

1 Introduction and Executive Summary

- (a) The Company aims to achieve the highest possible standards of corporate conduct and governance. The purpose of the Policy is to:
 - (i) alert the Company's officers to the illegality of insider trading and tipping of non-public, price-sensitive information;
 - (ii) establish guidelines in relation to dealings in the Company's shares; and
 - (iii) protect the Company and its reputation in the marketplace.
- (b) This Policy applies to all employees and directors of the Company and its subsidiaries (collectively referred to as **officers**).
- (c) This Policy applies to all shares, options, debentures, bonds, notes and other traded securities in the Company (**Securities**) in which an officer has either a direct or indirect interest (for example, under a trust or which are held by a company that the officer controls).
- (d) It is illegal:
 - (i) to deal (or procure others to deal) in the Company shares, options or derivatives at any time while in the possession of non-public, price-sensitive information; and
 - (ii) to communicate non-public, price-sensitive information to anyone likely to deal in or procure a third party to deal in the Company shares, options or derivatives.
- (e) Officers must not buy or sell the Company's shares, options or derivatives during the following 'Closed' periods:
 - (i) 1 July up to and including the day of release of the Appendix 4D Half Year Report to ASX; and
 - (ii) 1 January up to and including the day of release of the Appendix 4E Full Year Report to ASX.

2 Trading

- (a) Before an officer commences to trade in the Company's securities, he/she should consider carefully whether they are in possession of any inside information that might preclude them from trading at that time and, if they have any doubt on that score, the officer should not trade.
- (b) An officer seeking approval to trade in the Company's securities must certify that they are not in possession of any inside information that might preclude them from trading at that time. If an officer comes into possession of inside information after receiving an approval to trade, that officer must not trade despite having received the clearance.
- (c) Before commencing to trade in the Company's shares, options or derivatives, a Senior Executive and Director must first obtain the approval of the Chairman. If the Chairman is proposing to commence a trade, the Chairman must first obtain the approval of the chair of the Company's Audit and Risk Management Committee. Only in exceptional circumstances will approval be forthcoming inside of the period commencing on the tenth day of the month in which the Company is required to release its Quarterly Activities Report and Quarterly Cashflow Report and ending two days following the date of that release.

- (d) Any such approval given in accordance with this clause 2, will expire after 1 week from the date of the approval unless the Chairman (in the case of a Senior Executive and Director) or the chair of the Company's Audit and Risk Management Committee (in the case of the chair) otherwise specifies a different period of time.
- (e) Any clearance to trade can be given or refused by the Company in its discretion without giving any reasons. Further, a clearance to trade can be withdrawn if new information comes to light or there is a change in the circumstances. A decision to refuse clearance is final and binding on the person seeking clearance. If clearance to trade is refused, the person seeking the clearance must keep that information confidential and not disclose it to anyone.
- (f) It is noted that a person who possesses inside information about the Company's securities is generally prohibited from trading in those securities under insider trading laws and this applies even where that person has been given approval under this Policy to trade (whether in exceptional circumstances or otherwise).

3 Overview of insider trading and tipping

3.1 Prohibited conduct

Under the Corporations Act, if a person has Inside Information in relation to a company and knows, or ought reasonably to know that the information is Inside Information, that person must not:

- (a) trade in that company's securities even where the trade occurs within a permitted trading window, or outside a closed period, specified in this Policy;
- (b) procure another person to trade in that company's securities; or
- (c) communicate the information, directly or indirectly, to another person who the person knows, or ought reasonably to know, is likely to trade in those securities or procure another person to trade in those securities.

3.2 Subsidiaries and associated entities

The prohibition against insider trading:

- (a) extends to trading in the securities of a subsidiary of a company about which a person has Inside Information; and
- (b) may extend to trading in securities of other companies that deal with or are associated with the Company about which a person has Inside Information.

3.3 Consequences of insider trading

- (a) Insider trading is a criminal offence.
- (b) Persons trading with Inside Information risk prosecution, punishable by substantial fines or imprisonment or both, under the Corporations Act.
- (c) The Company may also be liable if staff engage in insider trading.
- (d) Insider trading is subject to the civil penalty provisions under the Corporations Act which empower a court to impose substantial pecuniary penalties, order payment of compensation to persons who suffer loss or damage as a result of the insider trading and make a disqualification order.
- (e) In addition to any consequence under the Corporations Act, insider trading breaches this Policy. Breaches will be treated seriously by the Company and may attract disciplinary action, including termination of employment for any staff member involved.

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3.4 **Prohibition on insider trading**

Insider trading is prohibited at all times even where the trade occurs within a permitted trading window, or outside a closed period, specified in this Policy.

