



Australian Government



Northern Australia Infrastructure Facility

# Staff Securities Trading Policy

October 2019

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## Document Review and Approval

VERSION	OWNER/REVIEWER	REVISION	APPROVAL	APPROVAL DATE	NEXT REVIEW DATE
1.0	NAIF Management	Original	Board	November 2016	November 2017
2.0	NAIF Management	Annual review	Board	June 2017	June 2018
3.0	Manager, Governance, Compliance and Risk	Annual review	Board	June 2018	June 2019
4.0	Manager, Risk & Compliance	Annual review	CEO	18 October 2019	October 2020
4.1	Chief Operating Officer	Review	COO	18 October 2019	October 2020

## Document Purpose

This Policy sets out NAIF's approach to managing Staff securities trading, including Insider Trading and trading in the Securities of Project Proponents and other entities about which Staff may gain Inside Information through their position at NAIF.

# 1. Scope

## 1.1 Application

This Policy applies to all NAIF Staff. The NAIF Board has voluntarily agreed to adhere to this Policy.

## 1.2 Extended application

This Policy also applies to dealings by:

- a person with whom you are acting in concert;
- your family members who you may be expected to influence, including your spouse or partner, parents, children, siblings, and any other family members living with you or to whom you provide material support;
- companies or trusts over which you have influence or control, including any entity in which you are a director, secretary or executive officer and trusts of which you are a trustee;
- trusts of which you are a beneficiary unless that trust is a discretionary trust over which you exercise no control; and
- any other fiduciary arrangement under which you, your spouse, partner or dependent child is, or may be, a beneficiary.

# 2. Definitions

**Associate** means any person falling within the description set out in clause 1.2 above.

**CEO** means NAIF's Chief Executive Officer.

**Conflict of Interest** means a circumstance where a Staff member's private interest is inconsistent with, or diverges from one or more of the interests of another person to whom the Staff member owes a duty including actual, apparent or potential Conflicts of Interest.

**Embargo List** means the list maintained by the CEO or the CEO's delegate which sets out Transaction Entities in respect of which NAIF is in possession of Inside Information.

Information is **Generally Available** if:

- it is publicly available information; or
- it consists of a readily observable matter; or
- both of the following apply:
  - it has been made known in a manner than would, or would be likely to, bring it to the attention of persons who commonly invest in Securities of a kind whose price or value might be affected by the information; and
  - since it was made known, a reasonable period for it to be disseminated among such persons has elapsed; or
- it consists of deductions, conclusions or inferences made or drawn from information of the kind referred to above.

**Executive Management** means a person working in the executive leadership team and reporting directly to the CEO.

**Inside Information** means information:

- that is not Generally Available; and
- if the information were Generally Available, a reasonable person would expect it to have a material effect on the price or value of particular Securities.

**Insider Trading** occurs when a person who possess Inside Information in relation to particular Securities:

- trades in a Security about which he or she has Inside Information;
- procures a Trade in a Security about which he or she has Inside Information; or
- communicates that Inside Information to another person and knows, or reasonably ought to know, that the other person would be likely to Trade or Procure a Trade in those Securities.

**Investment Mandate** refers to the Northern Australia Infrastructure Facility Investment Mandate Direction 2018.

**NAIF Chair** means the Chair of the NAIF Board as appointed under Part 5 of the NAIF Act

**NAIF Client** means any third party in respect of which NAIF has entered into binding confidentiality obligations with respect to the provision of information for the purpose of determining whether to provide financial assistance.

**Procuring a Trade** occurs when a person procures, incites, induces or encourages any other person to Trade.

**Project Proponent** has the meaning given in the Investment Mandate.

**Securities** includes:

- shares, options, rights, debentures, derivatives (as defined in the *Corporations Act 2001* (Cth) or regulations made under that legislation), interests in a managed investment scheme;
- debentures, stocks or bonds issued or proposed to be issued by a government or government agency or body;
- superannuation products; or
- any other financial products or interests.

**Service Level Agreement** means the service agreement between NAIF and Export Finance Australia.

**Staff** means persons employed by, or operating under an employment or similar contract with NAIF including full time or part time employees, directors, consultants, contractors and Export Finance Australia personnel working on NAIF matters under the Service Level Agreement.

**Trade** means to apply for, acquire or dispose of Securities or agree to do so.

Information will be regarded as having a **material effect** on the price or value of particular Securities if the information would, or would be likely to, influence persons who commonly acquire the relevant Securities in the making of their decisions as to whether or not to acquire or dispose of Securities.

**Transaction Entity** means:

- any Project Proponent; and
- any entities about whom NAIF, or an employee of NAIF, gains Inside Information as a result of NAIF's operations.

