



Securities Trading Policy

Afterpay Limited

May 2021

1. What is the purpose of this policy?

The purpose of this policy is to:

- ensure that public confidence is maintained in the reputation of Afterpay Limited (the **Company**) and its related bodies corporate (together, the **Group**), its directors and employees, and in the trading of the Company's securities;
- explain the Company's policy and procedures for the buying and selling of securities to assist directors and employees; and
- recognise that some types of dealing in securities are prohibited by law.

The Company will take a substance over form approach and will have regard to the intent and spirit of this policy when applying and enforcing it.

Information about the insider trading prohibition is set out in Appendix 1.

2. Who must comply with this policy?

This policy applies to all directors of the Company (**Directors**) and employees and contractors of the Group (together with Directors, the **Employees**).

Certain aspects of this policy apply only to **Restricted Persons** who, for the purposes of this policy, are:

- Directors;
- other key management personnel of the Company (**KMP**); and
- other persons who regularly possess inside information and who have been advised by the Company Secretary that they are subject to special restrictions under this policy.

Restricted Persons must also take steps in relation to dealings by their "Connected Persons". See section 4.6 for further information.

3. Restrictions applying to all Employees

3.1 No dealing while in possession of inside information

Employees must not deal in the Company's securities if:

- they are aware of "inside information" in relation to the Company; or
- the Company has notified Employees that they must not deal in securities (either for a specified period, or until the Company gives further notice).

Inside information is information that:

- is not generally available to the market; and
- if it were generally available to the market, a reasonable person would expect it to have a material effect (upwards or downwards) on the price or value of a security.

As a guiding principle, Employees should ask themselves:

If the market was aware of all the current circumstances, could I be perceived to be taking advantage of my position in an inappropriate way? How would it look if the transaction were reported on the front page of the newspaper? (The **Front Page Test**)

If an Employee is unsure, they should consult the Company Secretary.

3.2 No dealing in blackout periods

Employees must not deal in Company securities during any of the following blackout periods:

- (a) the period from the close of trading on the ASX on 30 June each year until the commencement of trading on the day following the announcement to ASX of the Company's full-year results;
- (b) the period from the close of trading on the ASX on 31 December each year until the commencement of trading on the day following the announcement to ASX of the Company's half-year results; and
- (c) any other period that the Board specifies from time to time.

3.3 Exceptional circumstances

- (a) If an Employee needs to deal in securities during a blackout period due to exceptional circumstances (such as severe financial hardship or compulsion by court order) they may apply for approval to deal in accordance with the process set out in paragraphs (b) to (g) below.
- (b) An Employee must submit a written request for approval to the Company Secretary including:
 - (i) details of the exceptional circumstances;
 - (ii) sufficient evidence (in the opinion of the Company Secretary) that the dealing is the most reasonable course of action available in the circumstances; and
 - (iii) a statement that the Employee does not believe that he or she is in possession of inside information.

The Securities Trading Clearance Form (Attachment A) can be used for this purpose.

- (c) The "approver" for a request is:
 - (i) for requests from Restricted Persons – the approver set out in section 4.2(b); and
 - (ii) for requests from all other Employees – the Company Secretary.

Where the Company Secretary is not the relevant approver for a particular request, he or she will forward the request to the relevant approver.

- (d) A request for approval will be answered as soon as practicable. The approver, having consulted with members of management as appropriate, may:
 - (i) grant or refuse the request;
 - (ii) impose conditions on the dealing in their discretion; and/or
 - (iii) request further information.
- (e) The decision made by the approver is final. The approver is not obliged to provide reasons for any aspect of their decision, and may revoke their approval at any time. If a request is not approved or an approval is revoked, that fact must be kept confidential.
- (f) Following receipt of approval, the approved dealing must occur within 7 days following approval (or such other time specified in the approval), otherwise the approval is no longer effective and fresh approval must be sought.
- (g) Approval under this policy is not an endorsement of the dealing. Employees are responsible for their own compliance with the law.

3.4 No short-term or speculative dealing

Employees must not deal in the Company's securities on a speculative or short-term trading basis. Short-term trading includes buying and selling securities on market

within a three month period, and entering into other short-term dealings (for example, forward contracts).

Selling securities received following the vesting of entitlements under an employee, executive or director equity plan within three months of the vesting date is not a short-term dealing.

3.5 Dealing in other companies' securities

Employees may come into possession of inside information regarding another company where they are directly involved in relationship management or negotiating contracts. For example, where a person is aware that the Group is about to sign a major agreement with another company.

Employees must not deal in the securities in another company if they are aware of inside information in relation to that company, no matter how they came into possession of the inside information.

4. Additional restrictions applying to Restricted Persons

4.1 Approval required for dealing outside blackout periods

- (a) During any period that is not a trading blackout period under section 3.2, Restricted Persons must, **prior** to any proposed dealing, seek approval for the proposed dealing in the Company's securities.
- (b) Trading at any time (even if approval has been obtained under this policy) remains subject to the insider trading prohibition.

