

ASX ANNOUNCEMENT



1 February 2018

VILLA WORLD LIMITED ABN 38 117 546 326 ASX CODE: VLW

Updated Securities Dealing Policy

Villa World (ASX: VLW) advises that it has adopted a new Security Dealings Policy, a copy of which is attached in accordance with ASX Listing Rule 12.10.

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1 Introduction and definitions

1.1 Definitions

ASX means ASX Limited.

Blackout Period means the periods commencing each 1 January and ending on the day prior to the commencement of the next Trading Window, and the period commencing each 1 July and ending on the day prior to the commencement of the next Trading Window.

Board means the board of directors of Villa World Limited (ACN 117 546 326).

Corporations Act means the *Corporations Act 2001* (Cth).

Deal/Dealing means applying for, acquiring, or disposing of Securities or entering into an agreement to do so, or procuring another person to do any of those actions.

Director means an executive or non-executive director of Villa World and their Related Persons.

Exceptional Circumstances may include, but are not limited to:

- a) severe financial hardship;
- b) court order or enforceable court undertaking, or other overriding legal or regulatory requirement requiring the sale or transfer of Villa World Securities; or
- c) such other exceptional circumstances as may from time to time be determined by the Chairperson of the Board, or in his absence, the Managing Director.

Inside Information means information of the kind referred to in section 3.2.

Key Management Personnel means all Directors and those Workplace Participants who the Board has decided to disclose as key management personnel in Villa World's annual report from time to time, and any other Workplace Participants who are nominated by the Board from time to time as key management personnel for the purposes of this Policy. A Workplace Participant may be nominated by the Board as key management personnel for the purposes of this Policy if they hold a senior position within Villa World and their trading activities could give rise to heightened regulatory or reputational scrutiny.

Listing Rules means the Listing Rules of the ASX.

Related Body Corporate has the same meaning as given in the Corporations Act.

Related Person means:

- a) the spouse or de-facto partner of a Workplace Participant, and any dependent children living in the same household as the Workplace Participant; and
- b) any company, trust or entity which is controlled by the Workplace Participant or any person referred to in paragraph (a) of this definition.

Securities covered by this Policy include:

- a) shares;
- b) debentures (including simple corporate bonds);
- c) options over unissued shares or debentures;
- d) renounceable or non-renounceable rights to subscribe for shares or debentures;
- e) interests in managed investment schemes, trusts and other financial products; and
- f) any derivatives issued over or in respect of any of the above within the meaning of section 761D of the Corporations Act (e.g. warrants, exchange traded options, over the counter options, and contracts for difference).

Substantial Holding has the same meaning as given in the Corporations Act.

Trading Window means any period referred to as such in section 4.2.

Villa World means Villa World Limited (ACN 117 546 326) and its Related Bodies Corporate.

Villa World Securities means any Securities of Villa World.

Workplace Participant means:

- a) all employees, including the Directors;
- b) any contractor, consultant or secondee of Villa World who, because of the nature of their role, is nominated from time to time by the Board as a Workplace Participant for the purposes of this Policy and who is notified of that nomination; and
- c) their Related Persons.

1.2 Background

The Listing Rules require Villa World to have a trading policy that meets the minimum requirements set out in the Listing Rules. Guidance Note 27 provides assistance in understanding how to comply with those Listing Rule requirements.

The purpose of this Policy is to ensure compliance with the Listing Rules, and to reduce the risk of insider trading, by regulating the circumstances in which Workplace Participants can Deal in Securities.

1.3 Objectives of Policy

The objectives of this Policy are that:

- a) Workplace Participants adhere to high ethical standards, and comply with all applicable laws, in connection with their Dealings in Villa World Securities, the Securities of other entities and in the handling of inside information;
- b) market confidence is preserved in relation to the integrity and conduct of Workplace Participants; and

- c) the reputation of Villa World is maintained.

1.4 Scope of Policy

This policy applies to all Workplace Participants. Each Workplace Participant covered by this Policy is personally responsible for their own investment decisions, and for their compliance with this Policy and all applicable laws (including insider trading laws).

This Policy sets out:

- a) the restrictions that apply, under law and under this Policy, on Dealing in Villa World Securities and the Securities of other entities;
- b) the circumstances in which, and conditions on which, trading in Villa World Securities and the Securities of other entities is permitted;
- c) requirements in relation to margin lending and other financing arrangements;
- d) restrictions on hedging and short selling activities; and
- e) applicable procedures that are designed to prevent the misuse, or perception of misuse, of inside information.

