



Hastie Group Limited

POLICY NAME:	Dealing in Securities
EFFECTIVE FROM:	29 March 2005
Last Revised	10 December 2010

1.0 INTRODUCTION AND PURPOSE

Hastie Group Ltd (**Company**) is committed to ensuring that the Company, its Directors and employees do not breach prohibitions on insider trading or create any perception of Senior Managers or employees dealing in Securities when they should not do so.

This Policy establishes procedures that provide protection to the Company and its Directors, Senior Management and employees against the misuse of unpublished Price Sensitive Information which could materially affect the price or value of the Securities.

2.0 SCOPE

This Policy applies to all employees of the Company and its subsidiaries (**Hastie Group**), including all Directors and Senior Managers. For the purposes of this Policy, Senior Managers shall include the CEOs of Hastie Group companies, the Senior Executive Committee and their direct reports, and any other employee who has access to consolidated group financial information.

3.0 DEALING IN SECURITIES

Apart from some limited exceptions, the Company is required under the ASX Listing Rules to immediately disclose to the ASX all information which a reasonable person would expect, if it was made public, to have a material effect on the price or value of the Company's shares (**Price Sensitive Information**). Employees may come into possession of Price Sensitive Information before the Company has made that information available to the market. It is imperative that all such employees keep that Price Sensitive Information confidential and do not deal in Securities before that Price Sensitive Information is released and becomes generally available. To deal in Securities at these times would breach the insider trading provisions of the Corporations Act which provide as follows:

A person is prohibited from dealing in, or procuring others to deal in, securities of a relevant entity where:

- the person possesses information which is not generally available; and
- that information may have a material effect on the price or value of the securities; and

- the person knows, or ought reasonably to know, that the information is not generally available and if it were, a reasonable person would expect it to have a material effect on the price or value of the securities.

A person is also prohibited from communicating any such information to another person if they know, or ought reasonably to know, that the other person would or would be likely to deal in, or procure others to deal in, the securities.

For the purposes of this Policy:

(a) **Securities** include

- shares of any class issued by the Company;
- options and performance rights over any shares issued or to be issued by the Company;
- derivatives (such as exchange – traded options and warrants) and other financial products issued by third parties in relation to the Company's shares or options, performance rights or debt instruments in relation to the Company's shares.

(b) **dealing in Securities** includes:

- acquiring or disposing of Securities (e.g. buying or selling them or exercising an option);
- entering into an agreement to do any of those things; and
- advising, procuring or encouraging another person (such as a family member, friend, associate, colleague, broker, family company or family trust) to deal in Securities.

Penalties for individuals who breach the insider trading rules are serious and can result in:

- a criminal penalty of up to \$220,000 or imprisonment for up to 5 years or both;
- a civil penalty of up to \$200,000; and
- a court order that compensation be paid to the Company or any person who suffers a loss because of the breach, including profits made by the individual as a result of breaching the insider trading rules.

4.0 ACCOUNTABILITIES UNDER THIS POLICY

The Company's Audit and Risk Management Committee is responsible for:

- establishing and reviewing the Dealing in Securities Policy; and
- interpreting the Policy if so requested by the Company Secretary.

The Company Secretary is accountable for:

- communicating the Policy to employees;
- providing advice as to compliance with the Policy;
- maintaining guidelines for establishing compliance with this Policy and the law relating to dealing in securities; and
- maintaining the required registers and records.

5.0 TRADING RESTRICTIONS

Directors and Senior Managers must not deal in Securities during the following periods:

- from 1st January until 48 hours after the release to the ASX of the Company's half yearly results;
- from 1st July until 48 hours after the release to the ASX of the Company's full year results;
- from the holding of a meeting of Shareholders of the Company until 48 hours after such meeting; or
- at any other time when in possession of Price Sensitive Information not otherwise released to the market (each a **Prohibited Period**).

Not later than 2 Business Days after a dealing in Securities by Directors, confirmation of price and quantity should be provided to the Company Secretary to ensure that the notification obligations of Directors under ASX Listing Rule 3.19A or s. 205G of the Corporations Act are satisfied.

