

Hastings Funds Management Limited

Trading Policy

1. Application of Policy

This policy applies to all directors and employees (including contractors) of Hastings Funds Management Limited (HFML) and its subsidiaries.

2. Intent

This policy sets out your obligations to comply with the insider trading provisions of the Corporations Act.

3. General Prohibition

Insider trading is prohibited by the Corporations Act.

This means if you have Inside Information (see paragraph 6) concerning a tradable financial product (see paragraph 5.), you must not:

- acquire or dispose of the financial product;
- encourage others to acquire or dispose of the financial product; or
- tell others who are likely to use that information to acquire or dispose of the financial product.

The Corporations Act also prohibits procuring (including inciting, inducing or encouraging):

- others to acquire, dispose, or enter into contracts to acquire or dispose of tradable financial products when they are in possession of Inside Information about the financial products, or
- communicating the Inside Information to others who are likely to do so.

If you are in possession of inside information, you must **not**:

- apply for, acquire or dispose of or enter into an agreement to apply for, acquire or dispose of the tradable financial product to which the information relates. This applies whether you are trading on account of HFML or on your own account
- get another person (whether a family member, friend, associate, colleague, or your broker, investment adviser, private company or trust) to, for another person or for themselves apply for, acquire or dispose of or enter into an agreement to apply for, acquire or dispose of the tradable financial product to which the information relates or related financial product
- either directly or indirectly, give the Inside Information, or allow it to be given to another person who you know, or should know, would be likely to do any of the prohibited activities described above.

4. HFML's trading policy

If you have price-sensitive information about a company's securities or futures which isn't generally available to others, under the Corporations Act you cannot use this information to trade.

An insider cannot trade in these financial products, or encourage others to trade, or give this inside information to anybody else who is likely to use it to trade or get others to trade.

If you are an employee of HFML and you breach this policy, you not only risk dismissal, but also possible serious civil and criminal liability.

5. What are 'tradable financial products'?

'Tradable Financial Products' include:

- securities (including securities issued by HFML), which includes:
 - shares (equities)
 - corporate and bank bonds
 - domestic commercial paper
 - floating rate notes and mortgage backed securities
 - collateralised debt obligations
 - warrants
 - structured equity products
- derivatives, which includes:
 - futures
 - interest rate derivatives (forward rate agreements, swaps and options)
 - credit default swaps
 - commodity derivatives
 - electricity derivatives
- interests in a managed investment scheme, which includes:
 - managed funds (registered or unregistered) including the funds offered by HFML
 - pooled investment products
- debentures, stocks or bonds issued by a government, which includes:
 - government and semi-government bonds
 - superannuation products, including regulated superannuation funds, approved deposit funds or pooled superannuation trusts, or
- any other financial products that can be traded on a financial market, which includes over-the-counter dealings in foreign exchange products, interest rate products, commodities and derivatives.

6. What is Inside Information?

'Inside Information' or 'non public price sensitive information' is information about tradable financial products which is **not generally available**, but if it were, a reasonable person would expect it to have a **material effect** on the price or value of those financial products.

Information is not generally available if:

- it is not readily observable (e.g. it can not be viewed or accessed),
- it has not become known in a way which is likely to bring it to the attention of people who commonly invest in those financial products, or
- if it has become known to people who commonly invest in those products, a reasonable period for the information to be absorbed by those people has not passed.

A reasonable person would expect information to have a **material effect** on the price or value of tradable financial products if the information would be likely to influence people who commonly invest in those financial products.

Examples of information that might be Inside Information

You might come into possession of Inside Information if you become aware of any of the following price sensitive information when it is not generally available:

Note: This list is **not** intended to be exhaustive.

- actual or internal forecast profit results (of either HFML or one of our clients)
- a proposed debt issuance that might have a material effect on the price or value of existing debt or equity
- details of a new discovery, new product or substantial new business contract
- the appointment or resignation of a chief executive officer, executive director or chairman
- a float, take-over, merger, purchase, divestment, sale or partial sale of business or advisory or acquisition finance mandates
- actual or proposed major litigation, or
- credit derivatives (banking book) transactions.

7. Information about tradable financial products in other countries

This policy relates to financial products capable of being traded on financial markets in Australia. However, where information is known about a financial product traded outside Australia, which might have a material impact on the price of a financial product traded in Australia, then materially price sensitive information relevant to the product traded outside Australia is also subject to this policy.

