



## Domino's Pizza Enterprises Limited Board Policy 06/05: Securities Dealing

Effective Date - 20 November 2017

(ASX Corporate Governance Principles and Recommendations, 3<sup>rd</sup> edition)

### 1 Background

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- (a) As a general rule, the law prohibits people from Dealing (including entering into margin lending and other Secured Lending Arrangements) if they are in possession of non-public, price sensitive information.
- (b) Directors and other shareholders are encouraged to be long term holders of the Company's Securities. However, care must be taken in the timing of any acquisition or disposal of securities of the Company (including use for margin lending and other Secured Lending Arrangements), to safeguard the Company and shareholders against the risk of Insider Trading.
- (c) The Company is committed to responsible corporate governance, including ensuring appropriate processes are in place to promote compliance with Insider Trading laws. Accordingly, the Board has endorsed this policy as part of its broader corporate governance framework.

### 2 Policy objectives

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The objectives of this Policy are:

- (a) **(awareness)** to create awareness of Insider Trading rules and the risk of inadvertent contravention;
- (b) **(compliance)** to assist compliance with the law and ASX Listing Rules; and
- (c) **(market integrity)** to promote investor confidence in the integrity of the market for the Company's Securities and protect the reputation of the Company from the damage it could suffer if that confidence were to be undermined by any Insider Trading or perception of Insider Trading.

### 3 Definitions

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In this policy:

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

**Associate** has the meaning in sections 11 – 17 of the Act.

**Board** means the Board of Directors of the Company.

**Closed Period** has the meaning in clause 6.2(b).

**Company Securities** means securities issued by the Company and includes ordinary shares, preference shares, debentures, convertible notes and options as well as derivatives created over those securities by third parties (such as warrants).

**Dealing** has the meaning in clause 4.3(a).

**Exempt Dealings** means the Dealings described in clause 6.9,

**Finance Team** means the Chief Financial Officer and each of his direct reports.

**Insider Trading** is the conduct described in clause 5.

**Key Management Personnel** has the meaning in Accounting Standard AASB 124 Related Party Disclosure. As at the date of this policy, it means all persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

**Leadership Team** means the Directors, the Company Secretary, Key Management Personnel and other senior executives.

**Secured Lending Arrangement** means any arrangement involving the use of Company Securities as collateral or security for any indebtedness or other obligation, including without limitation a margin lending or other secured arrangement.

**Trading Window** has the meaning in clause 6.2(a).

## 4 Who does this policy apply to?

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### 4.1 People covered

- (a) This policy applies to the Leadership Team, the Finance Team, franchisees and to all other executives and employees of the Company and its subsidiaries and each of their Associates.
- (b) Persons covered by this policy must not Deal through any Associate where they would have been prohibited from Dealing in their own name.

### 4.2 Securities covered

- (a) This policy applies to all Company Securities issued from time to time.
- (b) This policy is not limited to Insider Trading in Company Securities. It includes Dealing in the securities of other companies, including but not limited to, our customers or suppliers or those with whom the Company may be negotiating major transactions such as an acquisition, investment or sale (**Non-Company Securities**). Information that is not material to the Company may nevertheless be material to one of those other companies.

### 4.3 Activities covered

- (a) This policy applies to:
  - (i) (**trades**) any proposal to apply for, acquire or dispose of any security or to enter into any agreement to do those things;
  - (ii) (**margin lending etc**) using Company Securities as collateral or security for any indebtedness or other obligation, such as margin lending and other Secured Lending Arrangement;
  - (iii) (**related activity**) any proposal to procure another person to do any of the above.

These activities are referred to in this policy as **Dealing**.

- (b) A person who '*incites, induces, or encourages an act or omission by another person*' is taken to procure the act or omission by the other person.

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## 5 What is Insider Trading?