To assist with understanding and complying with this Policy, Workplace Participants should refer to the Decision Process chart in **Appendix D** at the end of this Policy, when considering whether or not they are permitted to Deal in Villa World Securities or the Securities of other entities.

1.5 Consequences of breaching this Policy

A breach of this Policy will be regarded as serious misconduct and may involve disciplinary action (which could include termination of employment).

A breach of this Policy may also constitute a breach of the Corporations Act or other applicable laws, for which serious penalties may apply to Villa World and its Workplace Participants including imprisonment, substantial fines and civil liability for any benefits obtained from insider trading.

2 Commencement and review

Policy and version number:	CG01/2018 (version 1.0)
Authority and commencement date:	This policy has been approved by resolution of the Board. It will commence from 1 February 2018. It replaces all other earlier policies in existence (whether written or not) regarding this subject matter.
Date of next review:	The policy will be reviewed by no later than 1 February 2020.

3 General prohibition against insider trading

3.1 General prohibition

Under the Corporations Act, it is illegal for anyone who possesses Inside Information regarding Villa World or any other entity to:

- a) Deal in the Securities of the relevant entity; or
- b) directly or indirectly communicate, or cause to be communicated, that Inside Information to (or “tip”) another person who the person knows, or ought reasonably to know, would or would be likely to use the Inside Information to Deal in those Securities.

3.2 What is Inside Information?

Inside Information is information that is not generally available, and if it were generally available, a reasonable person would expect it to have a material effect on the price or value of the Securities of an entity.

Examples of Inside Information could include (but are not limited to):

- a) Villa World's financial performance against its budget or forecasts, or against any published market guidance;
- b) senior management or Board changes;
- c) a proposed dividend, or a change to dividend policy;
- d) a major business or asset acquisition or sale;
- e) substantial delays in the timing of a material project;
- f) items of major capital expenditure;
- g) an actual or proposed change to Villa World's capital structure;
- h) a possible claim against Villa World or other unexpected liability;
- i) an industrial dispute or project delays on a material project or development; or
- j) a regulatory investigation against Villa World or any Key Management Personnel.

3.3 Information that is "generally available"

Information is considered to be "generally available":

- a) if it can be readily observed;
- b) on the next ASX trading day after it has been released to the ASX, published in an annual report, interim financial report or prospectus, or has otherwise been made generally available to the investing public; or
- c) it may be deduced, inferred or concluded from information referred to above.

3.4 Material effect on the price or value of shares

Information would be likely to have a material effect on the price or value of Securities if the information would, or would be likely to, influence persons who commonly acquire Securities in deciding whether or not to subscribe to, buy or sell those Securities.

4 Dealings

4.1 Absolute prohibition

Workplace Participants must not under any circumstances, or at any time, Deal in Villa World Securities if they are in possession of Inside Information regarding Villa World. Any provision of this Policy which permits a Dealing in Securities must be read subject to this section 4.1 and to insider trading laws.

4.2 Trading Windows

Workplace Participants may only Deal in Villa World Securities during the following Trading Windows, and provided that they comply with all other relevant provisions of this Policy:

- a) the four week period beginning on the next ASX trading day after the release of Villa World's half year/full year financial results;
- b) the four week period beginning on the next ASX trading day after Villa World's annual general

meeting;

- c) a period commencing on the day after the release of a prospectus, cleansing notice or other disclosure document in connection with an offer of Villa World Securities and ending on the day the offer closes; and
- d) such other period that the Board notifies is a Trading Window for the purposes of this Policy.

The Board may, in its absolute discretion, restrict dealing in Villa World Securities during a Trading Window either in respect of all Workplace Participants, a class of Workplace Participants, or specific Workplace Participants by giving notice to the relevant Workplace Participants.

Before they Deal in Villa World Securities during the Trading Windows listed in this section 4.2, Key Management Personnel must seek prior written clearance. To do so they must complete the "Application for Clearance – Dealing During Trading Window by KMP" in **Appendix A** of this Policy and email it to the Company Secretary. Any request for a clearance must be approved **before** the Dealing by:

- a) in the case of Key Management Personnel, the Chairperson of the Board; and
- b) in the case of the Chairperson of the Board, the Chairperson of the Audit and Risk Committee;

If clearance is granted, the Dealing must occur within three business days of the date that the clearance is notified to the applicant, or such other time period specified in the clearance.