## 3. Policy Statement

### 3.1 General

You are required to conduct your personal investment activity in a manner that is lawful and avoids Conflicts of Interests between your personal interests and those of NAIF and Transaction Entities.

All Staff trading in Securities must be in accordance with this Policy.

Although this Policy is not a statement of law, it reflects the relevant legal requirements. This Policy aims to ensure NAIF Staff act in a way which is beyond reproach in their dealings in the Securities and Inside Information of NAIF Clients and other entities with whom NAIF deals.

### 3.2 Insider Trading

Insider Trading by you is prohibited by legislation and under this Policy and can result in significant criminal and civil penalties. It is an offence under the *Corporations Act 2001* to trade using Inside Information, or communicate Inside Information to others who will, or are likely to, trade on the Inside Information.

Insider Trading has the potential to damage the reputation of NAIF and any allegation of Insider Trading would be likely to have a serious detrimental impact on NAIF's business.

Insider Trading, or acts creating the perception of Insider Trading, by any person will not be tolerated by NAIF.

In order to minimise the risk of Insider Trading, all Staff must, prior to Trading in Securities, consult the Embargo List captured within NAIF's online management system (Infor) and, if required, seek the approval of the CEO (or the CEO's delegate) under paragraph 3.5 of this Policy. In the case of trading by the CEO approval must be sought from the NAIF Chair. Directors seek trading approval from the NAIF Chair and CEO.

If you have an arrangement with an agent to conduct Trading on your behalf and you are able to influence the specific Trading decisions of that agent, you must ensure that Securities in respect of which you have Inside Information are excluded from the products that the agent is authorised to Trade.

### 3.3 Short-selling

You must not engage in any form of short selling of any Securities. Short selling is the selling of a stock you do not own with the intention of later buying the same stock at a lower price.

Naked short selling is prohibited under Australian legislation. Naked short selling is when the short seller does not own the stock and does not have in place a prior arrangement to deliver the stock that will settle the sale.

Covered short selling is when the short seller does not 'own' but has, at the time of sale, borrowed the particular stock from another person (the 'stock lender') and uses the borrowed stock to settle the sale. The short seller buys similar stock to repay the stock lender.

Both naked and covered short selling are prohibited under this Policy.

### 3.4 Transaction Entity Securities

You must not deal in Securities of Transaction Entities unless you satisfy the requirements of this clause.

Provided that Trading has not otherwise been suspended in the Securities by a listing authority, or a regulatory body or listed on the Embargo List by the CEO, you may deal in Securities of a Transaction Entity, but only if:

- you do not possess Inside Information relating to those Securities; and
- an actual, perceived or potential Conflict of Interest will not arise as a result of the Trade.

This clause does not apply where you have an arrangement with an agent to conduct Trading on your behalf and you are not able to influence or control specific Trading decisions by that agent.

### 3.5 Embargo List

NAIF maintains an Embargo List (see Attachment 1) within its customer relationship management system (SalesLogix). Trading in Securities of Transaction Entities on the Embargo List is only permitted with the prior approval of the CEO (or the CEO's delegate) at their discretion. In the case of trading by the CEO approval must be sought from the NAIF Chair. All updates to the Embargo List are captured within Infor for Staff access prior to trading. The Embargo List is a standing agenda item at NAIF Board meetings.

If you become aware of or gain possession of, by reason of your involvement in a particular matter, any information which may amount to or be considered to be Inside Information, you must advise the CEO that you possess such Inside Information. The CEO may then take such action as they deem appropriate which may include placing an entity on the Embargo List. In the case of the CEO becoming aware of or gaining possession of Insider Information, this must be reported to the NAIF Chair.

The mere fact that an entity is not on the Embargo List does not relieve you from your obligations under this Policy or the relevant legislation to ensure that you are not Insider Trading and to avoid any actual, perceived or potential Conflict of Interest. Refer to the Conflict of Interest Policy.

### 3.6 Breach of this Policy

If you breach this Policy, NAIF may take disciplinary action against you, which could include suspension or termination of your employment contract or services agreement.

Breaches of this Policy may also constitute breaches of Insider Trading laws which may have civil and/or criminal penalties. Receiving the requisite approval to Trade in Securities under this Policy will not prevent you from being liable for breach of Insider Trading laws under the *Corporations Act 2001*.

If you become aware of a violation of this Policy, you should immediately report the violation to the CEO or otherwise in accordance with NAIF's Public Interest Disclosure Policy or the Incident Reporting Policy.

