

## **Securities Dealing Policy**

### **1. Introduction**

Tian An Australia Limited's (**TIA**) shares are listed on ASX under the ASX code TIA (**Shares**).

TIA is committed to ensuring that it and its wholly owned subsidiaries (the **Group**) and its employees act lawfully at all times in their dealing with shares and the handling of inside information. TIA is also committed to avoiding any perception of unlawful or unethical conduct. The Securities Dealing Policy (the **Policy**) has been adopted by the Group to achieve this.

### **2. Scope of this Policy**

The Policy applies to:

- (a) all Directors, officers, employees, contractors, consultants and advisors of TIA and any of its subsidiaries; and
- (b) any Associated Person of a Director, officer, employee, contractor, consultant and advisor of TIA and any of its subsidiaries (hereafter referred to as an **Applicable Person**).

In the Policy, a person is an *Associated Person* in relation to another person if the first person is acting for or on behalf of, as agent for or at the direction of the other person, or any entity controlled by the other person or in respect of which the other person is a director.

In the Policy, shares include derivatives and other financial products issued by third parties in relation to shares.

### **3. Purpose**

The Policy sets out the circumstances in which Applicable Persons may deal in Shares with the objective that no Applicable Person will contravene the requirements of the Corporations Act (the **Act**).

The Policy seeks to ensure that:

- (a) Applicable Persons adhere to high ethical and legal standards in relation to investment in Shares;
- (b) market confidence is preserved in relation to the integrity of dealings by Applicable Persons in Shares; and
- (c) the reputation of TIA is maintained.

### **4. Inside Information**

Inside Information is defined in the Act as *information relating to the entity which is not generally available but would, if the information was generally available, be likely to have a material effect on the price or value of the entity's shares* (**Inside Information**).

Refer below to Section 9.2 for an explanation of information that is generally available and Section 9.3 for information that is likely to have a material effect on the price or value of Shares.

It is illegal for any person to trade in Shares or procure another to trade in Shares while in possession of Inside Information relating to those Shares.

## **5. Share Dealing Policy**

### **5.1 No trading where in possession of Inside Information**

Applicable Persons must only trade in Shares if they are not in possession of Inside Information regarding TIA, irrespective of whether there is a trading window at the time.

### **5.2 Short term trading**

Despite anything contained in the Policy, Applicable Persons should not engage in short term trading in Shares. In general, the purchase of Shares with a view to resale within a three month period and the sale of Shares with a view to repurchase within a three month period would be considered to be transactions of a 'short term' nature.

### **5.3 Blackout periods**

Applicable Persons must not trade in Shares during the following blackout periods:

- (i) from 1 January until the next trading day after release of TIA's half year results;
- (ii) from 1 July until the next trading day after the release of TIA's full year results; and
- (iii) any other period designated as a blackout period by the Board and advised to employees.

### **5.4 Dealing during blackout periods**

In exceptional circumstances, written clearance may be given to dispose of (but not to acquire) Shares during a blackout period.

Exceptional circumstances will include:

- (i) severe financial hardship;
- (ii) an undertaking given to, or an order by, a court; or
- (iii) such other exceptional circumstances as may from time to time be determined by the Chair, or in his absence, the Chief Executive Officer.

### **5.5 Trading Windows and restricted Trading**

Any Applicable Person who wishes to:

- trade or apply to trade in Shares; or
- enter into an agreement to trade in Shares; or
- procure another person to trade in Shares, (together *Trading or Trade*)

must only do so if they are not in possession of Inside Information and they do so during:

- (i) the period beginning on the next trading day after the half yearly/annual financial results for TIA are lodged with ASX and ending four weeks later; or
- (ii) the period beginning on the next trading day after TIA's annual general meeting and ending four weeks later, ((a) and (b) together being the Trading Windows); or
- (iii) at other times in accordance with the procedures outlined in Section 6.2 of the Policy.

All Trading in Shares by Applicable Persons must comply with the notification procedure outlined in Section 6.1 of the Policy.

### **5.6 Excluded Trading**

No approval is required in connection with any of the following, however, must still be notified to the Company Secretary pursuant to Section 6.1:

- (i) participation in any dividend reinvestment plan operated by TIA;
- (ii) actions open to all Shareholders, although the Inside Information prohibition under Section 5.1 still applies;
- (iii) transfers of Shares where there is no change in the beneficial interest; and

- (iv) trading by a fund or other scheme in which the Applicable Person holds shares, but where the investment is solely at the discretion of a third party.

### **5.7 Tipping**

It is illegal and a breach of the Policy for any person who is in possession of Inside Information to directly or indirectly communicate, or cause to be communicated, Inside Information to anyone who the person knows, or ought reasonably to know, would or would be likely to use the information to Trade in Shares. This is regardless of whether the Trade falls within or outside any Trading Window.

### **5.8 Margin lending and other financing arrangements**

Where a Director or officer has entered into a margin loan or similar funding arrangement for Shares, information such as the key terms of the arrangements including the number of Shares involved, the trigger points, the right of the lender to sell unilaterally and any other material details must be disclosed through the notification procedure outlined in Section 6.1 of the Policy. TIA will decide, having regard to the nature of its operations and the particular circumstance of TIA, whether the margin loan arrangement is material under ASX Listing Rule 3.1 and requires disclosure.

### **5.9 Trading in other shares**

The Inside Information provisions are not limited to Inside Information about TIA. A person can be an 'Insider' in relation to any financial product purely by virtue of having Inside Information about that financial product. Inside Information about other companies or entities may also be obtained during the performance of duties with TIA. Accordingly, where an Applicable Person possesses or may reasonably be considered to possess Inside Information about other financial products, whether related to TIA or not, or other entities, they must ensure they comply with the law at all times.