4.3 Permitted Dealings

Workplace Participants may, without prior written clearance, Deal in Villa World Securities outside of a Trading Window in the following circumstances:

- a) participation in any dividend reinvestment plan, long-term incentive plan or employee equity plan operated by Villa World. However, Workplace Participants are not permitted to join, amend their participation in or withdraw from the relevant plan during a Blackout Period;
- b) where 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;
- c) transfers of Securities where there is no change in the beneficial interest (such as a transfer into a superannuation fund in which the Workplace Participant is a beneficiary);
- d) the acceptance of a takeover offer or an equal access buy-back; and
- e) trading by a fund or other scheme in which the Workplace Participant holds Securities, but where the investment is solely at the discretion of a third party.

4.4 No short term Dealing

Workplace Participants must not engage in any short term Dealing in Villa World Securities. In general, "short term Dealing" includes the purchase of Villa World Securities with a view to resale within a 3 month period, and the sale of Villa World Securities with a view to repurchase within a 3 month period.

Workplace Participants must not engage in any short selling of Villa World Securities. In general, "short selling" includes a transaction or arrangement to sell Securities (including borrowed Securities) with the intention of buying them back at a later date.

4.5 Margin lending and other financing arrangements

A Workplace Participant shall not enter into a margin loan or similar funding arrangement to acquire Villa World Securities.

4.6 Restrictions on trading in the Securities of other entities

Workplace Participants are prohibited from Dealing in the Securities of other entities in respect of which they possess, or could reasonably be considered to possess, Inside Information.

This Policy may also, from time to time, be extended by the Board to specifically restrict Workplace Participants from Dealing in the Securities of entities with which Villa World may have actual or potential business activities.

4.7 Hedging arrangements

The Corporations Act prohibits Key Management Personnel from entering into an arrangement that would have the effect of limiting their exposure to risk relating to an element of their remuneration that either has not vested, or has vested but remains subject to a holding lock.

Key Management Personnel are not permitted to enter into an option, derivative or other arrangement or transaction which operates or is intended to operate to limit the economic risk in respect of holdings of Villa World Securities which have not vested, or which have vested but remain subject to a holding lock.

5 Dealing outside of Trading Windows

5.1 When clearance may be given

Clearance may be given to Deal in Villa World Securities outside of a Trading Window in the following circumstances:

- a) if during a Blackout Period, only for Workplace Participants other than Key Management Personnel, and only for disposals where Exceptional Circumstances exist; and
- b) if not during a Blackout Period, for any Workplace Participant for any Dealing, but in the case of Key Management Personnel, only if Exceptional Circumstances apply.

5.2 Application for Clearance

If a Workplace Participant wishes to Deal in Villa World Securities outside a Trading Window and the Dealing is not a Permitted Dealing allowed under section 4.3, they must seek prior written clearance. To do so they must complete the “Application for Clearance – Dealing Outside Trading Window” in **Appendix B** of this Policy and email it to the Company Secretary, together with full details of the Exceptional Circumstances where required (including relevant documentary evidence).

Any request for a clearance must be approved **before** the Dealing by:

- a) the Chairperson of the Board (other than where the applicant is the Chairperson of the Board); and
- b) by the Chairperson of the Audit and Risk Committee where the applicant is the Chairperson of the Board.

If clearance is granted, the Dealing must occur within 3 business days of the date that the clearance is notified to the applicant, or such other time period specified in the clearance.

5.3 General rules regarding clearances

- a) A Workplace Participant who has been given a clearance is still prohibited from Dealing in Villa World Securities if they are in possession, or come into possession, of any Inside Information after a clearance has been given.
- b) Any clearance to Deal in Villa World Securities is not an endorsement by Villa World, or any of its officers or the person granting the clearance, of any Dealing.
- c) A clearance can be given, refused or withdrawn by Villa World in its discretion, without giving any reasons. Any decision to refuse a clearance is final and binding.
- d) If a clearance is refused, the Workplace Participant seeking the clearance must keep that information confidential.

6 Notification

Whenever a Workplace Participant Deals in Villa World Securities (whether during a Trading Window or pursuant to a clearance or for any permitted Dealing under section 4.3), the Workplace Participant must complete the Notification Form in **Appendix C** of this Policy and email it to the Company Secretary no later than 2 business days after the Dealing has occurred.

However, a Workplace Participant will be deemed to have provided the Company Secretary with sufficient notice of their Dealing in Villa World Securities without providing the Company Secretary with a completed Notification Form (as set out in **Appendix C** of this Policy) if the Workplace Participant participates in a permitted Dealing of the kind set out in section 4.3(a) above.