5.1 TRADING WHICH IS NOT SUBJECT TO THIS POLICY

Employees (other than Directors and Senior Managers) may deal in Securities, elect to participate in any Dividend Reinvestment Plan or any employee share plan operated by the Company or on its behalf by a Plan Trustee or Plan Manager (**Employee Share Plan**) at any time provided they are not in possession of Price Sensitive Information which is not generally available to the market.

Employees must not cancel their participation in the Company's Dividend Reinvestment Plan or any Employee Share Plan or, cancel or otherwise vary the terms of his or her participation in the Company's Dividend Reinvestment Plan or Employee Share Plan while in possession of Price Sensitive Information which is not generally available to the market.

Directors and Senior Managers may elect to participate in the Company's Dividend Reinvestment Plan or any Employee Share Plan at any time outside Prohibited Periods. Directors and Senior Managers, must not cancel their participation in the Company's Dividend Reinvestment Plan or any Employee Share Plan or, cancel or otherwise vary the terms of his or her participation in the Company's Dividend Reinvestment Plan or Employee Share Plan during a Prohibited Period.

Employees, Directors and Senior Managers may deal in Securities at any time where:

1. trading results in no change in beneficial interest in the Securities
2. the investment decision is exercised by a third party;
3. the employee, Director or Senior Manager has no control or influence with respect to the trading decisions; or
4. the trading occurs under an offer to all or most of the Security holders of the Company.

Some examples of trading that are excluded from the operation of this Policy are:

1. transfers of Securities already held by an employee, Director or Senior Manager to a superannuation fund or savings scheme in which the employee, Director or Senior Manager is a beneficiary;
2. an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the Securities) where the assets of the fund or other scheme are invested at the discretion of a third party;

3. trading in Securities by an employee, Director or Senior Manager as trustee of a trust provided that the employee, Director or Senior Manager is not a beneficiary of the trust and provided any decision to trade during a Prohibited Period is taken by the other trustees or by the investment managers independently of the employee, Director or Senior Manager;
4. undertaking to accept, or the acceptance of, a takeover offer;
5. accepting an offer or an invitation made to all or most security holders, such as, a rights issue, a security purchase plan, a dividend reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board. (Taking up or selling entitlements under a renounceable pro rata issue of securities is also permitted);
6. selling Securities where the disposal is the result of a secured lender exercising its rights under a margin lending or similar arrangement ;
7. exercising an option or a right (but not selling Securities following exercise) under any Employee Share Plan, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a Prohibited Period and the Company has been in an exceptionally long Prohibited Period or the Company has had a number of consecutive Prohibited Periods and the employee, Director or Senior Manager could not reasonably have been expected to exercise it at a time when free to do so; and
8. trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this Policy and where:
 - 8.1 the Director or Senior Manager did not enter into the plan or amend the plan during a Prohibited Period;
 - 8.2 the trading plan does not permit the Director or Senior Manager to exercise any influence or discretion over how, when or whether to trade; and
 - 8.3 this Policy does not allow the Director or Senior Manager to cancel or otherwise vary the terms of his or her participation in the trading plan during a Prohibited Period other than in exceptional circumstances.

5.2 EXCEPTIONAL CIRCUMSTANCES

Directors or Senior Managers **not** in possession of Price Sensitive Information which has not been released to the market may be given prior written clearance to sell or otherwise dispose of Securities during a Prohibited Period in exceptional circumstances. This prior written clearance must be given by the relevant designated officer specified below (each a **Designated Officer**):

- (a) in the case of Senior Managers, the Group MD and CEO (or in his absence the Chairman of the Company's Audit and Risk Management Committee); and
- (b) in the case of Directors (other than the Chairman), the Chairman (or in his absence the Chairman of the Company's Audit and Risk Management Committee); and
- (c) in the case of the Chairman, the Chairman of the Company's Audit and Risk Management Committee (or in his absence another member of that Committee other than the Chairman).

in each case in their sole discretion and in each case notified to the Company Secretary.

The person seeking clearance to trade must satisfy the relevant Designated Officer that they are in severe financial hardship or that their circumstances are otherwise exceptional and that the proposed sale or disposal of Securities is the only reasonable course of action available.