If you are dealing in tradable financial products in a country other than Australia, you must ensure that you also comply with the laws of that other country.

8. When are you no longer an 'insider'?

You are no longer an insider once the information becomes generally available. This means:

- the information has become known in a way which is likely to bring it to the attention of people who commonly invest in financial products of that kind
- a reasonable period has elapsed for the information to come to the attention of these people.

If you are no longer an insider, the above insider trading prohibitions will no longer apply.

9. Consequences of breaching this policy

Insider trading is a serious criminal offence under the Corporations Act. Individuals and organisations can face substantial monetary penalties. Individuals convicted of Insider Trading offences can face a period of imprisonment of up to 5 years.

In addition, civil action can be taken (with a lower required standard of proof than criminal penalties) that might result in the imposition of fines and recovery of losses.

It is your responsibility to understand how this policy applies to you. We expect that you will comply with both the spirit and letter of the policy and use appropriate and responsible judgment to avoid any actual or perceived breach of the Corporations Act. If you are uncertain

about whether this policy applies to a particular transaction, or if you have any questions about this policy, please speak to the Company Secretary and Head of Compliance.

New Issues Policy

10. Application of Policy

This policy applies to all directors and employees (including contractors) of HFML and its subsidiaries.

For new issues in any of AIX, TTX, HDF or HHY or any new fund established by HFML (the Hastings' Funds), employees may apply to subscribe outside the Restricted Trading Window but must nonetheless seek the prior approval of the Chairman or Chief Executive Officer, as appropriate.

11. Intent

This policy restricts the participation of HFML's directors and employees in any of the Hastings' Funds. The reasons for the policy are to:

- limit director and employee investment in an issue where the issue is likely to be oversubscribed (in order to manage client/employee conflict);
- prevent employees from using non-public information to obtain a personal financial advantage; and
- remove any incentive to set the issue price at a rate that advantages employees.

12. Risks to be managed

There are risks which must be managed including:

- Market perception that HFML's directors and employees have an advantage;
- Special treatment from investment banks who have been appointed by HFML to arrange and/or underwrite the capital raising; and
- Directors and employees wanting to exit a scheme at a time when the scheme is about to announce underperformance.

13. Procedure for New Issues

To address the risks the following procedure applies:

- HFML's directors and employees who wish to invest in a new issue in any of the Hastings' Funds must:
 - seek prior approval in accordance with the Restricted Securities List Procedure;
 - not request or expect third party involved in accepting applications and allocating interests to treat them differently from other customers; and
 - only divest in accordance with the Restricted Securities List Procedure.
- If HFML accepts applications and allocates interests in a new issue it should:
 - only do so if the acceptance of an application will not result in a conflict of interest; and
 - treat HFML's directors and employees in the same way as all other investors.
- Investment banks distributing the new issue will be instructed by HFML to:
 - treat HFML's directors and employees in the same way as other investors; and
 - treat applications on the same basis as any other application.

The maximum percentage total director/employee allocation will be disclosed in the relevant disclosure document.

Loans Against Securities in Hastings' Funds Policy

14. Application of Policy

This policy applies to all directors of HFML and AIFL.

15. Intent

This policy sets out the procedure that applies to HFML's directors where they have mortgaged or otherwise provided security over any securities held by them or their associates in any of the Hastings' Funds.

16. Risks to be managed

There are risks which must be managed including:

- securityholders in Hastings's Funds being unaware of situations where HFML's directors may face possible margin calls on their own security holdings in Hastings'; and
- market perception that HFML's directors may be required to sell their securities in order to meet a loan repayment or other condition of the loan agreement where the sale of the securities could trigger a reaction in the market in circumstances where directors were selling their securities, particularly if the sale took place outside a Restricted Trading Window.

17. Procedure

To address the risks the following procedure applies. HFML's directors should immediately disclose to the Board and the Company Secretary:

- whether they or their associates have any loans secured by the securities in the Hastings's Funds held by them;
- any dealings they or their associates have in the securities in the Hastings's Funds pursuant to a margin lending arrangement, including:
 - entry into a margin lending arrangement in respect of the securities; and
 - transferring securities into an existing margin loan account; and
- immediately they are required to sell any securities they or their associates have in any of the Hastings's Funds in order to meet a loan commitment.

HFML's directors should disclose to the Board and the Company Secretary:

- the number of securities held by them or their associates in the Hastings's Funds and whether the holdings are material holdings to them or the Fund; and
- the number of securities held by them or their associates in the Hastings's Funds which are subject to a margin lending arrangement or otherwise provided as security for a loan and whether the holdings are material holdings to them or the Fund.

