

AXXIS TECHNOLOGY GROUP LIMITED

Share Trading Policy

Introduction

The ordinary shares of Axxis Technology Group Limited ("The Company") are listed on the Australian Securities Exchange ("ASX"). The Axxis Technology Group Limited Share Trading Policy ("The Policy") regulates the sale and purchase of shares in the Company by its directors, officers and employees.

Purpose

The purpose of the policy is to reduce the risk of insider trading and to ensure that the Company's directors, officers and employees are aware of the legal restrictions on trading shares in the Company whilst in possession of Inside Information concerning the Company.

In addition, the Policy sets out that trading in the Company's shares by directors, officers and employees is not permitted. Restrictions on trading are imposed by the Company to reduce the risk of insider trading and to minimize the chance that misunderstandings or suspicions arise that the Company's directors, officers, or employees are trading when in possession of Inside Information.

'Inside Information' means information that is not disclosed or generally available and, if it were disclosed or generally available, a reasonable person would expect it to have a material effect on the price or value of the Company's shares.

For the purposes of this Policy, trading in the Company's shares also extends to other securities issued by the Company.

Insider Trading

The Insider Trading Provisions are contained in Part 7.10 Division 3 of the *Corporations Act 2001* (Cth). The *Corporations Act* prohibits any person who possesses inside information and who knows, or ought reasonably to know, that the information qualifies as inside information from:

- a) Dealing in Company shares ; or
- b) Procuring another person to deal in Company shares; or
- c) Directly or indirectly communicating the Inside Information, or causing the Inside Information to be communicated, to any person who they know, or ought reasonably to know, would be likely to deal in Company shares or procure another person to do so.

Maximum penalties under the Corporations Act for a breach of Insider Trading Provisions are:

- \$220,000 or imprisonment of 5 years or both in the case of a natural person;
- \$1,100,000 in the case of a company; and
- Unlimited civil liability

Policy

- Consistent with the Insider Trading Provisions of the Corporations Act, all of the Company's directors, officers and employees are prohibited from trading in the Company's shares while in possession of Inside Information concerning the Company. Directors, officers and employees should never communicate any Inside Information to any other person, including family members and associates.
- In addition, directors, officers and employees are prohibited from trading in the Company's shares during:

- a) Each period of 45 days immediately prior to the intended date upon which the Company releases its Annual Financial Statements to the ASX;
 - b) Each period of 45 days immediately prior to the intended date upon which the Company releases its Half Year Financial Statements to the ASX;
 - c) Each period of 30 days immediately prior to the intended date upon which the Company holds its Annual General Meeting;
 - d) Each period of 24 hours immediately after the date upon which the Company issues a price-sensitive ASX announcement; and
 - e) Any other times the Board of Directors decide
- No director, officer or employee may deal in Company shares at any time for short-term gain, including buying and selling Company shares in a 3 month period, without the written approval of the Chairman or, in the case of the Chairman, the Board of Directors
 - In order to ensure compliance with this Policy, all officers and employees must discuss any proposed dealing with (and obtain written approval from) the Company Secretary or a director prior to trading Company shares at any time
 - A director and the Company Secretary must discuss the proposed dealing with (and obtain written approval from) the Chairman prior to trading Company shares at any time
 - The Chairman must discuss the proposed dealing with (and obtain written approval from) the Board of Directors prior to trading Company shares at any time
 - A director, officer or employee who is not in possession of Inside Information may be given clearance by the Chairman (in the case of the Chairman all of the other members of the Board) to sell or otherwise dispose of Company Securities during a prohibited trading period in the following circumstances:
 - a) Where that director, officer or employee faces financial hardship, to be approved and determined by the Board;
 - b) Where the person is required to sell their securities by court order, court enforceable undertaking or other requirement by law; or
 - c) Where such other exceptional circumstances exist as approved and determined by the Chairman (or in the case of the Chairman, the Board)
 - To obtain clearance for trading in the above circumstances, the director, officer or employee in question must submit an application in writing to the Chairman (or in the case of the Chairman, an application in writing to the Board), setting out reasons for requesting the approval and including supporting documentation. Any exemption, if granted, will be in writing and is to contain a specified time period during which the trading of the securities can be made.

Disclosure of Directors Interests

- In accordance with ASX Listing Rule 3.19A.2, a director must notify the ASX within 5 trading days after any change in the Director's interest in securities of the Company or a related body corporate of the Company.
- When advising the ASX of any change to a notifiable interest of a director of the Company, the Company must ensure that the ASX be advised whether this occurred during a closed period where prior written clearance was required for the trading, and if so, whether prior written clearance was provided.

Trading Excluded from the Restrictions of this Policy

- Trading by the Company's directors, officers and employees in the following circumstances is excluded from the restrictions in this Policy:
 - a) Where ordinary shares in the Company are acquired by conversion of securities giving a right of conversion to ordinary shares;
 - b) Where securities are acquired under a bonus issue made to all holders of securities in the same class;
 - c) Where the trading of securities results in no change to the beneficial ownership interest in the securities;
 - d) Transfers of securities already held into a superannuation fund or other saving scheme in which the person is a beneficiary
 - e) When securities are acquired under a dividend reinvestment plan that is available to all holders of securities in the same class;
 - f) Where securities are acquired or exercised under the Company's ESOP;
 - g) Where securities are traded or acquired under an on-market buy back or any rights offer or share purchase plan;
 - h) Accepting into a takeover offer;
 - i) A disposal of securities in the Company that is the result of secured lender exercising their rights;
 - j) Where a restricted person is a trustee, trade in the securities of the Company by that trust provided the restricted person is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by the other trustees or by the investment managers independently of the restricted person

ASX Listing Rules

- The Board shall do all acts, matters, and things as may be necessary in order to ensure that the Company, its officers, and employees comply with the requirements of the ASX Listing Rules (as amended from time to time) in so far as they relate to the Policy
- In the event that the Company makes a material change to the Policy, the Board shall ensure that the amended Policy is given to the company announcements offices for release to the market as required by ASX Listing Rule 12.10

Review of Policy

- The Policy will be reviewed by the Board on a regular basis having regard to the changing circumstances of the Company and any changes are to be notified to any affected persons.

Consequences of Breach

- Strict compliance with this policy is mandatory for all persons covered under this policy. Breaches of this policy may damage the Company's reputation in the investment community and undermined confidence in the market for Company Securities. Accordingly, breaches will be taken very seriously by the Company and will be subject to disciplinary action, including the possible termination of a person's employment or appointment.

Questions or Further Information

If you have any questions or need further information on how to comply with this policy, please contact the Company Secretary, Justyn Stedwell, on 0424 222 122 or by email at justyn@axxis.com.