Examples of exceptional circumstances include where the person seeking prior written clearance satisfies the relevant Designated Officer that he or she is:

- in severe financial hardship because he or she has a pressing financial commitment that cannot be satisfied otherwise than by selling Securities during the Prohibited Period;
 - For example, a tax liability of such a person would not normally constitute severe financial hardship unless the person has no other means of satisfying the liability;
- required by a court order, or if there are court enforceable undertakings
 - For example, pursuant to a bona fide family settlement or some other overriding legal or regulatory requirement to transfer or sell the Securities.

In making this determination the relevant Designated Officer will give consideration to the purpose of the ASX Listing Rules 12.9, 12.10 and 12.12 and will exercise this discretion with due caution.

Any prior written clearance to sell or otherwise dispose of Securities during a Prohibited Period in exceptional circumstances must specify the duration of such clearance and must be in writing (which includes email).

In making decisions under this Policy, reference may be made to any guidance note issued by ASX.

6.0 DEALING IN SHARES OF OTHER COMPANIES

If employees, Directors or Senior Managers have Price Sensitive Information relating to a company other than the Company which is not generally available to the market, the same insider trading rules outlined above apply to dealing in shares or other securities in that company. Examples of this may include, but are not limited to, the following:

- another company may provide Price Sensitive Information about itself to the Company in the course of a proposed transaction;
- another company with which the Company is dealing may provide Price Sensitive Information about a third company;
- information concerning the Company or actions which may be taken by the Company (e.g. a planned transaction or strategic change) could reasonably be expected to have an effect on a third party company; or
- information regarding the outcome of exploration, appraisal or development activities being undertaken by a joint venturer where this information has not been released to the market.

Apart from the application of the insider trading rules to shares in other companies, employees, Directors and Senior Managers are also bound by a duty of confidentiality in relation to confidential information in respect of third parties obtained in the course of their duties.

7.0 HEDGING OF SECURITIES

On and after 3 September 2008, Directors, Senior Managers and all other employees of the Hastie Group must not enter into any hedging or other arrangements (such as put and call options, warrants, or caps and collar transactions) which would have the effect of eliminating, reducing or transferring to any other person the risk of any fluctuation in the value of:

- (a) any performance rights or options granted to them under the Company's Performance Rights Plan prior to them vesting (i.e. prior to the relevant performance and/or service conditions being met); and
- (b) any shares in the Company issued to them under the Deferred Share Plan prior to them being free of restrictions on transfer (i.e. during the first 12 months)

Performance Rights granted under the Company's Performance Rights Plan and shares in the Company issued under the Company's Deferred Share Plan that have vested or are no longer subject to restrictions on transfer may be subject to hedging arrangements provided that on and after 3 September 2008 the Company Secretary is notified in advance. Following any such hedging arrangement being entered into, confirmation of the arrangement must be promptly notified to the Company Secretary.

8.0 MARGIN LOAN ARRANGEMENTS

On and after 3 September 2008, no Director may enter into a margin loan or similar funding arrangement under which Securities owned, or proposed to be acquired, by the Director or any of their associates are used as collateral where the number of Securities subject to such arrangement (or any such arrangement previously entered into by the Director) exceeds 1% of the total number of shares in the Company then on issue except with the prior consent of the Board.

Where a Director subsequently enters into a margin loan or similar funding arrangement, the Director must within 2 business days notify the Company Secretary of the key terms of the arrangement, including the number of Securities which are subject to the arrangement, the events or circumstances which would entitle the lender to make a margin call or to unilaterally sell all or any Securities which are subject to the arrangement and any other material details.

Directors and Senior Managers may sell Securities at any time where the disposal is the result of a secured lender exercising its rights under a margin lending or similar arrangement.

9.0 CONFIDENTIALITY OF PRICE SENSITIVE INFORMATION

Employees must ensure that contractors, advisers, consultants and other outside parties retained by the Hastie Group who may come into possession of Price Sensitive Information are bound by appropriate assurances of confidentiality.

10.0 CONSEQUENCES OF BREACH

The Company treats compliance with this Policy as a serious issue. Any breach of this Policy will be subject to appropriate sanctions, which in the case of an employee may include termination of his or her employment.

11.0 ADVICE

Any employee in doubt about the meaning of this Policy or requiring advice about a proposed dealing in Securities should contact the Company Secretary.