**Australian Infrastructure Fund Limited
Hastings Funds Management Limited
Utilities of Australia Pty Ltd
Restricted Securities List Procedure**

1. Restricted Securities List

There are three lists of restricted securities, one each for Australian Infrastructure Fund Limited (AIFL), Hastings Funds Management Limited and its subsidiaries (HFML) and Utilities of Australia Pty Ltd (UoA).

The CEO of HFML will determine whether a particular financial product is placed on any or all of the Restricted Securities Lists. A restricted security may be placed on a list when, given the particular facts and circumstances, it is considered necessary to restrict trading in order to prevent the use or appearance of use of inside information.

The Restricted Securities Lists are available for inspection on the HFML intranet and copies can be obtained from the Company Secretary & Head of Compliance.

2. Who this procedure applies to

This procedure applies to all directors and employees (including contractors) of HFML and its subsidiaries, AIFL and UoA (collectively the “employees”).

3. Restricted Trading Window

The Restricted Trading Window is four weeks following:

- the announcement of half year results;
 - the announcement of full year results; and
 - the annual general meeting;
- for the relevant security.

4. What accounts are covered under this procedure

This procedure applies to dealing in securities or other financial products in any account including:

- accounts held in the employee’s own name;
- accounts held in the name of the employee’s spouse, partner, dependent children and any relative (by marriage or otherwise) living in the employee’s home;
- accounts in which the employee, the employee’s spouse, partner, dependent children or such other relatives living in the employee’s home, have a beneficial interest; and
- accounts over which the employee, the employee’s spouse, partner, dependent children or such other relatives living in the employee’s home, exercise control or investment influence, including but not limited to personal superannuation funds, trusts and private companies.

5. Restricted Securities list – approval process – employees of HFML

Only if the Restricted Trading Window is open can HFML employees deal in any of the Hastings’ Funds. Provided employees have no inside information, they must seek the approval

of the Chief Executive Officer of HFML prior to placing an order with a broker or otherwise dealing in any of Hastings' Funds.

Employees should email the Chief Executive Officer and the Company Secretary (at companysecretary@hfm.com.au) requesting approval and should await email confirmation before placing the order.

There may be circumstances where the Restricted Trading Window does not open or is closed before the expiry of the four week trading period. Should the trading window close for any reason prior to an order being filled, an email will be sent to all employees and the consent immediately lapses.

For all other financial products listed on the HFML Restricted Securities List, employees can only deal if they have no inside information *and* they have the prior approval of the Investment Committee of HFML.

In either case, the Company Secretarial Team should be sent a copy of the approval.

6. Restricted Securities list – approval process for directors of HFML

Only if the Restricted Trading Window is open can Directors of HFML deal in any of the Hastings' Funds and only with the prior approval of the Chairman of HFML. Directors of HFML must also seek the approval of the Chairman of HFML at any time prior to placing an order with a broker or otherwise dealing in all other financial products on the HFML Restricted Securities List.

The Company Secretary and Head of Compliance should immediately be sent details of any trade in AIX, HDF, HHY and TTX for notification to the ASX in order to comply with Listing Rule 3.19A.

7. Restricted Securities list – approval process for directors of AIFL

Directors of AIFL are bound by the terms of this procedure and the HFML Trading Policy.

Only if the Restricted Trading Window is open can Directors of AIFL deal in AIX and only with the prior approval of the Chairman of AIFL. Directors of AIFL must also seek the approval of the Chairman of AIFL at any time prior to placing an order with a broker or otherwise dealing in all other financial products on the AIFL Restricted Securities List.

The Company Secretary and Head of Compliance should be sent details of any trade in AIX for notification to the ASX in order to comply with Listing Rule 3.19A.

8. Restricted Securities list – approval process for directors of UoA

The Directors of UoA are bound by the terms of this procedure and the HFML Trading Policy.

At all times Directors of UoA must seek the approval of the Chairman of UoA (or in the case of the Chairman, the approval of the Chairman of the Audit Committee) prior to placing an order with a broker or otherwise dealing in any financial product listed on the UoA Restricted Securities List.

9. Dividend/distribution reinvestment plans and Schemes of Arrangement

This procedure does not apply to participation in dividend/distribution reinvestment plans or where securities are acquired or disposed of as a result of a Scheme of Arrangement.