

Altium Director & Employee Share Trading Policy

Introduction

The Altium Director & Employee Share Trading Policy (“**Policy**”) regulates the dealings by Designated Officers and Employees and their associates in all securities issued by Altium Limited (“**the Company**”). Designated Persons and Employees must take reasonable steps to ensure that their associates comply with the terms of this policy as if they were the Designated Person or Employee.

The Policy supplements, but does not replace, the insider trading provisions in the *Corporations Act 2001* (“the Act”).

Purpose of the Policy

The aim of the Policy is to ensure that all Designated Officers and Employees are aware that the Act places restrictions on persons trading shares whilst in the possession of Inside Information.

Regardless of any terms in this policy, all Designated Officers and Employees must adhere to the Act at all times and not trade Company Securities whilst in the possession of Inside Information, and must not provide Inside Information to any other individual or third party.

Insider Trading Prohibitions

- a. Designated Officers and Employees must not trade Company Securities whilst in possession of Inside information which has not been publicly released to the market.
- b. Designated Officers and Employees must not provide any Inside Information to any other individual or third party if the other person is likely to acquire or dispose of Company Securities.

See Appendix A for more information on the Insider Trading Prohibitions.

Trading Procedure and General Prohibition

1. Before undertaking a trade, it is recommended that Designated Officers inquire of the CEO or CFO whether there are any imminent financial announcements due to be released or any other reason why it would be inappropriate to trade Company Securities.
2. Designated Officers must inform the Chairman before commencing a trade (even if the trade would be a permitted dealing).
3. Other than in relation to permitted dealings, or in exceptional circumstances in accordance with the procedure described in paragraph 4 below, Designated Officers are not permitted to trade during a “Blackout Period” this is referred to as the “General Prohibition”.
4. Even when not in a “Blackout Period” Designated Officers and Employees must not trade at any time in which they have access to Inside Information.
5. Designated Officers may only trade Company Securities in a Blackout Period if the trade is a permitted dealing or they have written permission from the Chairman which will only be granted under exceptional circumstances. If permission is granted, the decision of the Chairman and the circumstances will be recorded in the Minutes of a Board Meeting.
6. The Chairman should inform the Company’s Board before commencing a trade. If the trade is in a “Blackout Period” the Chairman should appeal to the Board in writing and only commence a trade with written Board approval.
7. On completion of a trade, Designated Officers and Employees must notify the Company as follows:
 - a. Employees must complete a ‘Staff Share Trading Form’ and submit it to the Company Secretary.
 - b. Designated Officers must complete a ‘Designated Officer Share Trading Form’ OR provide a copy of the broker BUY/SELL confirmation and submit it to the Company Secretary

The notice must be given to the Company Secretary within 2 days of the trade being entered into (even if this is prior to the trade settling). In the case of trades by Directors, this will enable the Company to meet its disclosure obligations under the ASX Listing Rules.

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Permitted dealings – exceptions to the General Prohibition

The following types of dealing are excluded from the “General Prohibition” and may be undertaken by Designated Officers at any time (except if they would breach the Insider Trading Prohibition) provided that they have given the Chairman prior notice of the proposed dealing:

- a. **(no change in beneficial interest)** dealings which do not result in a change in beneficial interest of Company Securities (for example, transferring a personal holding of Company Securities to a self-managed superannuation fund of which the previous holder is the only beneficiary);
- b. **(ETFs and other managed funds)** a dealing in an interest in Company Securities by reason of those Company Securities being a component of a managed fund, index product or listed investment entity;
- c. **(takeovers)** a disposal, or an undertaking to dispose, of Company Securities arising from a scheme of arrangement or acceptance of a takeover offer;
- d. **(trustee transfers)** where a Designated Officer is a trustee, trading in Company Securities by the respective trust provided the Designated Officer is not a beneficiary of the trust, and any decision to trade during a “Prohibited Period” is made wholly at the discretion of the beneficiary of the trust or by another trustee or investment manager independently of any Designated Officer;
- e. **(trustee subscriptions)** where a Designated Officer is a trustee of a trust established in connection with the Company’s incentive schemes, subscribing for new Company Securities by the respective trust provided the Designated Officer is not a beneficiary of the trust and those new Company Securities are subscribed for on the instruction of the Company in accordance with the terms of the trust deed;
- f. **(rights offers, SPPs and buy-backs)** an acquisition or disposal of Company Securities under an offer or invitation made to all, or most of the Company’s security holders under a rights issue, a share purchase plan or an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Company’s Board;
- g. **(DRP)** an acquisition of Company Securities under the Company’s dividend reinvestment plan, however you can not join, or withdraw from, or otherwise vary your participation in the dividend reinvestment plan during a Blackout Period;
- h. **(incentive scheme)** the exercise of an option or right under an employee incentive scheme, or the conversion of a convertible security granted under an employee incentive scheme (but not the sale of Company Securities following exercise or conversion).

Derivatives and securities lending prohibited

1. Designated Officers must not deal in options, hedges, and derivatives or like instruments which limit exposure to the market price of Company Securities (“**Derivative**”) or create or give a mortgage, or security or other right to a lender or financier (“**Security Interest**”) over any Company Securities. Any Derivative held or Security Interest existing prior to the date this provision was adopted is excluded from the operation of this Policy but should be disclosed to the Company Secretary.
2. Employees must not at any time enter into a transaction (e.g. a derivative) that operates or is intended to operate to limit the economic risk of holdings of unvested Company Securities or vested Company Securities which are subject to holding locks and were or may be delivered to the Employee or their nominee under an employee incentive plan.