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### 5.1 Insider Trading

- (a) If a person covered by this policy has Inside Information relating to the Company and they know or ought reasonably to know that it is Inside Information, it is illegal for the person to:
  - (i) Deal in Company Securities (including entering into a margin loan or other Secured Lending Arrangement);
  - (ii) advise, procure or encourage another person (for example, a family member, a friend, a family company, trust or superannuation fund) to Deal in Company Securities; or
  - (iii) pass on information to any other person, if you know or ought to reasonably know that the person may use the information to Deal (or procure another person to Deal) in Company Securities.
- (b) Insider Trading rules apply even where:
  - (i) the Dealing occurs at a time that would otherwise be within a permitted Trading Window;
  - (ii) the Dealing falls within an exclusion in this policy; or
  - (iii) a person has been given approval under this policy to Deal (whether in exceptional circumstances or otherwise).

### 5.2 Inside Information

- (a) Inside Information is information which is not generally available to the market and, if it were generally available to the market, would be likely to:
  - (i) have a material effect on the price or value of any company's securities (not just Company Securities); or
  - (ii) influence persons who commonly invest in securities in deciding whether or not to buy or sell Company Securities.
- (b) Information is 'generally available' if:
  - (i) it consists of readily observable matter;
  - (ii) it has been made known in a manner likely to bring the information to the attention of people 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;
  - (iii) it is derived from information which has been made public; or
  - (iv) it consists of observations, deductions, conclusions or inferences made or drawn from the other generally available information.
- (c) It does not matter how or where you obtain Inside Information – it does not have to be from the Company or about the Company to constitute Inside Information. For example, knowledge about another person's intentions in relation to the Company (eg their intention to buy or sell shares in the Company) may constitute Inside Information.

### 5.3 Examples of Inside Information

Inside Information could include:

- (a) historical financial information contained in management accounts;
- (b) current or prospective same store sales, network sales, revenue (at Group level or for a particular market) or earnings generally;
- (c) operational performance of the Group or in any individual market;
- (d) proposed corporate or strategic actions such as the declaration or payment of dividends, new share issues, new or additional Bank facilities major acquisitions or disposals or major contracts; and
- (e) changes or proposed changes to senior executive positions or at Board level.

### 5.4 Penalties for non-compliance

- (a) A person who commits a breach of the Insider Trading provisions may be exposed to criminal and/or civil liability, the consequences of which may be severe, such as heavy fines and imprisonment.
- (b) In addition, the insider trader and any other person involved in the contravention may be liable to compensate third parties for any resulting loss.
- (c) Non-compliances will be treated seriously by the Company and breaches of this policy, whether or not they result in a breach of the law, may result in disciplinary action including dismissal or termination of employment or any franchise agreement.
- (d) Any person who has disposed of securities in breach of this policy will be required to donate any profit derived from the disposal to charity.
- (e) Any person who has acquired securities in breach of this policy, will be required to sell the securities at the earliest opportunity and donate any profit derived from the sale to charity.

## 6 Policy on Dealing in Company Securities (including margin lending)

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### 6.1 No Dealing when in possession of Inside Information

No person to whom this policy applies may Deal in any security at any time if they have Inside Information.

### 6.2 Permitted Dealings in Trading Windows

- (a) A person covered by this policy may Deal in securities:
  - (i) in the 3 week period after:
    - (A) the release to ASX of the half-yearly and annual results; or
    - (B) the end of the AGM; and
  - (ii) at any time the Company has a prospectus open,

(each a **Trading Window**) but only if:

- (iii) they have no Inside Information;
- (iv) the Dealing is not for short term or speculative gain;
- (v) if the Dealing involves a Secured Lending Arrangement – approval has been given in accordance with clause 7;
- (vi) in the case of Leadership Team members and members of the Finance Team, the Dealing does not occur earlier than 9.00am on the second business day after they have notified the Company Secretary in writing of their intention to Deal.

***[Note: Leadership Team members and members of the Finance Team have separate obligations to notify the Company Secretary promptly after a Dealing - see clause 6.5]***

- (b) All other periods are Closed Periods during which a person covered by this policy may not Deal unless permitted.
- (c) The Company reserves the right to impose a restriction on Dealing during any period.

