listing Rules; and
 - (3) increase transparency with respect to dealing in securities of the Company by Key Management Personnel.
- 2.2 To achieve these objectives, directors, employees and consultants should treat this policy as binding on them in the absence of any specific exemption by the Board.

3. What is insider trading?

- 3.1 The *Corporations Act 2001* (Cth) (**Corporations Act**) prohibits persons who are in possession of information that is not generally available to the public and which a reasonable person would expect to have a material effect on the price of securities in the Company (**price sensitive information**) from:
 - (1) dealing in the securities; or
 - (2) communicating the price sensitive information to others who might deal in the securities.

- 3.2 Information is 'generally available' if, amongst other things, it consists of readily observable matters or it has been brought to the attention of investors by an ASX announcement and a reasonable period for its dissemination has elapsed since the announcement.
- 3.3 Directors, employees and consultants of the Company will from time to time be in a situation where they are in possession of price sensitive information. Examples are the period prior to release of annual or half-yearly results to the Australian Securities Exchange (ASX) and the period and the period during which a major transaction is being negotiated.
- 4. No dealing in securities of the Company when in possession of Price Sensitive Information**
- 4.1 Directors, employees and consultants of the Company in possession of price sensitive information must not at any time:
- (1) deal in securities of the Company;
 - (2) advise, procure, encourage or suggest another person deal in securities of the Company; or
 - (3) communicate the price sensitive information, or cause the price sensitive information to be communicated, to a person who may deal in securities of the Company or may procure another person to deal in securities of the Company.
- 4.2 A contravention of the insider trading prohibitions is an offence and exposes a person to criminal and civil liability, including liability under civil damages actions and compensation orders. The penalty for a breach of the insider trading prohibition is a fine up to \$220,000 for a natural person (and up to five times the maximum for a body corporate) or 5 years imprisonment, or both.
- 4.3 Key Management Personnel must ensure that external advisers who may receive price sensitive information are bound by confidentiality agreements or other enforceable confidentiality obligations.
- 4.4 The Company may also publish from time to time a list of securities in other companies which directors, employees and consultants are prohibited from dealing in due to the Company being in possession of price sensitive information in respect of those companies (**Restricted Securities List**). Directors, employees and consultants must not at any time deal in securities on the Restricted Securities List.

5. Key management personnel not to deal in securities of the Company during Restricted Periods

5.1 In addition to the restrictions in clauses 4, 7 and 8, Key Management Personnel must not deal in securities of the Company during the following periods:

- (1) from the balance date until the second trading day after the Company's annual or half-yearly results have been released to ASX; and
- (2) any other period designated by the Board,

(Restricted Periods).

6. Key Management Personnel Securities Trading Policy

6.1 Key Management Personnel should not deal in securities of the Company unless they have contacted the two Relevant Officers listed next to their position within the Company as set out in Schedule 2 and notified them of their intention to do so, and both of the Relevant Officers indicate in writing (email is acceptable) that there is no impediment to them doing so. Steps should be taken to ensure that the Relevant Officers are appraised of all relevant considerations by the Disclosure Officer (Company Secretary) appointed under ASX Listing Rule 1.1, condition 12.

6.2 The Relevant Officers will not allow Key Management Personnel to deal in securities of the Company as a matter of course. However, the Relevant Officers may permit Key Management Personnel to deal in the securities of the Company in the following periods (provided that the relevant Key Management Personnel is not in possession of unpublished, price sensitive information (see paragraph 4)):

- (1) one day to a maximum of six weeks after the release of the Company's half-yearly financial results to the ASX;
- (2) one day to a maximum of six weeks after the release of the Company's preliminary full year financial results to the ASX;
- (3) one day to a maximum of six weeks after the Annual General Meeting of the Company has been held; or
- (4) at any time the Company has an offer under a prospectus open,

(Windows).

6.3 Key Management Personnel may also request clearance in writing from the two Relevant Officers listed next to their position within the Company as set out in Schedule 2 to deal in securities of the Company at any time that is outside of the Windows but not within a Restricted Period.

6.4 Clearance by the Relevant Officers is intended as a compliance monitoring function only and is not an endorsement of the proposed

dealing. Key Management Personnel remain responsible for their own investment decisions and compliance with the law.

- 6.5 In addition, Key Management Personnel should not recommend or otherwise suggest to any person (including a spouse, relative, friend, trustee of a family trust or directors of a family company) that they should deal in securities of the Company.