Notwithstanding the above notice requirements, if the Workplace Participant:

- a) begins, or ceases, to have a Substantial Holding in Villa World; or
- b) has a Substantial Holding in Villa World and there is a movement of at least 1% in their holding,

the Workplace Participant must comply with the notification requirements in section 671B of the Corporations Act.

The Company Secretary may, from time to time, request that a Workplace Participant complete a declaration in which the Workplace Participant discloses any holdings or transactions in Villa World Securities or the Securities of any other entity. When requested, a Workplace Participant must promptly and honestly complete such a declaration and return it to the Company Secretary in the manner requested.

In the event that a Director Deals in Villa World Securities, an ASX Appendix 3Y will be lodged by the Company Secretary within 5 business days after the Dealing takes place.

A failure to comply with these notification procedures is a breach of this Policy.

7 Dissemination of Policy

This Policy will be made available to all Workplace Participants and will be posted on Villa World's website and intranet. All Workplace Participants are required to understand their responsibilities, behave ethically and comply with this Policy at all times.

At any time, Villa World may require Workplace Participants in writing to:

- a) certify that they have read and agree to the terms of this Policy; and/or
- b) certify that they have complied and are continuing to comply with the terms of this Policy.

SECURITIES DEALING POLICY

From time to time, Villa World may also undertake checks to verify compliance with this Policy.

Workplace Participants referred to in paragraphs a) and b) of the definition of “Workplace Participant” should ensure that their Related Persons are aware of the provisions in this Policy, and take all reasonable steps to ensure that their Related Persons comply with this Policy.

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

8 Review of Policy

This Policy will be reviewed periodically, and by no later than the date referred to in section 2, to ensure it continues to comply with all applicable laws and regulations and remains relevant and effective.

Material changes made to this Policy arising from periodical reviews will be disclosed to the ASX within 5 business days of the changes being made.



9 Appendices

Appendix A

Application for Clearance – Dealing During Trading Window by KMP (see section 4.2 of the Villa World Securities Dealing Policy)

This form is to be used by Key Management Personnel seeking prior clearance to Deal in Villa World Securities during a Trading Window

1.	Name	
2.	Position (i.e. Director, Key Management Personnel)	
3.	Date	
4.	Name of proposed Purchaser/Seller/ Counterparty	
5.	Nature of proposed agreement/Dealing/ trading	
6.	Proposed date of transaction (i.e. completion date)	
7.	Number and description of Securities	
8.	Representation	I confirm that I am not in possession of any 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 Villa World Securities, nor by my actions will I have contravened the requirements of the Villa World Securities Dealing Policy
	Signed	Date
	I confirm the request complies with the requirements of the Villa World Securities Dealing Policy:	
	Clearance for Dealing During Trading Window	Date



Appendix B

Application for Clearance – Dealing Outside Trading Window (see section 5.2 of the Villa World Securities Dealing Policy)

This form is to be used by Workplace Participants seeking prior clearance to Deal in Villa World Securities outside a Trading Window. It is not necessary to seek prior clearance for Permitted Dealings.

1.	Name	
2.	Date	
3.	Are you Key Management Personnel? *KMP may be given clearance to Deal outside a Trading Window only if it is not a Blackout Period and if there are Exceptional Circumstances	
4.	Will the Dealing occur during a Blackout Period? *KMP will not be given clearance to Deal in a Blackout Period. Other Prescribed Persons may be given clearance to Deal if it is not a Blackout Period or if there are Exceptional Circumstances	
5.	If relevant (see 3 and 4 above), what are the Exceptional circumstances?	
6.	Name of proposed Purchaser/Seller/ Counterparty	
7.	Nature of proposed agreement/Dealing/ trading	
8.	Proposed date of transaction (i.e. completion date)	
9.	Number and description of Securities	
10.	Representation	I confirm that I am not in possession of any 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 Villa World Securities, nor by my actions will I have contravened the requirements of the Villa World Securities Dealing Policy
	Signed	Date
	I confirm the request complies with the requirements of the Villa World Securities Dealing Policy:	
	Clearance for Dealing Outside Trading Window	Date



Appendix C

Notification Form (see section 6 of the Villa World Securities Dealing Policy)

This form is to be used by Workplace Participants to notify Villa World of any Dealing in Villa World Securities within or outside a Trading Window and must be provided within 2 business days of the Dealing occurring

1.	Name	
2.	Name of Purchaser/Seller/Counterparty	
3.	Nature of agreement/Dealing/trading	
4.	Date of transaction	
5.	Number and description of Securities	
	Signed	Date

