



Standard

Trading in Securities

MD-13-323

QUEENSLAND RAIL OFFICIAL

Approved for public release

Version: 2.4
Updated: 21/11/2024
Policy: People Policy

Document History

Document Information

Current Version	2.4
First Released	23 May 2013
Last Updated	21 November 2024
Review Frequency	Biennial
Review Before	21 November 2026
Document Authoriser	Chief Executive Officer (CEO)
Functional Owner	Chief Financial Officer (CFO) and Group Executive, Finance and Corporate Services (GE FCS)
Content Developer*	Company Secretary
Audience	All directors, employees, contractors and consultants

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Document Amendment History

Version	Date	Section(s) Amended	Summary of Amendment
2.4	21/11/2024	Whole document	Revised with non-material changes.
2.3	24/10/2022	Whole document	Changes to clarify the operation of the insider trading prohibitions.
2.2	07/07/2020	Whole document	Amendments to contact details and reference information.
2.1	15/01/2018	Whole document	Minor changes to formatting including amendments to contact details and reference information

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1 Purpose

This Standard is designed to assist Our People to understand and comply with their legal and employment obligations in relation to Insider Trading. It is also intended to protect Queensland Rail's reputation in relation to Trading in Securities by Our People which includes Members of the Board, employees, contractors, and consultants.

Under section 1043A of the Corporations Act 2001 (Cth) (**Corporations Act**), it is illegal for a person to deal in any Securities or other Financial Products when in possession of Inside Information. This is known as Insider Trading. A breach of the law relating to Insider Trading can have serious consequences, including individual criminal and civil liability. It will also result in a breach of the conditions of employment at Queensland Rail.

1.1 Scope

This Standard outlines Queensland Rail's strict prohibition on Our People using Inside Information to Trade, or communicating Inside Information to others who will, or are likely to, Trade in the Securities of a listed entity on the basis of the Inside Information.

1.1.1 What is out of scope

Trading in Securities on the basis of information that is Generally Available.

2 Requirements of this Standard

2.1 General prohibition against Insider Trading

Individuals who are in possession of Inside Information (in relation to Queensland Rail or any listed entity) must not:

- apply for, acquire or dispose of a listed entity's Securities or Financial Products, or agree to do so;
- permit, procure, encourage or induce another person (e.g., a family member or friend, self-managed superannuation fund, company or family trust) to do any of those things; or
- directly or indirectly communicate the Inside Information to any other person, if the individual knows (or ought reasonably to know) that the other person may use the information to Trade (or advise, procure or encourage someone else to Trade) in a listed entity's Securities or Financial Products.

The purpose or motive for Trading, or whether a profit is made from the Trade, is irrelevant.

Any person who possesses Insider Information at any time must not Trade in listed Securities or Financial Products. The responsibility to ensure compliance with insider trading laws rests with Our People individually and you should exercise care and judgement in deciding whether to trade in Securities.

2.2 What is Inside Information?

Inside Information is information that is not generally known by the public and which, if it were known or Generally Available, a reasonable person would expect it to have a Material Effect on the price or value of a listed entity's Securities or Financial Products.

In simple terms, this means confidential information which might influence someone to decide whether or not to buy or sell the Securities or Financial Products.

Inside Information could come from any source and does not have to be obtained from Queensland Rail. It does not matter how, or from where, Our People obtain Inside Information, and it need not be during the course of the performance of their duties as Members of the Board, employees, contractors or consultants.

Examples could include information relating to:

- actual profit results
- internal forecasts of profit results
- changes of strategic direction of a business

- details of a new product or substantial new business contract or project
- the appointment or resignation of a chief executive officer, director, chair or other person of influence within the organisation
- an actual or proposed major acquisition or disposal of assets
- a float or other share issue, capital raising, takeover, merger, purchase, sale or partial sale of business
- actual or proposed major litigation
- any plans involving securities or securities futures or other Financial Products.

Common types of Information and situations that would be caught under the Insider Trading rules would be where you come into possession of Inside Information about Queensland Rail, or a listed entity which is a customer, supplier or business partner of Queensland Rail, as a result of working on a particular project or business matter (for example the award of a new major contract; the proposed acquisition or disposal of a major asset; or the commencement of a new business partnership).

If you cease employment or services to Queensland Rail you still continue, indefinitely, to be subject to the Insider Trading rules in the Corporations Act, until such time as the Inside Information becomes Generally Available.