7. No short-term dealing in securities of the Company

- 7.1 Key Management Personnel must not at any time engage in short-term dealing in securities of the Company.
- 7.2 Short-term dealing is considered to be dealing where the acquisition and disposal of securities occurs within 6 months of each other.

8. No hedging

- 8.1 Notwithstanding any other part of this policy, Key Management Personnel must not at any time enter into transactions in associated products which operate to limit the economic risk of security holdings in the Company.

9. Trading in exceptional circumstances during Restricted Periods

- 9.1 Key Management Personnel may be granted prior written clearance by Relevant Officers to deal in securities of the Company during the Restricted Periods if there are exceptional circumstances (provided that he or she is not in possession of unpublished, price sensitive information (see paragraph 4)).
- 9.2 Exceptional circumstances are:
- (1) financial hardship whereby the relevant Key Management Personnel has a pressing financial commitment that cannot be satisfied other than by dealing in securities of the Company; or
 - (2) a court order or court enforceable undertakings directing the dealing in securities of the Company.
- 9.3 Key Management Personnel wishing to deal in securities of the Company during a Restricted Period based on exceptional circumstances must apply in writing (email is acceptable) to the Relevant Officers for prior written clearance to deal in those securities. The application must include the following information:
- (1) details of the exceptional circumstances;
 - (2) the number of securities of the Company that he or she wishes to deal in;
 - (3) the way in which he or she wishes to deal in those securities;

- (4) a request for clearance to deal in those securities; and
 - (5) confirmation that he or she is not in possession of any price sensitive information.
- 9.4 The Relevant Officers must consider the objectives of this policy and the purpose of the ASX Listing Rules in making a determination as to whether to provide consent to deal in securities of the Company during a Restricted Period.
- 9.5 Any consent provided by the Relevant Officers under this policy must:
- (1) be unanimous;
 - (2) be in writing (email is acceptable); and
 - (3) outline the duration of the clearance (no more than 5 trading days).
- 9.6 Clearance by the Relevant Officers is intended as a compliance monitoring function only and is not an endorsement of the proposed dealing. Key Management Personnel remain responsible for their own investment decisions and compliance with the law.

10. Notification of dealing in securities

- 10.1 Key Management Personnel must notify the Company Secretary immediately after acquiring or disposing of a relevant interest in any securities of the Company.
- 10.2 Directors have entered into an agreement with the Company under which they are obliged to notify changes in interests in shares and other relevant matters in sufficient detail to allow the Company to comply with the ASX Listing Rules.

11. Margin Lending

- 11.1 ASX, in its Companies Update of 29 February 2008, has also highlighted that in certain circumstances, the Company may be required to disclose details of the margin lending arrangements of Key Management Personnel in respect of their securities of the Company (if any) if that information would be price sensitive under ASX Listing Rule 3.1. To enable the Company to comply with ASX Listing Rule 3.1, any Key Management Personnel who enter into margin lending arrangement or otherwise encumber their securities of the Company (**Security Arrangements**) is required to provide details of those Security Arrangements to the Relevant Officers (who will notify the Company Secretary) upon entering into, and on any change occurring to, the Security Arrangements. Security Arrangements may be subject to prohibitions on dealing in securities in the Company contained in this policy.

- 11.2 The details of the Security Arrangements that must be provided pursuant to paragraph 11.1 must include the number of securities of the Company involved, any trigger points, the right of the lender or securityholder to sell the securities unilaterally and any other material details.

12. Penalties

- 12.1 A contravention of this policy by any Key Management Personnel may result in the summary dismissal of that person.

13. Application

- 13.1 This policy applies to all directors, employees and consultants of the Company and its subsidiaries.
- 13.2 For the purposes of this policy, directors, employees and consultants “dealing” in securities of the Company includes associates of directors, employees and consultants dealing in securities of the Company. It is incumbent on each director and employee to take all reasonable steps to ensure that an associate does not deal in circumstances where the dealing could be attributed to the director or employee concerned and would involve a contravention of this policy if the dealing had been undertaken by the director or employee concerned. Associates include your relatives, entities which you control and entities you are acting in concert with.
- 13.3 The following types of dealing are excluded from the operation of this trading policy:
- (1) transfers of securities of the Company already held in a superannuation fund or other saving scheme in which the restricted person is a beneficiary and where the investments are made at the discretion of a third party;
 - (2) an investment in, or dealing in units of, a fund or other scheme (other than a scheme only investing in securities of the Company) where the assets of the fund or other scheme are invested at the discretion of a third party;
 - (3) where a restricted person is a trustee, trading in securities of the Company by that trust provided the restricted person is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by the other trustees or by the investment managers independently of the restricted person;
 - (4) undertakings to accept, or the acceptance of, a takeover offer;
 - (5) dealing 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 of the Company. 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;

- (6) a disposal of securities of the Company that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement; and
- (7) the exercise (but not the sale of securities of the Company following exercise) of an option or a right under an employee incentive scheme, or the conversion of a convertible security.

