



MEMO

To: Board of Directors
From: Company Secretary
Subject: **SHARE DEALING POLICY**

The company is a Disclosing Entity (“DE”) under section 111AC of the Corporations Act – even though it is not listed on any stock exchange – because it has issued shares under a prospectus and there are 100 or more shareholders.

As a DE the company it is subject to the ‘continuous disclosure’ requirements of secs. 674 ~ 675 and must lodge with ASIC any information:

- (a) that is not generally / publicly available; and
- (b) that a ‘reasonable person’ would expect, if it were available, could have a material effect on the value or price of the company’s shares (ie, it is regarded as ‘price-sensitive’ information);

as well as annual and half-yearly statutory accounts (sec. 111AO).

Share Dealing Policy

In light of these requirements – which are similar to a listed company – it is appropriate for a DE to have an appropriate policy covering dealings in company shares by directors, senior executives and any other person who might be privy to price sensitive information.

The following is a typical policy:

SHARE DEALING POLICY

The Board has adopted the following policy in respect of dealing in shares of the Company by Directors, Officers and Consultants:

1. Dealing (purchase or sale) in Company shares is permitted without need for any consent within the period of 4 weeks commencing 1 business day after the annual or half-yearly accounts have been lodged with ASIC, the holding of any General Meeting, the issue of a Prospectus or Information Memorandum, the lodgment of any Disclosure Notice with ASIC or any public announcement by the Company that in the Board’s opinion could be considered price sensitive¹. It is the responsibility of the Director, Officer or Consultant to ensure that any dealing in Company shares is completed no more than 4 weeks after the relevant announcement or other event.



2. Dealing in Company shares is generally not permitted at other times without the prior consent of the Board who will examine the transaction (and any relevant information known by the Director, Officer or Consultant) prior to giving approval, to ensure that the transaction is not related to price sensitive or insider information, nor could be seen to be related to such information. In particular, dealings of significance in Company shares within the period of 6 weeks leading up to a profit announcement will not be approved.
 3. This policy extends to the purchase or sale of Company shares by Directors, Officers and Consultants personally and any related entity².
 4. "Officer" means and includes the Company Secretary, CEO, CFO, Accountant, any General, Divisional or Department Manager or equivalent senior executive and any other person or persons – in the employ of, or contracted to work for, the Company or any subsidiary, particularly those who might be involved with, or know of, information that could be considered price sensitive – as nominated by the Managing Director or CEO (and advised to the Board).
 5. This policy applies to all dealings in shares and any other securities of the Company, including debentures, stocks, bonds, notes and options, but will not apply to any election made to acquire shares or other securities under the terms of any dividend reinvestment plan or the issue of bonus shares in lieu of dividends or the issue of shares on exercise of options.
 6. This policy applies only to dealings of a material nature. For these purposes, dealings of up to \$10,000 value in aggregate in any 12 month period shall be deemed to be not material and do not have to be referred to the Board.
- ¹ *price sensitive* information is that which has not yet been announced by a company and/or lodged with ASIC which a reasonable person might expect could have a material effect on the value or price of a company's shares
- ² *related entity* may include any person or corporation over which a Director, Officer or Consultant might have some control or influence in relation to share transactions (eg, close relative, family trust, as a director or major shareholder of a company)

DISCLAIMER

The comments in this memo reflect some commercial aspects and observations on the matter experienced or observed by the writer in practice as he understands them. The information is given as a guide only and does not represent a definitive or legal view of any of the issues raised, covered or referred to and the reader is urged to seek his own professional advice on all aspects of, or pertaining to, this and any related matter.