



## Securities Trading Policy

### 1. Introduction

The Company's share trading policy regulates dealings by directors, officers and employees in securities issued by the Company. Where appropriate, this policy also applies to contractors and consultants.

This policy imposes basic trading restrictions on all employees of the Company and its related companies who possess unpublished price-sensitive information. Additional trading restrictions apply to Key Management Personnel, being those persons having authority and responsibility for planning, directing and controlling the activities of the entity, including any director (whether executive or otherwise).

The Company considers its Key Management Personnel to include:

- (a) directors;
- (b) Key Management Personnel, as defined in Australian Accounting Standard AASB 124: Related Party Disclosure; and
- (c) other employees of the Company considered to be Key Management Personnel by the Managing Director and Company Secretary from time to time.

### 2. General restrictions when in possession of inside information

#### Insider trading laws

Insider trading laws cover all directors and employees of the Company. Broadly, if a person is in possession of any unpublished price-sensitive information, it is a criminal offence to:

- (a) trade in the Company's securities;
- (b) advise or procure another person to trade in the Company's securities; or
- (c) pass on inside information to someone else, knowing that the other person may use that information to trade in, or procure someone else to trade in, the Company's securities.

Unpublished price-sensitive information includes any information which relates to the Company or its securities and:

- (a) is not generally available; and
- (b) if it were generally available, a reasonable person would expect it to have a material effect on the price or value of the Company's securities, or would be likely to influence a person in deciding whether to buy or sell the Company's securities.

### **Confidential information**

Employees and directors also have a duty of confidentiality to the Company. A person must not reveal any confidential information concerning the Company, use that information in any way which may cause loss to the Company, or use that information to gain an advantage for themselves or anyone else.

## **3. Additional trading restrictions for Key Management Personnel**

In accordance with ASX Listing Rules, additional restrictions on trading in the Company's securities apply to the Company's Key Management Personnel.

Key Management Personnel generally hold positions where it can be assumed that they will have inside information regarding the Company. Accordingly, additional requirements apply for any proposed trading in shares by Key Management Personnel.

### **Prohibited Periods**

Key Management Personnel must not trade in the Company's securities, or in financial products issued or created over or in respect of the Company's securities, during a Prohibited Period.

A Prohibited Period means any Closed Period or additional period when Key Management Personnel are prohibited from trading, which are imposed by the Company from time to time when the Company is considering matters which are subject to Listing Rule 3.1A.

The Company's Closed Periods are:

- (a) one week prior to the release of the Company's quarterly reports;
- (b) one week prior to the release of the Company's half year financial results; and
- (c) one week prior to the release of the Company's full year financial results.

### **Trading with permission during a Prohibited Period**

In exceptional circumstances clearance may be given for a Key Management Person to trade securities when they would otherwise be prohibited. Clearance to trade securities in exceptional circumstances in a Prohibited Period can only be granted in relation to sales of securities but not in the case of purchases of securities.

Exceptional circumstances where clearance may be granted for the trading of securities during a Prohibited Period can include, but are not limited to, where:

- (a) the sale of the Company's securities is necessary to alleviate severe personal hardship;
- (b) the Key Management Person has entered into a binding commitment prior to the Company being in a Prohibited Period;
- (c) the Key Management Personnel is required by a court order, or there are court enforceable undertakings to transfer or sell the securities of the Company or there is some other overriding legal or regulatory requirement to do so;
- (d) there are other circumstances where the proposed sale or disposal of the relevant securities is the only reasonable course of action available.

The determination on whether to give clearance for trading during a prohibited period under exceptional circumstances must be made by either the Chairman or Managing Director and one other non-executive director, none of which can be the Key Management Person seeking clearance. Consideration will be given to whether the sale or disposal of the relevant securities is the only reasonable course of action available to the Key Management Person.

Permission for trading must be evidenced by prior written communication, whether by letter, facsimile, e-mail, or other visible form of communication.

#### **Requirements prior to trading**

Before trading, or giving instructions for trading in the Company's securities, a director must:

- (a) notify the Chairman in writing of his intention to trade;
- (b) confirm that he does not hold any unpublished price sensitive information;
- (c) have been advised by the Chairman that there is no reason to preclude him from trading in the Company's securities as notified;
- (d) comply with any conditions on trading imposed by the Chairman.

Where the Chairman intends to trade in the Company's securities, he must notify and obtain clearance in the abovementioned manner from the Managing Director before trading, or giving instructions for trading.

In the case of any other Key Management Personnel, they must notify and obtain clearance from the Managing Director before trading, or giving instructions for trading.

Notifications prior to trading must be evidenced by prior written communication, whether by letter, facsimile, e-mail, or other visible form of communication.

#### **Notification of trading**

As required by the Corporations Act and the ASX Listing Rules, directors must notify the Company Secretary of any dealings in the Company's securities immediately and in any event within 5 business days of the date of any such dealings.

## **4. Trading circumstances excluded from this policy**

The following forms of trading activity are excluded from the operation of this policy but remain subject to the insider trading provisions of the Corporations Act:

- (a) transfers of securities which result in no change in the beneficial ownership of the securities;
- (b) transfers of securities already held in a person's own name into a superannuation fund to which that person is a beneficiary;
- (c) investments in or trading by a fund or other scheme where the assets of the fund or other scheme are invested at the discretion of a third party;
- (d) the conversion of convertible securities where the expiry date of the securities occurs during a closed period;
- (e) the acquisition (but not disposal) of shares or options offered under an employee share or option scheme;
- (f) the acquisition of securities arises under an offer made to all or most security holders, including a security purchase plan, pro-rata rights issue, bonus issue, dividend re-investment plan and equal access buy-back;
- (g) acceptance of, or agreement to accept a takeover offer;
- (h) a disposal of securities that is a result of a secured lender exercising its rights, for example, under a margin loan arrangement.

## **5. General**

This trading policy encourages directors and employees to be long-term holders of the Company's securities and discourages short-term trading.

The requirements imposed by this policy are separate from and additional to, the legal prohibitions in the Corporations Act on insider trading.

## **6. Adoption and review of the policy**

This policy and these procedures were formally adopted by resolution of the Directors of the Company in September 2009 and were last reviewed in December 2010.