### 3.7 Dividend Reinvestment Plans

Subject to clause 3.2, if you wish to acquire Securities in a Transaction Entity under a dividend reinvestment plan for that Transaction Entity, you must obtain approval from the CEO. In the case of the CEO wishing to acquire Securities in a Transaction Entity under a dividend reinvestment plan approval must be sought from the NAIF Chair.

## 3.8 Export Finance Australia

Due to the Service Level Agreement with Export Finance Australia, employees of Export Finance Australia are required to follow the same process set out in Section 3.5 regarding the Embargo List. NAIF Staff are required to gain approval from the Managing Director and CEO of Export Finance Australia (via the Legal and Compliance team) when looking to Trade in Transaction Entities listed on the Export Finance Australia Embargo List. Embargo Lists for both NAIF and Export Finance Australia are captured within SalesLogix.

## 4. Roles and Responsibilities

Role	Responsibility
<b>Board and Board Audit &amp; Risk Committee (BARC)</b>	The Board is responsible for approving this Policy in line with Section 5 of this Policy. The BARC is responsible for reviewing this Policy and endorsing it for Board approval.
<b>CEO</b>	The CEO is responsible for: <ul style="list-style-type: none"><li>• overseeing this Policy and ensuring adequate and appropriate resources are allocated to implement, develop, maintain and comply with this Policy;</li><li>• implementing appropriate remedial, disciplinary or other action for failure by Staff to comply with this Policy; and</li><li>• encouraging Staff to comply with this Policy and make any recommendations for continuous improvement.</li></ul>
<b>Manager, Risk &amp; Compliance</b>	The Manager, Risk & Compliance is responsible for: <ul style="list-style-type: none"><li>• arranging training for Staff on this Policy including the consequences of a breach;</li><li>• providing advice to Staff on compliance with this Policy;</li><li>• reporting any known breaches of this Policy</li></ul>
<b>Legal</b>	Legal is responsible for providing advice to Staff on legal issues relating to compliance with this Policy.
<b>All Staff</b>	Staff are responsible for complying with this Policy including by: <ul style="list-style-type: none"><li>• satisfying themselves that all Trading is appropriate and will not result in an actual, perceived or potential Conflict of Interest;</li><li>• maintaining records of Trading which is subject to this Policy;</li><li>• attending relevant training and understanding their obligations;</li><li>• raising any compliance issues with the Manager, Risk &amp; Compliance and Legal as appropriate; and</li><li>• following relevant procedures and providing feedback for continuous improvement.</li></ul>

### 4.1 Seeking assistance

If you have any questions or need assistance in relation to your obligations under this Policy, you should discuss them with the CEO.

## 5. Review and Approval

This Policy will be reviewed annually, or more frequently if required, by or on behalf of the Policy owner to ensure it remains aligned with governing legislation and best practice. The Board approves all material amendments and reviews the Policy at least every two years.

The Manager, Governance, Compliance and Risk will ensure material changes to this Policy are communicated to Staff in a timely manner.

## 6. Compliance

Compliance with this Policy is mandatory and consequences for non-compliance may include dismissal. Executive Management are required to confirm policy compliance as part of an annual attestation process.

# Attachment 1

## Procedure for recording of Transaction Entities on the Embargo List

- a) The CEO (or delegate) is responsible for compiling and reviewing, on at least a monthly basis as part of the end of month pipeline reporting process, and for each Board Meeting, the list of Transaction Entities or other parties in relation to which NAIF or Staff may have Inside Information ("Embargo List").
- b) Staff may recommend, at any time, to the CEO that a particular Project Proponent or other party is placed on the Embargo List.
- c) A Transaction Entity, which is a publicly listed company, is automatically placed on the Embargo List when an 'opportunity' in relation to that Transaction Entity is created in SalesLogix through its service provider Export Finance Australia, to monitor enquiries.
- d) Where a Transaction Entity recorded in the NAIF pipeline is not on the Embargo List but progresses from being an "Active Enquiry" to at least "Strategy Assessment", it is automatically added to the Embargo List.
- e) The Embargo List made available to Directors is a redacted list including the Entity's name and stock exchange ticker only (where relevant).
- f) Where Inside Information has become public or is otherwise no longer Inside Information, or where the relevant matter between NAIF and a Transaction Entity has been completed, then the CEO may consider removing the name of that Transaction Entity from the Embargo List. Entities associated with either completed or Not Proceeding transactions are maintained on the Embargo List. Should Staff (or Directors) wish to trade in an entity listed in this part of the Embargo List, they must seek advice from the CEO or Chief Operating Officer as to whether, in the circumstances of a review and analysis of the information NAIF has available on that entity, the entity is able to be removed at that time from the Embargo List.