2.3 Insider Trading rules

In addition to matters covered elsewhere in this and related documents, you must follow the rules below:

- with regard to Financial Products of a company which is a customer or another person with whom you do business, you must not apply for, acquire or dispose of, or offer or agree to acquire or dispose of those Financial Products or attempt to influence others (including family, associates, colleagues, private company or trustee) to do so
- if the Financial Products are also listed on a financial market (including but not limited to, the Australian Securities Exchange) you must not, 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 things described above
- you must not give any Inside Information to any person who is an Employee or contractor of Queensland Rail and/or its subsidiaries who is a trader in, or distributor of, Financial Products or get them to buy or sell for you or another person while you remain an Insider
- if you liaise with industry analysts or business journalists working on the business activities of Queensland Rail, you must not give them any Inside Information about Queensland Rail or confirm with them any suspicions which they may have, even if these suspicions are based on their own research and analysis.

Note: Financial products such as managed or superannuation funds are generally excluded from this Standard given that a person may generally only influence these at a high (fund and market/industry) level. However, if this is not the case and Trading in Securities or Financial Products are at your discretion or direction, for example, through a Self-Managed Super Fund, then this Standard will apply.

2.4 Conflicts of Interest

In some circumstances, dealing in Financial Products may also amount to an actual or perceived or potential conflict of interest. For further information, refer to Queensland Rail's *Conflicts of Interest Standard MD-13-322* and the *Code of Conduct Standard MD-10-62*.

You are responsible for declaring any actual, perceived or potential conflict of interest. Your Conflict of Interests should be included in the Register of Interests. The Register of Interests is maintained by the Ethics and Investigations Unit, with the Company Secretary maintaining a separate register for declared interests by Queensland Rail Board Members.

You also have additional responsibilities to declare your Conflicts of Interest if you are involved in a procurement or purchasing activity for or on behalf of Queensland Rail. Refer to the *Probity Standard MD-19-143*. If you have a Conflict of Interest that is relevant to a purchasing or procurement process that you are involved in, you will need to complete a Confidentiality and Conflict of Interest Declaration even if your conflict is already included in the Register of Interests.

To ensure compliance with the law, you are to consider the application of this Standard prior to dealing, in your authorised or personal capacities, in any Securities or Financial Products, including entities which may have dealings with Queensland Rail. The Queensland Government QTenders website may be of assistance, as it lists Queensland Rail opportunities that are upcoming, current or closed where the value of the contract or arrangement is over \$10,000. Details can be found at <https://www.hpw.qld.gov.au/qtenders/>

Other useful references include the Queensland Rail website and Queensland Rail Annual Report. It is important to note that the above information is provided for guidance only and should not be the sole determinant in assessing whether a breach of this, or any other standard, has or is likely to occur.

2.5 Breaches of this Standard

Compliance with this Standard is a condition of employment or engagement with Queensland Rail. Breaches of this Standard (whether or not they involve actual Insider Trading) will be treated as a breach of the Code of Conduct Standard MD-10-62 and may lead to disciplinary action, including termination and referral to the police.

A breach of this Standard may also have other serious consequences including:

- a referral to the Crime and Corruption Commission Queensland, which may investigate
- a referral to relevant independent regulators for review (i.e., the Australian Securities and Investments Commission)
- potential penalties and sanctions under the *Corporations Act*.

All suspected and actual Corrupt Conduct must be reported to the Ethics and Investigations Unit who can be contacted on EthicsInvestigations@qr.com.au

For further information contact:

- EthicsInvestigations@qr.com.au
- Boardoffice@qr.com.au

3 Responsibilities

The following establishes the unique accountabilities and responsibilities of the key internal stakeholders specific to this Standard.

3.1 Who does what?

Who	What
Company Secretary	Responsible for establishment and maintenance of the Register of Interests for Queensland Rail Board Members.
Manager Ethics and Investigations	Responsible for establishment and maintenance of the Register of Interests (other than for Queensland Rail Board Members) and; to investigate reported breaches of this Standard.
Board members and employees	To report knowledge or suspicions of insider trading as well as to register knowledge of actual, perceived or potential conflicts of interests.

4 Terms and definitions

The following key terms and definitions are unique to this Standard. Please refer to the Business Glossary for other terms not included in this section.