The Policy may, from time to time, be extended by the Board to restrict Applicable Persons from Trading in shares of other specified entities with which TIA may have a relationship.

### **5.10 Hedging and limiting economic risk**

Applicable Persons are not permitted to invest in products that operate to limit the economic risk of Shares or options granted over Shares (e.g. hedging arrangements).

## **6. Clearance and notification procedures**

### **6.1 Notification**

At any time when an Applicable Person Trades in Shares, whether within or outside a Trading Window, they must complete the Notification Form in Appendix B of the Policy and email it to the Company Secretary within 2 business days of the Trade.

The Company Secretary may, from time to time, request that an Applicable Person complete a declaration in which the Applicable Person discloses any Share holdings or transactions in Shares. When requested, an Applicable Person must promptly and honestly complete such a declaration and return it to the Company Secretary in the manner requested.

Failure to adhere to the notification procedures outlined herein is a breach of the Policy.

### **6.2 Clearance**

If an Applicable Person seeks to Trade in Shares outside the Trading Windows, they are required to seek approval by completing the Application for Clearance to Trade in Appendix A of the Policy and email it to the Company Secretary. The giving of clearance to deal is not to be regarded in any way as the giving of advice.

The clearance needs to be approved before the Trade by the Chair of the Board for all Applicable Persons and by the Chair of the Audit Committee for the Chair of the Board.

The clearance shall also state the period within which the Applicable Person is permitted to Trade.

Trading in Shares outside of the Trading Windows without approval as outlined herein is prohibited and is a breach of the Policy.

## **7. Consequences of a breach**

Any contravention of the Policy will be noted by the Company Secretary and reported to the Board. A contravention will also result in a notation on the Employee's personnel file. The consequence of a breach of the Policy may involve disciplinary action and may also result in dismissal.

Nothing in the Policy shall authorise any person to act in contravention of the insider trading provisions of the Act. Convictions of insider trading can attract criminal and civil liability.

## **8. Dissemination of the Policy**

The Policy shall be made available to all Applicable Persons and will be posted on TIA's intranet. All Applicable Persons are required to understand their responsibilities, behave ethically and comply with the Policy at all times.

If any other information or assistance is required in relation to the Policy, please contact the Company Secretary.

## **9. Summary of legal requirements**

### **9.1 Insider Trading - the Act**

Pursuant to the Act, if a person possesses Inside Information (refer Section 4 above) which they know, or ought to reasonably know, is not generally available but, if it were generally available, would reasonably be expected to have a material effect on the price or value of the shares, then that person (an insider) must not:

- (i) apply for, acquire, or dispose of, relevant shares, or enter into an agreement to apply for, acquire, or dispose of, the relevant shares; or
- (ii) procure another person (e.g. by encouraging family members) to apply for, acquire, or dispose of, shares, or enter into an agreement to apply for, acquire, or dispose of, relevant shares; or
- (iii) directly or indirectly, communicate the Inside Information, or cause it to be communicated, to another person if the insider knows, or ought reasonably to know, that the other person would or would be likely to engage in the kind of conduct described in (i) or (ii) above.

### **9.2 Information that is "generally available"**

Information is considered to be "generally available" if:

- it can be easily observed; or
- it has been released to ASX, published in an annual report or prospectus or is generally available to the investing public and a reasonable time has elapsed since the information was communicated; or
- it may be deduced, inferred or concluded from the above.

### **9.3 Material effect on the price or value of shares**

The law states that information would be likely to have a material effect on the price or value of shares if the information might influence persons who commonly invest in shares in deciding whether or not to subscribe to, buy or sell those shares.

Examples of information that may be material include information relating to:

- financial performance, such as a material variance in revenue, which could result in a material increase or decrease in financial performance from previous results or forecasts;
- a proposed material business or asset acquisition or sale;
- a material claim to be initiated by or against a company; and
- an actual or proposed change to capital structure.

#### **9.4 Material effect**

If a reasonable person would be taken to expect the information to have a material effect on the price or value of shares if (and only if) the information would, or would be likely to, influence people who commonly acquire shares in deciding whether or not to acquire or dispose of the shares.

#### **9.5 Penalties**

A failure to comply with insider trading provisions carries criminal and civil penalties.

**Appendix A**

**TRADING OUTSIDE THE TRADING WINDOWS**  
**Application for Clearance to Trade in Shares (ASX code: TIA)**

<b>Name</b>	
<b>Date</b>	
<b>Name of Proposed Purchaser/Seller/Counterparty</b>	
<b>Nature of agreement/dealing/trading</b>	
<b>Proposed date of transaction (i.e. completion date)</b>	
<b>Number of Shares</b>	
<b>Representation</b>	I confirm that I am not in possession of any information relating to TIA which is not generally available but would, if the information was generally available, be likely to have a material effect on the price or value of Shares, nor by my actions will I have contravened the requirements of the Securities Dealing Policy.
<b>Signed (applicant)</b>	
I confirm the request complies with the requirements of the Securities Dealing Policy.	
<b>Signed (approver)</b>	
<b>Date</b>	

**Appendix B**

**Notification of Trading in Shares (ASX Code: TIA)**

This form is to be used as a notification mechanism under the Policy for any Trade in Shares within or outside the Trading Windows specified in the Policy

<b>Name</b>	
<b>Date</b>	
<b>Name of Purchaser/Seller/Counterparty</b>	
<b>Nature of agreement/dealing/trading</b>	
<b>Date of transaction</b>	
<b>Number of Shares</b>	
<b>Representation</b>	I am not in possession of any information relating to TIA which is not generally available but would, if the information was generally available, be likely to have a material effect on the price or value of Shares and the transaction described above does not contravene the Securities Dealing Policy.
<b>Signed</b>	