

POLICY FOR TRADING IN COMPANY SECURITIES

AUSQUEST LIMITED ("COMPANY")

Directors, officers and employees¹ who wish to trade in Company securities must first have regard to the statutory provisions of the Corporations Act dealing with insider trading.

Insider Trading

Insider trading is the practice of dealing in a company's securities (ie. shares or options) by a person with some connection with a company (eg. an employee) in possession of information generally not available to the public, but may be relevant to the value of the company's securities or may influence a person's decision to transact in the company's securities. It may also include the passing on of this information to another. **Legally, insider trading is an offence which carries severe penalties, including imprisonment.**

In summary, directors, officers and employees of the Company must not, whether in their own capacity or as an agent for another, subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell, any securities (ie. shares or options) in the Company, or procure another person to do so:

1. if that director, officer or employee possesses information that a reasonable person would expect to have a material effect on the price or value of the securities or influence a person's decision to buy or sell the securities in the Company if the information was generally available;
2. if the director, officer or employee knows or ought reasonably to know, that:
 - (a) the information is not generally available; and
 - (b) if it were generally available, it might have a material effect on the price or value of the securities or influence a person's decision to buy or sell the securities in the Company.

Further, directors, officers and employees must not either directly or indirectly pass on this kind of information to another person if they know, or ought reasonably to know, that this other person is likely to deal in the securities of the Company or procure another person to do so.

¹ In this policy references to directors, officers and employees includes consultants and contractors and:

- (i) all associates of the directors, officers employees, consultants and contractors; and
- (ii) all related parties, as that term is defined in section 228 of the Corporations Act, of directors, officers, employees, contractors and consultants.

What is “Inside Information”?

The financial impact of the information is important but strategic and other implications can be equally important in determining whether information is inside information. The definition of inside information is broad enough to include rumours, matters of supposition, the intentions of a person (including AusQuest) and information which is sufficiently definite to warrant disclosure to the public. Some examples are:

- a possible acquisition or sale of any assets or business by AusQuest;
- the financial performance of AusQuest against its budget or forecasts;
- changes to the Board or senior management;
- a change in AusQuest’s capital structure;
- a dividend;
- any possible claim against AusQuest or other unexpected liability.

Securities in Other Companies

The prohibition on insider trading also applies to securities in other companies including the securities of the Company’s customers or joint venture partners. Therefore, during your employment with the Company or otherwise, if you become aware of price sensitive information regarding another company that is not generally available, you are prohibited from dealing in those securities.

Prohibited Transactions

Directors, officers and employees must not enter into transactions or arrangements which operate to limit the economic risk of their security holding in the Company without first seeking and obtaining written acknowledgement from the Chair.

Executives are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

Trading Window and Permission to Trade

Subject to the prohibitions on insider trading set out in the Corporations Act, directors, officers and employees may only trade in the Company’s securities in the period of 14 days commencing 24 hours following the:

- announcement of price sensitive information;
- announcement of the quarterly cashflow report;
- announcement of half yearly results;
- announcement of annual results; and
- holding of the annual general meeting (“**Trading Window**”).

No permission to trade is required for employees who trade during the Trading Window.

Directors and officers must not trade in the Company's securities at any time without first obtaining written approval,

Directors, officers and employees must not trade outside of the Trading Window without first obtaining written approval

Where in exceptional circumstances and it being the only reasonable course of action available to a director, officer or employee (e.g. a pressing financial commitment that cannot be satisfied otherwise than by the trade) clearance may be given for the person to sell (but not to purchase) securities when he/she would otherwise be prohibited from doing so under this Policy. The Chairman will determine whether the circumstances are exceptional for this purpose.

When permission is required to trade, such permission should be obtained from:

1. in the case of employees and contractors, the Managing Director;
2. in the case of a consultant or director, or their associates (including spouses and de facto spouses or the director's dependent children), the Chairman or in his absence, the Managing Director;
3. in case of the Managing Director, the Chairman or, in his absence, the Chairman of the Audit Committee; or
4. in the case of the Chairman, the Chairman of the Audit Committee.