Term	Definition	Source ¹
Conflict of Interest	<p>A conflict of interest involves a conflict between an employee's duties and responsibilities and the employee's private interests.</p> <p>Conflicts can be actual, perceived or potential depending on the circumstances. A conflict of interest can arise from avoiding personal losses as well as gaining personal advantage – whether financial or otherwise.</p>	Code of Conduct MD-10-62
Corrupt Misconduct	Has the meaning given to it for the purposes of the Crime and Corruption Act 2001 (Qld).	Crime and Corruption Act 2001 (Qld)
Financial Products	<p>Financial Product has a very wide meaning in the Corporations Act 2001 (Cth). Not all Financial Products are subject to the Insider Trading rules. For the purpose of this Standard, the Insider Trading rules apply to the following Financial Products:</p> <ul style="list-style-type: none">• securities – including a company's shares, debentures (including convertible notes), managed investment interests made available by it, units of shares or of managed investment interests and exchange traded and over the counter put and call options over any of those securities,• derivatives – within the meaning given in section 761D of the Corporations Act 2001 (Cth) (such as options, equity swaps, futures, forward contracts, warrants, caps and collars) and any other transaction in Financial Products that operates to limit the economic risk associated with holding the relevant securities.• managed investment products,• superannuation products, and• any other Financial Product that can be traded on a financial market (that is, tradable on a stock exchange or futures exchange or other type of licensed financial market).	
Generally Available	<p>Information is generally available if:</p> <ul style="list-style-type: none">• it consists of readily observable matter, or• it has been made known to people who commonly invest in the type of Financial Product involved and a reasonable period has elapsed for it to be disseminated to those people, or• it consists of deductions, conclusions or inferences made or drawn from readily observable matter or Information that has been disseminated.	

¹ Where left blank, Source is not applicable.

Term	Definition	Source ¹
Information	<p>Information means any fact, matter or circumstance and includes:</p> <ul style="list-style-type: none"> • supposition (e.g., rumours or innuendo), and • intentions, or likely intentions, of a person or company. <p>The information can be in any form (for example written, verbal or electronic).</p>	
Insider	<ul style="list-style-type: none"> • you have Information that 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 Financial Products; and • you know, or ought reasonably to know, that the Information is Inside Information. 	
Inside Information	<p>Inside Information is information that the person knows, or ought reasonably to know is not generally available, and a reasonable person would expect to have a material effect on the price or value of those securities or Financial Products if it was generally available.</p>	
Insider Trading	<p>Insider Trading is the trading of securities or some wider set of Financial Products while in possession of Information that is not generally available and would be likely to have a material effect on their price or value if it were.</p> <p>The prohibition against Insider Trading extends to procuring trading or communicating that Information where trading in the relevant Financial Products is likely to take place. The Insider Trading rules are set out in the Corporations Act 2001 (Cth).</p>	
Major contracts or dealings	<p>Includes but not limited to where:</p> <ul style="list-style-type: none"> • Value or accumulated spend is \$10 million or more, or \$100,000 or more where an exemption from tendering requirements was granted under the Procurement Standard MD-10-926, or • Sensitive e.g., the matter is likely to generate media interest, or be the subject of formal complaint to government; or • Length of dealing has been five or more years since Queensland Rail went to market. 	
Material Effect	<p>Information has a material effect on the price or value of Financial Products if the information would, or would be likely to, influence people who commonly acquire Financial Products in deciding whether or not to acquire or dispose of the particular Financial Products.</p>	
Our People	<p>Members of the Board, employees (includes team members and leaders), contractors and consultants, and everyone who does work for Queensland Rail, while they are doing work for Queensland Rail.</p>	

Term	Definition	Source ¹
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 2001 (Cth).	
Trade, Trading	Includes the buying, selling or otherwise dealing in Securities, including creating a security interest or other financial interest over Securities, engaging in any transaction involving a change in beneficial ownership of Securities, or the entry into any agreement to do any of the above things.	

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5 Appendices

Appendix 1 - Related documents

Legal, regulatory and other obligation sources

Jurisdiction	Title
Commonwealth	Corporations Act 2001 (Cth)
State Acts	Crime and Corruption Act 2001 (Qld) Right to Information Act 2009 (Qld) Criminal Code Act 1899 (Qld)
Other	Corporate Governance Guidelines for GOCs (2009) (Qld)
Other (Voluntarily adopted by Queensland Rail)	Various Australian Standards, Codes of Practice, Memoranda of Understanding / Agreement and Government Policies are also applicable.

Queensland Rail documents

Document type	Document title
Policy	MD-10-67 <u>People</u> MD-18-230 <u>Fraud and Corruption Control</u>
Principle	MD-12-555 <u>Values Principle</u>
Standard	MD-10-62 <u>Code of Conduct Standard</u> MD-13-322 <u>Conflicts of Interest Standard</u> MD-10-926 <u>Procurement Standard</u> MD-18-336 <u>Fraud and Corruption Control Standard</u>
Strategy / Plan	MD-10-917 <u>Fraud and Corruption Plan</u>
Specification / Framework	MD-11-6837 <u>Public Interest Disclosures</u>
Other -Self Service	<u>Declaration of Conflicts of Interest</u>