### 6.3 Dealings outside Trading Windows (Closed Periods) require approval

- (a) Except for Exempt Dealings, a person covered by this policy may Deal in Company Securities during Closed Periods only if:
  - (i) they certify that they are not in possession of Inside Information;
  - (ii) if the Dealing involves a Secured Lending Arrangement – approval has been given in accordance with clause 7;
  - (iii) in the case of the Leadership Team members - they have obtained the approval of the Chairman or in the case of any proposed Dealing by the Chairman, the Deputy Chairman or in the event of the absence or unavailability of the Deputy Chairman, the chair of the Audit Committee; and
  - (iv) in the case of others - they have obtained the approval of the Company Secretary.
- (b) Permission will be given for such Dealing but only after a written request for approval is provided and only if the approving person is satisfied that the transaction would not be:
  - (i) contrary to law;
  - (ii) for speculative gain;
  - (iii) to take advantage of inside knowledge; or
  - (iv) seen by the public, press, other shareholders or ASX as unfair.
- (c) Approval to Deal may be given, for example:
  - (i) in cases of hardship where it can be shown that securities are to be sold to realise cash in a time of need; or
  - (ii) where securities are transferred from one member of a family or trust to another when to delay the transaction to the next permitted period would be detrimental to the family's affairs.

- (d) Approval will only be given under exceptional circumstances where the Dealing would occur in the period between 30 June and the announcement to ASX of final results for the year and between 31 December and the announcement to ASX of the interim results for the half-year.
- (e) If approval is given, the Dealing must be completed by 5.00pm Brisbane time on the second business day after the approval.

#### 6.4 Other rules relating to approvals

- (a) Any approval to Deal can be:
  - (i) given or refused without giving any reason; and
  - (ii) withdrawn if new information comes to light or there is a change in circumstances.
- (b) Any decision to refuse an approval is final and binding. If an approval is refused, the person seeking the approval must keep that information confidential and not disclose it to anyone.
- (c) Any approval to Deal under this policy is not an endorsement of the proposed Dealing and the person conducting the Dealing is individually responsible for their investment decision and compliance under Insider Trading laws.
- (d) If a person comes into possession of Inside Information after receiving an approval to Deal, they must not Deal despite having received the approval.

#### 6.5 Disclosures

- (a) Regardless of whether or not Dealing occurs within a Trading Window, Leadership Team members and members of the Finance Team must no later than 12.00 midday Brisbane time on the next business day after each Dealing, give the Company Secretary a certificate signed by the person containing:
  - (i) details of the completed Dealing; and
  - (ii) statements that:
    - (A) before the Dealing, the person had read this policy and had made careful enquiry in relation to whether the person was in possession of Inside Information;
    - (B) at the time of the Dealing, the person was satisfied that the person was not in possession of Inside Information; and
    - (C) the Dealing was not for short term or speculative gain.
- (b) The Company Secretary must maintain a register of securities transactions for the purposes of this policy.
- (c) The Company must comply with its obligations to notify ASX in writing of any changes in the holdings of securities or interest in securities by Directors.

#### 6.6 Large Dealings

Persons to whom this policy applies must not sell more than 2% of the total issued share capital worth of securities in any 6 month period without obtaining approval from the Chairman (or in the case of a proposed sale by the Chairman), from the Board, as to the form and timing of the sale and the management of its public disclosure.

## 6.7 Substantial holder notices

If a person begins to have, or ceases to have, a substantial holding in the Company or if they have a substantial holding in the Company and there is a movement of at least 1% of their holding then the person has an obligation to give notice to the Company and ASX generally within two business days of becoming aware of the relevant event.

## 6.8 Hedging Transactions

Persons to whom this policy applies must not, without prior written consent of the Chairman, enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the Company's equity based remuneration scheme.

## 6.9 Exempt Dealings

The risk of Insider Trading, or the appearance of Insider Trading, is considered low where certain types of Dealing in Company Securities occur in the following situations.