4.2 Written request process

- (a) Requests for approval under 4.1 should be submitted to the Company Secretary. The request must be in writing and include a statement that the Restricted Person does not believe that he or she is in possession of inside information. The Securities Trading Clearance Form (Attachment A) can be used for this purpose.
- (b) The "approver" for a request is:
 - (i) for requests from a Director or the Company Secretary – the Chair of the Board;
 - (ii) for requests from the Chair of the Board – the Chair of the Audit, Risk and Compliance Committee; or
 - (iii) for requests from all other Restricted Persons – the Company Secretary.

The Company Secretary will forward requests for approval to the Chair of the Board or the Chair of the Audit, Risk and Compliance Committee (as appropriate).

- (c) A request for approval will be answered as soon as practicable. The approver, having consulted with members of management as appropriate, may:
 - (i) grant or refuse the request;
 - (ii) impose conditions on the dealing in their discretion; and/or
 - (iii) request further information.
- (d) The decision made by the approver is final. The approver is not obliged to provide reasons for any aspect of their decision, and may revoke their approval at any time. If a request is not approved or an approval is revoked, that fact must be kept confidential.

- (e) Following receipt of approval, the approved dealing must occur within 7 days following approval (or such other time specified in the approval), otherwise the approval is no longer effective and fresh approval must be sought.
- (f) Approval under this policy is not an endorsement of the dealing. Employees are responsible for their own compliance with the law.

4.3 **Directors - confirmation of trade required**

Directors must provide to the Company Secretary details of any trade in the Company's securities by close of business on the day following the relevant trade to ensure the Company is in a position to comply with its disclosure obligations under the ASX Listing Rules.

4.4 **Margin lending arrangements**

Restricted Persons must not under any circumstances:

- (a) enter into a margin lending arrangement in respect of the Company's securities; or
- (b) transfer securities in the Company into an existing margin loan account.

4.5 **Hedging of Company securities**

Company securities acquired by a Restricted Person under an employee, executive or director equity plan operated by the Company must never be hedged:

- (a) prior to vesting; or
- (b) while they are subject to a holding lock or restriction on dealing under the terms of the equity plan.

Hedging includes entering into any arrangements that operate to limit the economic risk associated with holding the Company's securities.

4.6 **Connected Persons**

Restricted Persons must take appropriate steps to ensure that their "Connected Persons" only deal in securities in circumstances where the Restricted Person to whom they are connected would be permitted to deal under this policy. For example, a Restricted Person must obtain clearance in accordance with this policy in respect of a Connected Person's dealing.

Connected Persons are:

- a family member who may be expected to influence, or be influenced by, the Restricted Person in his or her dealings with the Company or Company securities (this includes the Restricted Person's spouse, partner and dependent children who are living in the same household as the Restricted Person); and
- a company or any other entity which the Restricted Person has an ability to control.

4.7 **Notification of dealing after cessation of employment**

For a period of three months after a Director ceases to be a Director or a member of KMP (or other Employee who possess inside information) ceases to be employed by the Company, the former Director or former member of KMP (or Employee) must notify the Company Secretary of any proposed dealing in Company securities at least two business days prior to such dealing.

5. Excluded dealings

Sections 3.2, 3.4 and 4.1 of this policy do not apply to:

- (a) participation in an employee, executive or director equity plan operated by the Company or a Group entity. However, where securities in the Company granted under an employee, executive or director equity plan cease to be held under the terms of that plan, any dealings in those securities must only occur in accordance with this policy;
- (b) the following categories of trades:
 - acquisition of Company securities through a dividend reinvestment plan;
 - acquisition of Company securities through a share purchase plan available to all retail shareholders;
 - acquisition of Company securities through a rights issue; and
 - the disposal of Company securities through the acceptance of a takeover offer, scheme of arrangement or equal access buy-back;
- (c) dealings that result in no effective change to the beneficial interest in the securities (for example, transfers of Company securities already held into a superannuation fund or trust of which the Employee is a beneficiary);
- (d) trading under a pre-approved non-discretionary trading plan, where the Employee did not enter into the plan or amend the plan during a blackout period, the plan does not permit the Employee to exercise any influence or discretion in relation to trading under the plan and the plan cannot be cancelled during a blackout period, other than in exceptional circumstances;
- (e) indirect and incidental trading that occurs as a consequence of a Restricted Person dealing in securities by a managed investment scheme, listed investment company, exchange-traded fund or similar investment vehicle that is managed by a third party and that happens to hold as part of its portfolio securities in the Company;
- (f) a disposal of securities of the Company that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement; and
- (g) other circumstances pre-approved by the Board in its discretion, subject to compliance with insider trading rules.

However, given such dealings **remain subject to the insider trading prohibition**, Employees should still consider any legal or reputational issues (and discuss any concerns they have with the Company Secretary) before proceeding with the dealing.

6. What happens if this policy is breached?

Breaches of this policy will be regarded by the Company as serious.

Any person who is suspected of breaching this policy may be suspended from attending the workplace on full pay pending the outcome of investigations into the alleged breach.

