

Share trading policy

STW Communications Group Limited ACN 001 657 370
(Company)

Share trading policy

1. Introduction

1.1 Securities of the Company are listed on ASX.

1.2 This policy outlines:

- (a) when directors, senior management and other employees may deal in Company Securities;
- (b) when directors, senior management and other employees may deal in listed securities of another entity (because they may obtain inside information about another entity's securities while performing their duties for the Group); and
- (c) procedures to reduce the risk of insider trading.

2. Defined terms

In this policy:

Approving Officer means:

- (a) for a Designated Officer who is not a director, the chief executive officer;
- (b) for a director (except the chairperson of the board), the chairperson of the board; and
- (c) for the chairperson of the board, the chairperson of the Audit Committee.

ASX means ASX Limited.

Company Securities includes shares in the Company or a Group member, options over those shares and any other financial products of the Group traded on ASX.

Designated Officer means a director or person engaged in the management of the Group, whether as an employee or consultant of the Company and its controlled entities (Group) who has the opportunity to materially influence the integrity, strategy and operation of the business and financial performance of the Group.

Group means the Company and each of its controlled entities.

3. Insider trading

3.1 The *Corporations Act 2001* (Cth) prohibits insider trading.

3.2 By way of guidance, if a person has information about securities and the person knows, or ought reasonably to know, that the information is inside information, it is likely to be illegal for the person to:

- (a) deal in the securities;
- (b) procure another person to deal in the securities; or
- (c) give the information to another person who the person knows, or ought reasonably to know, is likely to:
 - (i) deal in the securities; or

(ii) procure someone else to deal in the securities.

- 3.3 Insider trading is a criminal offence. It is punishable by substantial fines or imprisonment or both. A company may also be liable if an employee or director engages in insider trading.
- 3.4 Insider trading may also attract civil penalties. A court may impose substantial pecuniary penalties for insider trading and order payment of compensation to persons who suffer loss or damage because of insider trading.

4. What is inside information?

- 4.1 Inside information is information concerning a company's financial position, strategy or operations and any other information that:
- (a) is not generally available; and
 - (b) if it were generally available, would, or would be likely to, influence reasonable persons who commonly invest in securities in deciding whether to acquire or dispose of the relevant securities.
- 4.2 Information is generally available if it:
- (a) is readily observable;
 - (b) has been made known in a manner likely to bring it to the attention of persons who commonly invest in securities of the relevant type and a reasonable period for that information to be disseminated has elapsed since it was made known; or
 - (c) consists of deductions, conclusions or inferences made or drawn from information falling under paragraphs 4.2(a) or 4.2(b).

5. What is dealing in securities?

- 5.1 Dealing in securities includes:
- (a) applying for, acquiring or disposing of, securities;
 - (b) entering into an agreement to apply for, acquire or dispose of, securities;
 - (c) granting, accepting, acquiring, disposing, exercising or discharging an option or other right or obligation to acquire or dispose of securities; and
 - (d) entering into transactions in financial products that operate to limit the economic risk associated with holding securities (**hedging arrangement**)
- 5.2 This policy does not apply to:
- (a) participation in an employee, executive or director equity plan operated by the Company (eg. applying for an allocation of Company Securities under an employee equity plan offer). However, where Company Securities granted under an employee, executive or director equity plan cease to be held under the terms of that plan, any dealings in those Company Securities must only occur in accordance with this policy;
 - (b) the following categories of passive trades:
 - (i) an acquisition of Company Securities under a dividend reinvestment plan or a securities purchase plan available to all retail shareholders;
 - (ii) an acquisition of Company Securities through a rights issue;

- (iii) 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 Company Securities (for example, transfers of Company Securities already held into a superannuation fund or trust of which the employee or Designated Officer is a beneficiary);
- (d) trading under a pre-approved non-discretionary trading plan, where the employee or Designated Officer did not enter into the plan or amend the plan during a blackout period, the plan does not permit the employee or Designated Officer 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) subject to paragraph 15, a disposal of Company Securities that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement; and
- (f) indirect and incidental trading that occurs as a consequence of a Designated Officer dealing in units or shares of 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 Company Securities.

5.3 Even where one of the exceptions in paragraph 5.2 applies, the dealing may still be prohibited pursuant to the insider trading rules in the *Corporations Act 2001* (Cth).

6. When employees may deal

An employee (who is not a Designated Officer) may deal in Company Securities or the listed securities of another entity if he or she does **not** have information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities or those securities of the other entity.

7. When employees may not deal

An employee (who is not a Designated Officer) may not deal or procure another person to deal in Company Securities or the listed securities of another entity if he or she has information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities or those securities of the other entity.

8. When a Designated Officer may deal

8.1 Subject to clause 9, in order to minimise the potential for insider trading, a Designated Officer can only deal in Company Securities if he or she has complied with paragraph 10 and if the dealing occurs during one of the following trading windows:

- (a) the one month period beginning at the close of trading on the day after the dates on which:
 - (i) the Company announces its half-yearly results to ASX;
 - (ii) the Company announces its full year results to ASX; and
 - (iii) the Company holds its annual general meeting; or
- (b) any period that the Company has a current prospectus or other form of disclosure document on issue under which persons may subscribe for Company Securities; **[or**

(c) **any other period the Board determines.]** .

8.2 A Designated Officer may deal in the listed securities of another entity if he or she does not have information that he or she knows, or ought reasonably to know, is inside information in relation to those securities.

9. When a Designated Officer may not deal

9.1 A Designated Officer may not deal or procure another person to deal in Company Securities if:

- (a) he or she has information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities; or
- (b) he or she has not complied with paragraph 10.