Accordingly, the following types of do not need approval under section 6.3:

- (a) **(Pro-rata issue)** an acquisition of Company Securities under a pro-rata rights issue or a disposal of rights acquired under a pro-rata rights issue;
- (b) **(dividend reinvestment plan (DRP) or security purchase plan (SPP))** an acquisition of Company Securities under a DRP or SPP;
- (c) **(employee incentive scheme)** the acquisition, forfeiture, lapse or cancellation of any Company Securities under an employee incentive scheme operated by the Company.
- (d) **(no change in beneficial owner)** an off-market transaction in Company Securities, where there is no effective change in the beneficial owner (such as a transfer to a family trust or a self-managed superannuation fund); or
- (e) **(involuntary disposal under a margin loan)** a disposal of Company Securities that is the result of a secured lender exercising their rights, for example, under a margin loan or other Secured Lending Agreement.

However:

- all Dealings remain subject to the overriding prohibition on Dealings whilst in possession of Inside Information (clause 6.1); and
- the Policy will apply to any subsequent disposals of securities acquired in any of the above situations or where Company Securities cease to be held under the terms of an employee incentive scheme (e.g. where ordinary shares are received on the exercise of an option).

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## 7 Policy on Secured Lending Arrangements

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### 7.1 Approvals

- (a) A member of the Leadership Team or Finance Team must not at any time, whether in a Closed Period or a Trading Window:
  - (i) enter, or propose to enter, into a Secured Lending Arrangement involving Company Securities; or
  - (ii) Deal with Company Securities for the purpose of giving effect to a Secured Lending Arrangement such as transferring Company Securities into an existing margin loan account,  
  
(together a **Margin Loan Dealing**), without the prior written approval of the Responsible Person.
- (b) A member of the Leadership Team or Finance Team must not enter into a Margin Loan Dealing if they are in possession of Inside Information, regardless of any approvals received under clause 7.1(a).
- (c) The Responsible Person is:
  - (i) the Chairman; or
  - (ii) if the Dealing involves the Chairman or he is unavailable - the Deputy Chairman.
- (d) The decision to give or refuse approval is entirely within the discretion of the Responsible Person who may give or refuse approval or give approval subject to such conditions as the Responsible Person thinks fit (for example, with regard to the circumstances in which the Company Securities may be sold to satisfy a margin call). The Responsible Person is not required to give any reasons for his or her decision.
- (e) Any approval given may be revoked in writing, prior to the Dealing taking place, if the following occurs:
  - (i) new information comes to light in relation to the Secured Lending Arrangement, that has not been previously disclosed;
  - (ii) between the date of approval and the Dealing, there is reason to believe that the person seeking approval comes into possession of Inside Information; or
  - (iii) any other relevant event or circumstance, as determined by the Board.

### 7.2 Disclosures

- (a) Leadership Team and Finance Team members are required to provide disclosure to the Responsible Person of any Secured Lending Arrangements they may have in respect to Company Securities, including the number of Company Securities involved, Loan to Value Ratio, the trigger points and details of any alerts that the Leadership Team or Finance Team member receives in relation to a Secured Lending Arrangement. The disclosures must be provided together with a request for approval and immediately if any material change occurs.
- (b) The Company may publicly disclose the terms and nature of any margin loan or Secured Lending Arrangement to which a Company director is a party, and the terms and circumstances of any call made or likely to be made under those arrangements.

### 7.3 **Margin calls**

Leadership Team and Finance Team members are expected to have sufficient resources to meet a margin call by any means other than the sale of Company Securities. If a Leadership Team or Finance Team member has any doubt about their ability to meet a margin call by means other than a sale of their Company securities, they must take immediate steps to rearrange their affairs to prevent this from occurring.

### **ENDS**

#### **History**

Adopted by the Board on 11 April 2005

Revised on 8 November 2006, 15 September 2010, 16 April 2015 and 20 November 2017.