Any person who breaches this policy could face disciplinary action (including forfeiture of securities and/or suspension or termination of employment).

Breaches of insider trading laws have serious consequences for both the personnel concerned and the Company. Penalties under the Corporations Act include financial penalties and imprisonment.

7. Who should I contact?

Employees should contact the Company Secretary if they are unsure about whether it is acceptable to deal or communicate with others in relation to the Company's securities or other securities, or if they have any other queries about this policy.

8. Review

This policy will be reviewed periodically to ensure it is operating effectively and any material amendments must be approved by the Board. The Company Secretary will communicate any amendments to Employees as appropriate.

Appendix 1:

What is insider trading?

What is prohibited?

Broadly speaking, the Corporations Act provides that a person who has “inside information” about a company must not:

- (a) buy or sell securities in a company, or enter in an agreement to buy or sell securities, or exercise options over securities, or otherwise apply for, acquire or dispose of securities (**deal**);
- (b) encourage someone else to deal in securities in that company (**procure**); or
- (c) directly or indirectly provide that information to another person where they know, or ought to know, that that person is likely to deal in securities or encourage someone else to deal in securities of that company (**tipping**).

These restrictions apply to all securities, not just the Company’s securities. It also includes a person who deals in securities through a trust or company.

What is inside information?

Inside Information is information that:

- is not generally available to the market; and
- if it were generally available to the market, a reasonable person would expect it to have a material effect (upwards or downwards) on the price or value of a security.

Inside Information may include matters of supposition, matters that are not yet certain and matters relating to a person’s intentions.

Examples of inside information

Some examples of information which may be inside information in relation to the Company include:

- material changes in financial performance, forecasts or expectations
- changes to directors or senior executives
- proposed changes in capital structure, including issues of securities, rights issues and redemption of securities
- significant changes in Group operations or strategy
- major changes in financing
- proposed significant litigation involving the Group
- a person/entity proposing to buy or sell a substantial number of Company securities
- significant new contracts or customers
- information that may have an adverse effect on the reputation of the Group
- proposed mergers, demergers, acquisitions and divestments, joint ventures or material changes in assets
- giving or receiving a notice of intention to make a takeover offer
- sales figures, liquidity and cash flow information
- allegations of breach of law or regulatory requirements by the Group
- regulatory action or investigations undertaken by a Government authority
- industry issues that may have a material impact on the Company

Relationship to the continuous disclosure regime

The Corporations Act and ASX Listing Rules require the Company to immediately release to the ASX any information which may reasonably be expected to have a material effect on the price or value of the Company's securities, subject to limited exceptions.

Under the Company's Continuous Disclosure Policy, all material price-sensitive information will generally be disclosed and made available through the ASX. However, there are limited circumstances in which disclosure is not required. In these situations there may be Employees with 'inside information' who would breach the insider trading prohibition if they dealt in securities at that time.

Specifically, the ASX Listing Rules do not require disclosure where:

- (a) one or more of the following applies:
 - it would be a breach of law to disclose the information;
 - the information concerns an incomplete proposal or negotiation;
 - the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
 - the information is generated for internal management purposes of the entity (e.g. internal management accounts or an internal management report); or
 - the information is a trade secret.
- (b) the information is confidential and the ASX has not formed the view that the information has ceased to be confidential; and
- (c) a reasonable person would not expect the information to be disclosed.

Although information may not need to be disclosed under the ASX Listing Rules, Employees may nevertheless possess 'inside information'.

If an Employee deals in securities at a time when they are aware of information which, but for an exception to the ASX Listing Rules, would need to be disclosed to the market, that person will be in breach of the insider trading prohibition.

Afterpay securities trading clearance form

Instructions:

Submit completed form to employeesharetrading@afterpay.com

Employee to complete

I request permission to deal in the following APT shares:

Full name of Employee

Position held by Employee

Name of shareholder or proposed shareholder

For example: John Smith or Smith Nominees Pty Ltd

Address of shareholder

State

Postcode

Number of APT shares proposed to be traded

State number or value of shares

Type of proposed trade

For example: on-market purchase or on-market sale

Proposed date of trade

This date must be outside of a blackout period (unless an exception applies).

Acknowledgements:

1. I have read a copy of APT's Securities Trading Policy.
2. I understand that I will automatically be refused permission to deal in APT shares during a blackout period (unless exceptions apply) and that in other periods I may still be refused permission to deal in APT shares.
3. I understand that APT's Securities Trading Policy contains prohibitions on short term trading of APT shares, and entering into margin loan or similar arrangements to acquire APT shares.
4. I confirm that:
 - (a) I will not deal in APT shares until written clearance is provided by the Company Secretary;
 - (b) I am not in possession of any unpublished information which, if generally available, might materially affect the price or value of APT shares;
 - (c) I am not aware of any reason why the proposed dealing would contravene APT's Securities Trading Policy; and
 - (d) I am aware that if I breach APT's Securities Trading Policy, disciplinary action may be taken against me including dismissal.

Signed by Employee

Dated