In order to obtain the required permission under this section, a person must set out in writing to the Company, the following information:

- (a) the name of the Person wishing to trade;
- (b) the number of shares that the Person wishes to trade
- (c) whether the Company is in a Trading Window
- (d) whether the Person is in possession of unpublished price sensitive information
- (e) if the Person is wishing to trade outside of a Trading Window, the exceptional circumstances that exist which should be taken into account by the Chair when permitting such a trade
- (f) the preferred trading period

Following a request from a person, a written response must be given within 3 working days. Where the proposed trade is outside of a Trading Window, the response will state the length of the trading window that has been granted.

Policy Exclusions

The following trading does not fall under this policy

1. trading in a managed securities portfolio (other than a portfolio that only invests in the securities of the Company) and where the person is not in a position to influence choices in that portfolio;
2. where the trade results from a dividend reinvestment plan where the person has given ongoing instructions to reinvest dividends; and
3. where the trade is as a result of subscription for shares the subject of a current prospectus or other form of disclosure document the Company has on issue.
4. Where the trade is a transfer of securities of the Company that are already held into a superannuation fund or other saving scheme in which the director, officer or employee is a beneficiary.
5. Undertakings to accept, or the acceptance of, a takeover offer;
6. Trading under an offer or invitation made to all or most of the security holders, such as a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buyback where the plan that determines the timing and structure of the offer has been approved by the Board. This includes decisions relating relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro –rate issue.
7. The exercise (but not the sale of securities following exercise) of an option or right under an employee incentive scheme, 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 director, officer or employee could not reasonably have been expected to exercise it at a time when free to do so.
8. allowing entitlements to lapse under a rights issue or other offer (including an offer of shares in lieu of a cash dividend).
9. bona fide gifts to a Director by a third party.

10. the cancellation or surrender of an option under an employee share scheme.
11. the purchase of Securities or the communication of information pursuant to a requirement imposed by law.
12. transfers of Securities by an independent trustee of an employee share scheme to a beneficiary who is not a Person.

Options in the Company may be exercised at any time in accordance with their terms of issues (including during the trading window) subject to the prohibitions on insider trading set out in the Corporations Act. Any subsequent sale of such securities will be subject to the terms of this Policy.

The Company advises directors, officers and employees to defer trades if an announcement of a major event or the release of price-sensitive information is likely to occur shortly after a proposed trade, even if it is inside the trading window to avoid the potential for breaches of insider trading legislation.

Long Term Attitude to Trading

The Company wishes to encourage directors, officers and employees to adopt a long term attitude to investment in the Company's securities.

Notification of Trades

Directors must disclose details of changes in securities of the Company they hold (directly or indirectly) to the company secretary as soon as reasonably possible after the date of the change:

1. no later than 3 business days after the change; or
2. in the event you begin to have or cease to have a substantial shareholding or there is a change in your substantial holding, the business day after the change.

Directors are referred to the Company's *Director's Disclosure Obligations* document and *Director's Declaration of Interest Form*. The company secretary is to maintain a register of notifications and acknowledgements given in relation to trading in the Company's securities. The company secretary must report all notifications of dealings in the Company's securities to the next board meeting of the Company.

Directors are reminded that it is their obligation under section 205G of the Corporations Act to notify the market operator within 14 days after any change in a director's interest.



Compliance with this Policy

Directors, officers and employees should be aware that trading in the company's securities is prohibited at any time if the person possesses inside information, irrespective of whether this policy provides that trading could occur in a trading window.

Breach of the insider trading prohibition could expose you to criminal and civil liability. Breach of insider trading law or this Policy will be regarded by the Company as serious misconduct which may lead to disciplinary action and/or dismissal.

This Policy does not contain an exhaustive analysis of the restrictions imposed on, and the very serious legal ramifications of, insider trading. Directors, officers and employees who wish to obtain further advice in this matter, are encouraged to contact the company secretary.

This Policy also applies to the Company's related entities.