[Prohibition on short-term trading]

[You must not engage in short term dealing in Company Securities. “Short term dealing” includes buying and selling Company Securities within a 3-month period and would cover dealing in Company Securities in a manner which involves frequent and regular trading activity.]

What are exceptional circumstances?

Trading within a Blackout Period by Designated Officers is strictly prohibited without written permission from the Company’s Board (unless the trade is a permitted dealing). Designated Officers seeking to trade within a Blackout Period should prepare a written submission to the Chairman detailing the reasons why the Designated Officer is seeking consent to trade.

Permission will only be granted in exceptional circumstances such as extreme personal hardship or a transfer pursuant to the terms of a family law property settlement or a testamentary disposition. Any application for approval to trade within a Blackout Period shall be assessed by the Chairman on a case by case basis at its sole discretion. Where the Chairman decides to grant permission, the Designated Officer will receive a written ‘Consent to trade’ letter and the decision and reasoning will be recorded in the Board Minutes.

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Important Terms to Understand

Who is an “Employee”?

Employees include, but are not restricted to, all employees and contractors of the Company but excludes any person who is a Designated Officer. Employees also include any other person designated by the CEO, Chairman or Company Secretary.

Who is a “Designated Officer”?

The Company considers all Directors, Associate Directors and Direct Reports to the CEO to be ‘Designated Officers’ (for the avoidance of doubt, all key management personnel of the Company will be Designated Officers). In addition to these individuals, there may be other Managers or employees who at times fall into this category. If in doubt, please consult the Company Secretary.

When are “Blackout Periods”?

Blackout Periods will be the periods determined by the Board from time to time and ordinarily will be from:

- The end of the Half Year until the release of the Audited Half Year Financial Results Announcement to the ASX
- The end of the Full Year to the release of the Audited Annual Financial Results Announcement to the ASX

The Board may change the Blackout Periods at any time by giving you written notice of the change.

Even outside of Blackout Periods, all Designated Officers and Employees are prohibited from trading at ANY TIME they have access to Inside Information.

What do we mean by “Company Securities”?

Any security issued by Altium Limited or any option or other derivative held over, or an interest in, a security issued by Altium Limited.

Who is an associate?

A spouse, child or dependent, spouse’s child or dependent or company controlled by a Designated Officer or Employee along with any other closely related party (as that term is defined in the Act). This policy applies equally to associates of Designated Officer and Employees as if they were the Designated Officer or Employee, as applicable.

How does this Policy affect my Options?

The exercise of Vested Options granted under an Altium incentive plan is a permitted dealing and they may be exercised at any time; however, the resulting shares are subject to the insider trading provisions and this policy and Designated Officers must ordinarily not trade those shares during a Blackout Period.

This means you can’t exercise your options and sell your shares immediately if you are in possession of inside information or within a Blackout Period.

Responsibility and Liability for trading decisions

Designated Officers and Employees are responsible, and liable, for any trading decisions in which they enter / execute. The Company expects its Designated Officers and Employees to adhere to the Act at all times, and nothing stated in this policy overrides this obligation. If a Designated Officer or an Employee has any concerns about commencing a trade, they should seek independent legal advice.

Appendix A

This Appendix A contains a high-level summary of the insider trading provisions in the Corporations Act only. It is not intended to be a complete description of the law. If you are in any doubt as to your position you should obtain your own independent advice.

Insider trading provisions

Division 3 of Pt 7.10 Section 1043 of the Act serves to regulate insider trading. "Insider trading" is the dealing in securities by an Insider who is in possession of Inside Information or procuring a dealing by another person. The insider trading provisions also prohibit Insiders communicating Inside Information to another person if the Insider knows, or ought reasonably to know, that the other person would or would be likely to apply for, acquire or dispose of Company Securities or will procure another person to apply for, acquire or dispose of Company Securities.

Who is an "Insider"?

You are considered to be an 'insider' if:

- you possess Inside Information; and
- you know, or ought reasonably to know, that the Inside Information is Inside Information.

When are you no longer an Insider?

You are no longer an 'Insider' when all of the Inside Information you are aware of, is publicly released and generally available.

What do we mean by "Inside Information"?

Inside information is information about the Company which is not generally available (ie, it has not been made public through the Australian Stock Exchange Company announcements platform) and which, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of the Company's Securities.

Examples include;

- Financial results
- Dividend declaration
- Sales / profit forecast or actual results
- Information concerning a merger, acquisition, float, takeover sale or partial sale of a business
- Details of a significant new product / technology or a substantial new business contact
- Appointment or resignation of a director or senior executive
- Information concerning significant litigation

Penalties for Insider Trading

In the case of an individual, imprisonment for 10 years or a fine the greater of the following:

- (a) 4,500 penalty units;
- (b) if the court can determine the total value of the benefits that have been obtained by one or more persons and are reasonably attributable to the commission of the offence — 3 times that total value;

or both.

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In the case of a body corporate, a fine the greatest of the following: (a) 45,000 penalty units;

(b) if the court can determine the total value of the benefits that have been obtained by one or more persons and are reasonably attributable to the commission of the offence — 3 times that total value;

(c) if the court cannot determine the total value of those benefits — 10% of the body corporate's annual turnover during the 12-month period ending at the end of the month in which the body corporate committed, or began committing, the offence.

Note 1: Penalties are listed under item 310 under the Act Schedule 3 – Penalties Table which is subject to review and change. The value of a penalty unit is subject to change - at the date of this document a 1 Penalty Unit was equivalent to **\$210 AUD (As at 1 July 2017)**.

Amended 10 July 2017