The Board of the Company has absolute discretion to prohibit directors, employees and consultants from dealing in securities of the Company at any time.

14. Definitions

14.1 For the purposes of this policy:

- (1) **dealing in securities** includes:
 - (a) applying for, acquiring or disposing of, securities;
 - (b) entering into an agreement to apply for, acquire or dispose of, securities;
 - (c) granting, accepting, exercising or discharging an option or other right or obligation to acquire or dispose of securities;
 - (d) trading in financial products issued or created over securities; and
 - (e) entering into transactions in financial products which operate to limit the economic risk of security holdings;
- (2) **Key Management Personnel** has the meaning given to it in the ASX Listing Rules and includes the people listed in Schedule 1;
- (3) **price sensitive information** has the meaning given in clause 3.1;
- (4) **securities** includes shares, options over those shares and any other financial products of the Company traded on ASX.

15. Contact

If you have any questions about any of the issues raised in this policy you should contact the Company Secretary.

Schedule 1

- Each Director of the Company
- All members of the board of subsidiaries of the Company
- The Chief Executive Officer or General Manager of any division of the Company or a subsidiary of the company
- The General Manager of any division of the Company or a subsidiary of the Company
- The State Manager of any division of the Company or a subsidiary of the Company
- The Chief Financial Officer of the Company
- The Company Secretary of the Company
- Corporate Manager – Environmental Health and Safety and Human Resources
- All other executives who directly report to the Managing Director
- Other executives as determined by the board from time to time, which as at the date of amendment of this policy in December 2010, includes the Key Management Personnel set out in Schedule 2
- Other than any of the persons listed above, an Officer of the Company as defined by section 9 of the Corporations Act
- Other than any of the persons listed above, an employee having authority and responsibility for planning, directing and controlling the activities of the Company or any subsidiary of the Company

Schedule 2 Share Trading Policy – Key Management Personnel

| Board | Approval Required From |
|--|---|
| Chairman | Chairman of audit & risk management committee and chairman of nomination & remuneration committee |
| Managing Director | Chairman and chairman of the audit & risk management committee |
| Non-executive Directors | Chairman and other Non-executive Director |
| Executive Directors | Chairman and Non-executive Director |
| Managing Director Direct Reports | |
| Chief Financial Officer | Chairman and Non-executive Director |
| Chief Executive Officers | Chairman and Managing Director |
| National Procurement Manager | Chairman and Managing Director |
| Group HR Manager | Chairman and Managing Director |
| Group Corporate Services Manager | Chairman and Managing Director |
| Next Level Reports | |
| Corporate | |
| Group Financial Controller | Chairman and Managing Director |
| Nomad Modular Building | |
| State Manager Queensland | Chairman and Managing Director |
| General Manager Contracts | Chairman and Managing Director |
| General Manager Manufacturing | Chairman and Managing Director |
| General Manager Sales and Business Development | Chairman and Managing Director |
| Financial Controller | Chairman and Managing Director |
| Any Other Key Management Personnel | Chairman and Managing Director |

Schedule 2

Share Trading Policy – Key Management Personnel (Continued)

| McGrath Homes | |
|--|--------------------------------|
| General Manager Project Housing | Chairman and Managing Director |
| General Manager Operations | Chairman and Managing Director |
| General Manager Norfolk | Chairman and Managing Director |
| Halley Homes | |
| General Manager | Chairman and Managing Director |
| Financial Controller | Chairman and Managing Director |
| Rapley Wilkinson | |
| General Manager Construction | Chairman and Managing Director |
| General Manager Property | Chairman and Managing Director |
| General Manager Lifestyle Living | Chairman and Managing Director |
| General Manager Civil and Infrastructure | Chairman and Managing Director |
| General Manager Business Development | Chairman and Managing Director |
| Financial Controller | Chairman and Managing Director |