

## Securities Trading Policy

### THIS POLICY IN SUMMARY

- No insider trading
- No trading during Blackout Periods
- No short term or speculative trading
- Restrictions on the use of derivatives
- Specified individuals must obtain prior written approval to deal and comply with a number of additional requirements
- Key terms used in this policy are set out on page 6 below

### **What is the purpose of this Securities Trading Policy?**

Woolworths is committed to maintaining its reputation as one of Australasia's leading companies. This includes ensuring that public confidence is maintained in the policies relating to the trading in its Securities.

This policy is intended to assist each Woolworths Person to comply with their legal obligations relating to Securities trading, particularly while they are in possession of non-public information.

It has been prepared to meet the requirements of ASX Listing Rules 12.9 and 12.12.

It should be read in conjunction with the Company's Code of Conduct.

### **This policy applies to every Woolworths Person**

'Woolworths Person' includes all directors, officers and employees, and also any contractor and consultant whose terms of engagement by the Company apply this policy to them.

### **It applies to Woolworths Securities**

'Woolworths Securities' includes Woolworths' shares, notes, options, rights, debentures, and other securities.

It may also apply to other companies' Securities. This policy also applies to other companies' Securities if you have Inside Information.

If you are subject to a blacklist restriction applying to another company's Securities, you will be notified in writing by the Company Secretary or delegate.

### **A breach of this policy is a serious matter**

If you breach insider trading laws, you could be fined, sued and/or imprisoned. The maximum penalty for this offence is ten years' imprisonment and/or a \$450,000 fine. Compliance with this policy, and the Company's Code of Conduct, is also a condition of your employment, and breaches of this policy may result in disciplinary action and/or summary termination of your appointment or employment.

### **Insider Trading**

It is an offence under the Corporations Act to trade using inside information, or communicate inside information to others who will, or are likely to, trade on the inside information.

This means that a Woolworths Person who possesses inside information (whether of Woolworths or another company) must not:

- apply for, acquire or dispose of relevant Securities, or agree to do so;
- permit, procure, encourage or induce another person (including e.g. a self-managed superannuation fund, company or family trust) to do any of the above things; or
- directly or indirectly communicate the inside information to any other person, if the Woolworths Person knows (or ought to know) that the other person may use the information to do any of the above things.

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### What is Inside Information?

'Inside Information' is information that is not generally available and, if it was generally available, a reasonable person would expect it to have a material effect on the price or value of the relevant Securities. In simple terms, this means information which might influence someone to decide whether or not to buy or sell the Securities.

Examples could include information relating to:

- financial performance (e.g. sales or profit of the Company or a division);
- a material acquisition or disposal of assets, or takeover or merger;
- an actual or proposed dividend or change in dividend policy;
- an actual or proposed new share issue or change to capital structure;
- the entry into or termination of a material contract ;
- a material claim or other unexpected liability; or
- a significant change in senior management.

Inside Information can include matters which are still in draft or not yet certain, and may include hints or rumours.

Information is not Inside Information if:

- it consists of a 'readily observable' matter;
- it has been brought to the attention of investors by an ASX announcement and a reasonable period for its dissemination has elapsed since the announcement; or
- it consists of observations, deductions, conclusions or inferences made or drawn from other generally available information.

### Information can come from any source

Inside Information does not have to be obtained from Woolworths. It does not matter how or from where a Woolworths Person obtains the information.

### Conduct outside Australia is covered

The Corporations Act prohibition applies to acts outside Australia, as well as in Australia.

### No trading during Blackout Periods

As set out below, there are certain periods during the year, called 'Blackout Periods', when Woolworths People must not trade, or procure another person to trade, in Woolworths Securities given the heightened risk of actual or perceived insider trading.

These Blackout Periods are published on WOWnet and are available from the Company Secretary or the Legal Services Group.

Blackout Periods end before market open on the business day following the release to ASX of certain key announcements, namely:

- Quarter 1 and 3 results; and
- Half and Full Year results.

The Chairman, on recommendation of the Chief Legal Officer and Company Secretary, may vary or impose a restriction on trading during other periods where deemed appropriate.

### No trading with Inside Information

The Blackout Periods are a **minimum requirement**. If you possess Inside information, you must not trade Securities whether or not a Blackout Period is operating. The responsibility to ensure you comply with insider trading laws falls to each person individually, and you should exercise care and judgement in deciding whether to trade Securities. If you are unsure, you should contact the Chief Legal Officer and Company Secretary.