3.5 **What is Inside Information?**

Inside Information is information that:

- (a) is not generally available; and
- (b) if it were generally available:
 - (i) a reasonable person would expect it would have a material effect on the price or value of the securities in question; or
 - (ii) would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the securities in question.
- (c) Information is generally available if it:
 - (i) is readily observable;
 - (ii) has been made known in a manner likely to bring it to the attention of persons who commonly invest in securities of the relevant type and a reasonable period for that information to be disseminated has elapsed since it was made known; or
 - (iii) consists of deductions, conclusions or inferences made or drawn from information falling under the above paragraphs.
- (d) Examples of what may constitute Inside Information include, but are not limited to:
 - (i) proposed changes in capital structure;
 - (ii) information to be disclosed under the Corporations Act or the Listing Rules;
 - (iii) proposed changes in the general character or nature of the business;
 - (iv) information regarding changes in the holdings of substantial security holders;
 - (v) proposed significant changes in the holdings of any Director;
 - (vi) appointment of a receiver, manager, liquidator or administrator in respect of any loan, trade credit, trade debt, borrowing or securities held by it or any of its subsidiaries;
 - (vii) a recommendation or declaration of a dividend or distribution;
 - (viii) a transaction for which the consideration payable or receivable is a significant proportion of the written down value of the Company's consolidated assets;
 - (ix) a claim against the Company for which the excess or damages (or both) payable by it is a significant proportion of the written down value of the Company's consolidated assets;
 - (x) giving or receiving a notice of intention to make a takeover; or
 - (xi) an agreement between the Company (or a related party or subsidiary) and a Director (or a related party of the Director).

4 General Restrictions on dealing in the Securities of the Company

4.1 Short term holdings

- (a) Shareholders and marketing confidence in the integrity of the Company could be damaged by officers engaging in speculative trading in the Company Securities.
- (b) Accordingly, trading in the same Company's Securities within a 12 month period is prohibited.
- (c) The above restriction does not apply to the exercise of options granted under the Company's option plan (if any) and the subsequent sale of shares issued following the exercise of such options.

4.2 Trading ban while in possession of non-public price-sensitive information

- (a) Officers must not deal (or procure another to deal) in the Company shares, options or derivatives at any time that he or she has price-sensitive information relating to the Company which is not publicly available.
- (b) This is a legal prohibition, a breach of which could expose the individual concerned to fines, damages and/or imprisonment.

5 Closed Periods for trading in the Company's securities

5.1 Under this Policy, officers must not buy or sell the Company's shares, options or derivatives during the following 'Closed' periods:

- (a) 1 July up to and including the day of release of the Appendix 4D Half Year Report to ASX; and
- (b) 1 January up to and including the day of release of the Appendix 4E Full Year Report to ASX.

6 Trading in exceptional circumstances with prior written clearance

6.1 Despite clause 5.1, exemption may be granted in exceptional circumstances to sell (but not purchase) shares. An officer may apply in writing to the Chair (in the case of a director), the chair of the Company's Audit and Risk Management Committee (in case of the Chair) and the Managing Director/CEO (in all other cases) to seek the grant of an exemption from this Policy in circumstances of severe financial hardship or other exceptional circumstances (e.g. a Court order). However, the proposed sale must be the only reasonable course of action available. In addition, the Chair or Managing Director/CEO (as applicable) must be satisfied that the officer is not privy to any non-public, price-sensitive information and is satisfied that permitting the officer to deal will not expose the Company to any adverse criticism.

6.2 Application for a specific exemption must be made in writing and set out the circumstances of the proposed dealing (including an explanation as to the officer's severe financial hardship or other exceptional circumstances. If an exemption is granted, the officer will be notified in writing (including by email or other means) and in each circumstance the duration of the exemption will be 2 business days.

6.3 The Company Secretary must be provided with and will keep a written record of:

- (a) any applications for an exemption received in connection with this Policy; and
- (b) the decision in respect of the application for an exemption.