9.2 A Designated Officer may not deal or procure another person to deal in the listed securities of another entity if he or she has information that he or she knows, or ought reasonably to know, is inside information in relation to those securities by virtue of their position as an employee of the Company.

9.3 A Designated Officer may not enter into transactions in associated products which operate to limit the economic risk of security holdings in the Company over unvested equity entitlements or securities that are subject to a holding lock or restriction on dealing under the terms of any employee, executive or director equity plan operated by the Company.

9.4 A Designated Officer may not trade in financial products issued or created over Company Securities by third parties, or in associated products.

10. Clearance from the Approving Officer

10.1 Before dealing in Company Securities, including entering into transactions or arrangements which operate to limit the economic risk of their security holdings in the Group, a Designated Officer must first inform the Approving Officer and obtain clearance.

10.2 The Approving Officer may only give clearance during the periods set out in paragraph 8.1. However, the Approving Officer may not give clearance during those periods if:

- (a) there is a matter about which there is inside information in relation to Company Securities (whether or not the Designated Officer knows about the matter) when the Designated Officer requests clearance or proposes to deal in Company Securities; and
- (b) the Approving Officer has any other reason to believe that the proposed dealing breaches this policy.

10.3 Upon provision of clearance from the Approving Officer, the proposed dealing may be undertaken. If the proposed dealing is undertaken, it must be undertaken as soon as possible after clearance is granted or within such other period specified by the Approving Officer. If the dealing is not undertaken within this time, the clearance will no longer have effect and new clearance will be required before the proposed dealing can be undertaken.

10.4 If the proposed dealing is undertaken following clearance from the Approving Officer, the Designated Officer must confirm the dealing with the Approving Officer within 2 business days of the dealing.

10.5 The Approving Officer must:

- (a) keep a written record of:

- (i) any information received from a Designated Officer in connection with this policy; and
 - (ii) any clearance given under this policy; and
 - (b) send a copy of the written record to the Company Secretary for keeping.
- 10.6 The Company Secretary must keep a file of any written record referred to in paragraph 10.5.
- 10.7 Where a Designated Officer enters into a hedging arrangement (as described in paragraph 5.1(d)), the Company may, where appropriate, disclose the fact and nature of the hedge (eg. in its annual report or to the ASX).

11. Exceptional circumstances

- 11.1 The Approving Officer may give clearance for a Designated Officer to sell (but not buy) Company Securities in exceptional circumstances where the Designated Officer would otherwise not be able to do so under this policy. For example, if the Designated Officer has a pressing financial commitment that cannot otherwise be satisfied.
- 11.2 The Approving Officer may not give clearance under the exception in paragraph 11.1 if there is a matter about which there is inside information in relation to Company Securities (whether or not the Designated Officer knows about the matter) when the Designated Officer requests clearance or proposes to deal in Company Securities.
- 11.3 The Approving Officer will decide if circumstances are exceptional.

12. Dealings by associated persons and investment managers

- 12.1 If a Designated Officer may not deal in the Company Securities, he or she must prohibit any dealing in the Company Securities by:
- (a) any associated person (including family or nominee companies and family trusts); or
 - (b) any investment manager on their behalf or on behalf of any associated person.
- 12.2 For the purposes of paragraph 12.1, a Designated Officer must:
- (a) inform any investment manager or associated person of the periods during which the Designated Officer may and may not deal in Company Securities; and
 - (b) request any investment manager or associated person to inform the Designated Officer immediately after they have dealt in Company Securities.
- 12.3 A Designated Officer does not have to comply with paragraphs 12.1 and 12.2 to the extent that to do so would breach their obligations of confidence to the Group.

13. Communicating inside information

- 13.1 If an employee (including a Designated Officer) has information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities or the listed securities of another entity, the employee must not directly or indirectly communicate that information to another person if he or she knows, or ought reasonably to know, that the other person would or would be likely to:
- (a) deal in Company Securities or those securities of the other entity; or
 - (b) procure another person to deal in Company Securities or the securities of the other entity.

- 13.2 An employee must not inform colleagues (except the Approving Officer) about inside information or its details.

14. Blackout periods

To minimise the potential for insider trading, the Company may from time to time impose an additional blackout on employees and Designated Officers trading in Company Securities. During these period, employees and Designated Officers should not trade in Company Securities until further notice. The fact that a blackout period is in place should be treated as confidential.

15. Margin Lending

- 15.1 Any dealing in Company Securities by a Designated Officer pursuant to a margin lending arrangement must be conducted in accordance with this policy. Such dealings would include:

- (a) entering into a margin lending arrangement in respect of Company Securities;
- (b) transferring Company Securities into an existing margin loan account; and
- (c) selling Company Securities to satisfy a call pursuant to a margin loan.

- 15.2 Designated Officers must obtain approval in accordance with paragraph 10 for any proposed dealing in Company Securities in connection with a margin lending arrangement.

- 15.3 The Company may, at its discretion, make any approval granted in accordance with paragraph 15.2 conditional upon such terms and conditions as the Company sees fit (for example, with regard to the circumstances in which Company Securities may be sold to satisfy a margin call.

16. Speculative dealing

A Designated Officer may not deal in Company Securities on considerations of a short term nature. Short-term trading includes buying **and** selling securities on market within a 3 month period, and entering into other short-term dealings (for example, forward contracts).

17. Breach of policy

A breach of this policy by an employee is serious and may lead to disciplinary action, including dismissal in serious cases. It may also be a breach of the law.

18. Distribution of policy

This policy must be distributed to all Designated Officers.

19. Assistance and additional information

Employees who are unsure about any information they may have in their possession, and whether they can use that information for dealing in securities, should contact the chief executive officer.

20. Approved and adopted

This policy was approved and adopted by the board on 19 February 2009.