No orders for the sale or purchase of Woolworths Securities should be placed with a broker during a Blackout Period, and orders placed prior to the commencement of a Blackout Period must be cancelled if not executed before the Blackout Period commences. Provided an order was placed and executed prior to the commencement of a Blackout Period, it is not a breach of this policy if the transaction settles after the commencement of a Blackout Period.

In certain rare circumstances, Woolworths People may be given clearance to dispose of Woolworths Securities where they would otherwise be restricted due to the application of a Blackout Period.

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Those circumstances include where the person:

- is in severe financial hardship or other exceptional circumstances apply (e.g. a bona fide family settlement);
- is not actually in possession of Inside Information in relation to Woolworths Securities;
- has obtained the prior written approval of the Chief Legal Officer and Company Secretary of Woolworths (or, in the case of the Chief Legal Officer and Company Secretary, the Chief Executive Officer of Woolworths); or
- if the trade does not involve a change in beneficial ownership, and does not require disclosure to ASX.

### No short term or speculative trading

Except as stated below, Woolworths People must not deal in the same Woolworths Securities within a 6 month period (e.g. sale of Woolworths shares within 6 months after their purchase is prohibited by this policy).

Provided you do not possess Inside Information, this prohibition does not restrict the sale of Woolworths Securities within 6 months following the vesting of, or exercise of, options under an employee share scheme (e.g. an option plan, restricted share plan or share purchase plan).

Woolworths People are not permitted to “short sell” Woolworths Securities.

### Restrictions on Derivatives and margin lending

#### No Derivatives over unvested or restricted Woolworths Securities

Woolworths People must not use, or allow to be used, any Derivatives in relation to any unvested Woolworths Securities or vested Woolworths Securities that are still subject to disposal restrictions.

The use of Derivatives over unvested Woolworths Securities, or vested Woolworths Securities that are still subject to disposal restrictions, can have the effect of distorting the proper functioning of these hurdles and reduce the intended alignment with shareholders’ interests.

#### Derivatives over vested and unrestricted Woolworths Securities

The appropriate use of Derivatives over vested and unrestricted Woolworths Securities can encourage longer term holding of Woolworths Securities and therefore increase with shareholders’ interests. Accordingly, once Woolworths Securities have vested and are not otherwise subject to disposal restrictions, Derivatives may be used in relation to those Securities.

Notwithstanding the above, the use of Derivatives over vested Woolworths Securities, like any other trading in Woolworths Securities, must comply with the law and with the other provisions of this policy, including in relation to short term trading, Blackout Periods and applicable notification and approval procedures.

#### Woolworths’ employee share schemes

As a result of an exception under the law, the insider trading prohibitions do not prevent a Woolworths Person who is in possession of Inside Information from applying for/acquiring Woolworths Securities under a Woolworths employee equity incentive scheme (e.g. an option plan, restricted share plan, or share purchase plan).

However, if the Woolworths Person has Inside Information, or a Blackout Period applies, the legal prohibitions will still prevent the Woolworths Person from subsequently disposing of the Securities until the Inside Information has become generally available.

#### Additional Requirements for Directors and the Senior Leadership Group

Each Director, the CEO, CEO Direct Reports and their Direct Reports (in this policy, the ‘Senior Leadership Group’) needs to take special care in relation to dealing in Woolworths Securities due to the potential for adverse public perceptions to be formed.

Each year the Senior Leadership Group is required to confirm to the Company Secretary in writing that they are aware of, understand and have complied with this policy. They are also required to provide the holder identification number (HIN) and/or shareholder reference number (SRN) in

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respect of all relevant holdings of Woolworths Securities.

### Prior notification and approval procedure in relation to Woolworths Securities

Each member of the Senior Leadership Group who wishes to trade in Woolworths Securities must first seek approval in writing from the Chief Legal Officer and Company Secretary of Woolworths (or delegate). In the case of the Chief Legal Officer and Company Secretary, approval must be obtained from the CEO. In the case of the Chair, consent must be obtained from the Chair of the ARMCC.

Approval to trade will be confirmed in writing and is valid for five business days (inclusive of the approval date) unless otherwise stated. Trading must not occur until approval has been granted in writing.

Approval is conditional on a confirmation of trade being provided to Company Secretariat within two days of the trade occurring.