7 Other exclusions from ‘Closed’ period restrictions

- 7.1 Any officer may trade in the Company shares, options or derivatives if that trading falls within one of the following categories:
- (a) transfers of shares, options or derivatives already held into a superannuation fund or other saving scheme in which the officer is a beneficiary;
 - (b) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the securities of the Company) where the assets of the fund or other scheme are invested at the discretion of a third party;
 - (c) where an officer is a trustee, trading in the securities of the Company by that trust provided that the officer is not a beneficiary of the trust and any decision to trade during a closed period is taken by the other trustees or by the investment manager independently of the officer;
 - (d) undertakings to accept, or the acceptance of, a takeover offer;
 - (e) trading under an offer or invitation made to all or most of the security holder, 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 renouncing pro rata issue;
 - (f) a disposal of options, shares or derivatives of the Company that is a result of a secured lender exercising their rights (for example under a margin lending agreement) provided that, with the respect to directors and other Key Management Personnel only, the officer must have previously informed the Company in writing of the existence of such an arrangement over the securities;
 - (g) the exercise (but not the sale of shares following) of an option or a right under an officer incentive scheme where the final date for the exercise of the option or right falls during a closed period; and
 - (h) trading under a non-discretionary trading plan for which prior written clearance has been provided by the Board and where:
 - (i) the officer did not enter into the plan or amend the plan during the closed period;
 - (ii) the trading plan does not permit the officer to exercise any influence or discretion over how, when or whether to trade; and
 - (iii) this Policy does not allow for any cancellation or a trading plan during the closed period other than the exceptional circumstances.
- 7.2 It is noted that a trade that falls within an exclusion in this Policy may still breach insider trading laws if it is undertaken or procured by someone in possession of inside information at the time the trade was made.

8 Restrictions on dealings

8.1 Hedging the Company’s securities

Officers must not enter into any options, derivatives or other arrangements (including so called ‘hedging contracts’) which operate to limit the economic risk of either unvested or vested holdings in the Company securities. This restriction applies to unvested entitlements under the Company’s

Senior Executive and Employee Share Plans. It also applies to vested securities including shares, options and derivatives.

8.2 Margin lending and other secured financing arrangements

Officers must not enter into margin lending or other secured financing arrangements in respect of its securities unless the Board has approved such arrangements.

9 Associated Person and Investment Managers

- 9.1 If a director or other Key Management Personnel may not deal in Securities in accordance with this Policy, he or she must prohibit any dealing in the Company's options, share or derivatives by:
- (a) any associated person (including family or nominee companies and family trusts) that the director or other Key Management Personnel controls; or
 - (b) any investment managers on their behalf or on behalf of any associated person,
- unless such dealing is excluded trading (defined in sections 6 and 7 above).

9.2 For the purpose of this paragraph, an officer must:

- (a) inform any investment managers or associated of the periods during which the officer may or may not deal in the Company options, shares or derivatives; and
- (b) request any investment managers or associated person to inform the officer immediately after they have dealt with the Company options, shares or derivatives.

10 Notification of dealings

- 10.1 Officers must notify the Company Secretary of any acquisition or disposal of the Company's securities options or derivatives within 48 hours after the dealing has occurred.
- 10.2 Directors and other Key Management Personnel must not deal in or procure dealing in the Company shares, options or derivatives without prior written notification to the Managing Director and Company Secretary. Such person must also provide subsequent confirmation to the Company Secretary within 48 hours after the dealing has occurred.

11 Confidentiality

Officers are bound to regard the information they hold about the Company which has not been disclosed to the ASX as confidential and may not pass that information on to any relative or other third party.

12 Breach of this Policy

A breach of this Policy is serious and may lead to disciplinary action, including dismissal in serious cases. It may also be a breach of the law.

13 Policy responsibility

- 13.1 Officers are responsible for understanding and adhering to this Policy. Any approval to trade under this Policy is not an endorsement of the proposed trade and the person doing the trading is individually responsible for their investment decisions and their compliance with insider trading laws.

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- 13.2 The Company Secretary is responsible for maintaining this Policy. The Board will review this Policy annually or as legislative requirements change and best practice for securities trading evolves. The Company Secretary will communicate any changes to the officers.
- 13.3 This summary has been provided by the Company. It is not intended to be an exhaustive statement of the law and should not be relied upon as more than a mere summary. Individuals should seek their own professional advice in relation to the matters dealt with in this summary. Requirements imposed by this Policy are separate from, and additional to, the legal prohibitions in the Corporations Act.

14 Endorsement

This policy was adopted by the Board on 22nd May 2015.

15 Definitions

In this policy:

AASB124	means the Australian Accounting Standards Board 124 December 2012 including its subsequent replacements.
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
Board	means the board of the Company.
Chair	means the Director of the Company appointed as the chair of the Board from time to time.
Company	means National Veterinary Care Ltd ACN 166 200 059.
Company Secretary	means the person appointed company secretary of The Company.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Inside Information	has the meaning given to it by the Corporations Act.
Key Management Personnel	has the meaning as defined in AASB124.
Listing Rules	means the listing rules of ASX.
Managing Director/CEO	means the managing director (or if there is no managing director, the CEO) or equivalent officer (by whatever title known) of the Company.
Nomination Committee	means the nomination committee established by the Board (if any).
Policy	means this Securities Trading Policy.
Senior Executives	means the senior management team (excluding Board members), being those who have the opportunity to materially influence the integrity, strategy and operation of the Company, and its financial performance.
Shareholders	means Shareholders of the Company.