

## **1. PURPOSE**

The purpose of the Securities Dealing Policy is to create awareness of the legal prohibition on dealing in securities of the Company and deals with the manner in which directors, employees and contractors can deal in securities in the Company.

The policy also aims to ensure that the Company's reputation and those of its employees and directors is not adversely impacted by perceptions of dealing at inappropriate times. The policy rules are designed to assist in preventing breaches of the insider trading provisions of the Corporations Act. Ultimately it is the responsibility of the directors, employees and contractors to ensure that none of his or her dealings could constitute insider trading.

## **2. INSIDER TRADING PROHIBITION**

The Corporations Act makes it an offence for a person in possession of information that is not generally available but which, if generally available, might materially impact the price or value of a security issued by the Company, to:

- trade in (i.e. apply for, acquire or dispose of, or enter into an agreement to do any of these things); or
- procure another person to trade in, the security issued by the Company.

It is also an offence to pass the information to another person with the knowledge that the person could deal in the security. If this inadvertently takes place, the person to whom the information is passed must be immediately informed that he/she is an insider.

## **3. SECURITIES DEALING BY DIRECTORS AND SENIOR EMPLOYEES**

The Securities Dealing Policy also imposes additional dealing restrictions on all directors, officers, senior executives and managers (referred to as "Designated Persons").

### *3.1 Blackout Period*

Directors, officers, senior executives and managers are permitted to deal in the Company's securities throughout the year except during the following periods:

- (a) the period between the financial year-end (30 June) and the release of the Company's annual results to the Australian Stock Exchange (ASX); and
- (b) the period between the half year-end (31 December) and the release of the Company's half- year results to the ASX.

Each period is referred to as a Blackout Period.

### *3.2 Blackout Period Not to Apply*

The securities dealing restriction during a Blackout Period shall not apply to:

- (a) participation by a Designated Person in an issue of securities approved by shareholders; or
- (b) participation by a Designated Person in an issue of securities on the same terms and conditions as other shareholders in the Company.

Options held pursuant to the Company's Executive Share Option Plan ("Plan") may be exercised at

any time in accordance with the rules of the Plan unless the Employee is in possession of price sensitive information.

In addition, any sale of the Company's shares acquired upon exercise of options must only occur:

- (a) during a window period as set out in paragraph 3.1, provided the Employee is not in possession of any price sensitive information; or
- (b) with clearance obtained under paragraph 3.1.

### *3.3 Notice*

A Designated Person must not deal in the Company's securities without first:

- (a) if the Designated Person is the Managing Director, giving prior notification of the proposed dealing to the Chairman;
- (b) if the Designated Person is a person other than the Managing Director, giving prior notification of the proposed dealing to the Managing Director.

### *3.4 Effect of Notification*

On receiving notification of a proposed dealing, the Chairman or Managing Director as the case may be, shall consider the circumstances and where appropriate approve the proposed dealing or direct the Designated Person that the proposed dealing ought not to be undertaken.

In case of doubt, the Managing Director shall consult the Chairman. Where the proposed dealing is approved, the Designated Person must complete the dealing within 10 business days of the approval.

### *3.5 Prohibition on Active Dealing*

A Designated Person shall not actively deal in the Company's securities or derivatives with a view to deriving profit related income from that activity. For this purpose "Actively Deal" means to deal in the Company's securities in a manner which involves frequent and regular trading activity.

### *3.6 Director Requirement to Report to the Market*

In accordance with the agreement between directors and the Company, directors are required to provide details of all changes to their interest in the Company's securities registered in the name of the director or held on behalf of the director, directly or indirectly. The details must be provided as soon as reasonably possible after the date of the change and in any event no later than two business days after the change to allow for compliance with the listing rule obligations.

## **4. SECURITIES IN OTHER COMPANIES**

The prohibited conduct under the Corporations Act includes dealings in securities of the Company as well as of other companies with which the Company may be dealing (this would include dealings relating to customers or joint venture partners) where an Employee possesses "inside information" in relation to that other Company.

### **4.1 Securities**

Securities include ordinary shares; preference shares; and options.

### **4.2 Dealing in Securities**

Dealing in securities is a broad concept and covers more than simply buying or selling shares. It extends to exercising options over shares and entering agreements to buy or sell securities.

That is, under this policy and the law the prohibition on dealing means that you are not permitted to

- (a) buy or sell; or
- (b) enter into an agreement to subscribe for, buy or sell, securities,

where you or the Company possess information that is not generally available and which a reasonable person would expect to have a material effect on the price or value of those securities.

If you possess price sensitive information that is not generally available, you are also prohibited from procuring any other person to deal in those securities; or directly or indirectly communicating the information to another person who you believe is likely to deal in, or procure another to deal in, those securities.

#### 4.3 Information that is generally available

Information is considered to be “generally available” if:

- (a) it consists of readily observable matter; or
- (b) it has been made known in a manner likely to bring it to the attention of investors in securities of corporations of that kind and a reasonable period for dissemination of that information has elapsed. That is it has been released to the ASX, published in an Annual Report or prospectus or otherwise been made generally available to the investing public and a reasonable period of time has elapsed after the information has been disseminated in one of these ways; or
- (c) it may be deduced, inferred or concluded from the above.

#### 4.4 Material effect of the price of securities

Information is considered by the Corporations Act to be likely to have a material effect on the price or value of securities of a Company if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell those securities.

It is not possible to list all of information that may be material, however, the following type of information would be likely to be considered to have a material effect on the Company’s share price:

- (a) information regarding a material increase or decrease in the Company’s financial performance from previous results;
- (b) a proposed material business or asset acquisition or sale;
- (c) the damage or destruction of a material plant or operation of the Company;
- (d) proposed material legal proceedings to be initiated by or against the Company;
- (e) regulatory action or investigations undertaken by a Government authority;
- (f) the launch of a new business or material new product;
- (g) a proposal to undertake a new issue of shares or major change in financing.

## **5. RELATED PARTIES AND RELEVANT INTERESTS**

The restrictions on dealings by a director or employee extend to any dealings:

- by their spouses or de facto spouses;
- by or on behalf of any dependant under 18 years of age; and
- any other dealings in which, for the purposes of the Corporations Act, the director or employee is to be treated as interested.

It is the duty of the director and employee to seek to avoid any such dealing at a time when he or she is himself or herself prohibited from dealing.

## **6. WAIVERS**

If there are exceptional circumstances, the Chairman in consultation with the Managing Director, at their discretion, may waive parts of the Securities Dealing Policy to allow directors and employees to deal.

This discretion will be applied, taking into account the hardship of the director or employee and weighing this against any perceived detriment to the Company's reputation.