It should be noted that approval of proposed trading is intended as a compliance monitoring function only, and is never an endorsement of the proposed trade or a confirmation regarding the absence of Inside Information. Individuals remain responsible for their own investment decisions and their compliance with the law (including the insider trading prohibitions) and this policy.

In relation to Securities trading by close family members of the Senior Leadership Group, you should be aware of the negative perceptions that could arise if your family members trade Woolworths Securities during a Blackout Period. It is recommended that the Senior Leadership Group makes family members aware of this policy and encourages them to avoid trading during Blackout Periods.

The Senior Leadership Group does not need to follow the formal notification and approval procedure required by this policy where the disposal/acquisition of Securities arises from:

- the acceptance of a takeover offer or equal access buyback;
- the disposal of rights, or acquisition of Securities, pursuant to a pro rata issue;

- an acquisition of Securities pursuant to a dividend reinvestment plan; or
- the indirect or incidental trading that occurs as a result of trading units or shares in a managed investment scheme, listed investment company, exchange-traded fund or similar investment vehicle.

The Chief Legal Officer and Company Secretary may, from time to time, require other Woolworths Persons to comply with the prior notification and approval process applying to the Senior Leadership Group (e.g. when they have access to information about, or are working on, a particular market-sensitive matter).

### Restrictions applicable to financing equity

Financing equity poses risks to the compliance of the Senior Leadership Group with this policy, particularly where the terms of the financing arrangements may place these persons in a position of conflict with their obligations under this policy and/or with the insider trading laws (e.g. if a call is made under a margin loan which results in Securities being sold while the relevant person possesses Inside Information).

Accordingly, the following requirements apply in relation to financing arrangements with respect to Woolworths Securities or Securities that are blacklisted:

- before entering into a financing arrangement, the relevant individual within the Senior Leadership Group must follow the notification and approval procedure outlined above; and
- they must ensure that the terms of the financing arrangements do not require, or allow for, the disposal of the relevant Securities at any time when this policy would prohibit the person from trading the relevant Securities (e.g. including an express prohibition on disposal being required or allowed in those circumstances)
- they must promptly inform the Chief Legal Officer and Company Secretary of Woolworths (or, in his or her absence, the Group Manager Secretariat) of any call that is made under the financing arrangements, and of the terms of that call).

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Woolworths may publicly disclose the terms and nature of any financing arrangements to which a Woolworths' director is a party, and the terms and circumstances of any call made or likely to be made under those arrangements.

### Special requirements for Woolworths' directors

Woolworths is required by law to disclose trading in its Securities by its directors, within a prescribed period after trades occur.

In order to facilitate Woolworths' compliance with its disclosure and reporting obligations, each director of Woolworths must notify Company Secretariat as soon as practicable after any trading in Woolworths Securities occurs and, in any case, no more than two days afterwards.

Woolworths may also publicly disclose any Derivative positions over Woolworths Securities taken out by a Woolworths director.

These disclosures may be made irrespective of whether or not they are technically required by the ASX Listing Rules or the Corporations Act.

Whilst the Company's dividend reinvestment plan rules contain a limit on participation, the ASX Listing Rules do not permit participation by directors or their closely related parties. Directors are required to make the necessary notifications and arrangements with their closely related parties and relevant advisors.

### Key Terms used in this Policy

**Derivative** means:

- a) derivatives within the meaning given in section 761D of the Corporations Act (such as options, forward contracts, swaps, futures, warrants, caps and collars); and
- b) any other transaction in financial products that operates to limit the economic risk associated with holding the relevant securities.

**Security** includes shares, options, rights, debentures, interests in a managed investment scheme, Derivatives and other financial products covered by section 1042A of the Corporations Act.

**Trade or Trading** includes an acquisition or disposal of Securities, or the grant of any encumbrance over

the Securities, or the engagement in any other transaction involving a beneficial interest or a change in beneficial ownership of the Securities, or the entry into any agreement to do any of the above things.

**Woolworths** means Woolworths Group Limited (ABN 88 000 014 675).

**Woolworths Group** means Woolworths and each of its controlled entities,

**Woolworths Person** means:

- a) each director, officer and employee of Woolworths or a member of the Woolworths Group; and
- b) each contractor and consultant to the Woolworths Group or a member of the Woolworths Group whose terms of engagement apply this policy to them.

Date of release to ASX:	20 August 2015
Accountable:	Chief Legal Officer and Company Secretary
Contact:	Group Manager Secretariat