

EMPIRED LIMITED

ACN 090 503 843

SECURITIES TRADING POLICY

As approved by the Board of Directors on 23rd of December 2010

Scope of this policy

1. This policy applies to all directors, executives, employees, contractors, consultants and advisors (together **Designated Persons**) of Empired Limited (**Company**) and its subsidiaries.
2. In this policy "**Company Securities**" includes:
 - (a) any shares in the Company,
 - (b) any other securities issued by the Company such as debentures and options; and
 - (c) derivatives and other financial products issued by third parties in relation to Company's shares, debentures and options.
3. In this Policy to "**deal**" in Company Securities includes:
 - (a) subscribing for, purchasing or selling Company Securities or entering into an agreement to do any of those things;
 - (b) advising, procuring or encouraging another person (including a family member, friend, associate, colleague, family company or family trust) to trade in Company Securities; and
 - (c) entering into agreements or transactions which operate to limit the economic risk of a person's holdings in Company Securities.
4. In this Policy "**Key Management Personnel**" means a director, executive or senior manager of the Company, or such other person who is "key management personnel" within the meaning of Accounting Standard AASB 124.

Purpose of the policy

5. This policy sets out the circumstances in which the Designated Persons may deal in Company Securities with the objective that no Designated Person will contravene the requirements of the *Corporations Act 2001* (Cth) (**Corporations Act**).
6. The purpose of this policy is to:
 - (a) ensure that the Designated Persons adhere to high ethical and legal standards in relation to their personal investment in Company Securities;
 - (b) ensure that the personal investments of the Designated Persons do not conflict with the interests of the Company and other holders of Company Securities;
 - (c) preserve market confidence in the integrity of dealings in Company Securities; and
 - (d) ensure that the reputation of the Company is maintained.

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7. This policy is not designed to prohibit the Designated Persons from investing in Company Securities but does recognise that there may be times when Designated Persons cannot or should not invest in Company Securities. This policy provides guidance to Designated Persons as to the times that Designated Persons may deal in Company Securities.

Outline of Corporations Act requirements

8. A person is in possession of "inside information" in relation to the Company in circumstances where:
- (a) the person possesses information that is not generally available and, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of Company Securities; and
 - (b) the person knows, or ought reasonably to know, that the information is not generally available and, if it were generally available, a reasonable person would expect it to have a material effect on the price or value of Company Securities.
9. A reasonable person would be taken to expect information to have a material effect on the price or value of Company Securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to deal in Company Securities in any way. It does not matter how the Designated Person came to have the inside information.
10. If a Designated Person possesses "inside information" in relation to the Company, the person must not:
- (a) deal in Company Securities in any way; or
 - (b) directly or indirectly, communicate the information, or cause the information to be communicated, to another person if the person knows, or ought reasonably to know, that the other person would, or would be likely to, deal in Company Securities in any way or procure a third person to deal in Company Securities in any way.
11. The Designated Persons may obtain inside information in relation to another company. For example in the course of negotiating a transaction with the Company, another company might provide confidential information about itself. The prohibition on insider trading is not restricted to information affecting Company Securities. The Designated Persons in possession of the inside information must not deal in securities of those companies.
12. A Designated Person who deals in Company Securities while in possession of "inside information" will be liable to both civil and criminal penalties. The penalties are:
- (a) in the case of a natural person, a fine of up to \$220,000 or imprisonment for 5 years or both;
 - (b) in the case of a body corporate, a fine of up to \$1.1 million; and
 - (c) unlimited civil liability equivalent to the damages caused.

Examples of "inside information"

13. Examples of information which may be considered to be "inside information" include the details relating to the items listed below (this is not an exhaustive list):

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- (a) prospective financial information;
- (b) proposed transactions;
- (c) unpublished announcements;
- (d) proposed changes in capital structure, including share issues, rights issues and the redemption of securities;
- (e) impending mergers, acquisitions, reconstructions, takeovers, etc;
- (f) significant litigation and disputes;
- (g) significant changes in operations or proposed changes in the general character or nature of the business of the Company or its subsidiaries;
- (h) cashflow information;
- (i) major or material purchases or sales of assets; and
- (j) proposed or new significant contracts.

Company's policy on dealing of Company Securities

14. **No insider trading:** All Designated Persons must adhere to the Corporations Act requirements concerning the prohibition on insider trading.
15. **Closed Period:** A "closed period" operates in respect of which Designated Persons must refrain from dealing in Company Securities during the period 1 June to release by the Company of its annual financial statements and 1 December to release by the Company of its half yearly financial statements.
16. **Prior approval for all dealing by Key Management Personnel:** Key Management Personnel must not deal in Company Securities at any time without the prior approval of the Chairman or, in his absence, the Board or the Managing Director. Key Management Personnel must also notify the Company Secretary of their intention to trade and provide the Company Secretary with subsequent confirmation of the trading that has occurred.
17. **Chairman:** The Chairman must not deal in Company Securities without the prior approval of the Board or the next most senior director. The Chairman must notify the Company Secretary of his intention to trade and provide the Company Secretary with subsequent confirmation of the trading that has occurred.
18. **Exceptional circumstances:** Dealing in Company Securities by Key Management Personnel during a Closed Period may be permitted with the prior written approval of the Chairman, or in his absence, the Board or the Managing Director, if the following exceptional circumstances apply:
 - (a) severe financial hardship;
 - (b) in order to comply an undertaking given to, or an order by, a court; or
 - (c) such other exceptional circumstances as may from time to time be determined by the Chairman, or in his absence, the Board or the Managing Director.
19. **Employees (other than Key Management Personnel):** Employees who are not Key Management Personnel may deal in Company Securities at any time provided the Employee notifies the Company Secretary before commencing the transaction and,

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after the transaction has occurred, provides confirmation of the trading. In any event, the Employees must not deal in Company Securities at any time if the Employee is in possession of any inside information relating to those securities.

20. **Exceptions to the Policy:** Subject to the insider trading provisions of the Corporations Act, Designated Persons may at any time:
- (a) acquire the Company ordinary shares by conversion of securities giving a right of conversion to ordinary shares;
 - (b) acquire Company Securities under a bonus issue made to all holders of securities of the same class;
 - (c) acquire Company Securities under a dividend reinvestment plan, a rights issue or a share purchase plan that is available to all holders of securities of the same class;
 - (d) acquire, or agree to acquire, options or performance rights under a Company share option plan or performance rights plan; and
 - (e) exercise options or performance rights acquired under a Company share option plan or performance rights (but may not sell all or part of the shares received upon exercise of the options other than in accordance with this Policy);
 - (f) transfer Company Securities already held into a superannuation fund or other saving scheme;
 - (g) invest in, or trade units of, a fund or other scheme where the assets of the fund or other scheme are invested at the discretion of a third party; and
 - (h) accept a takeover offer.

ASX notification by directors

21. In accordance with ASX Listing Rule 3.19A.2, a director must notify the ASX within 5 days after any change in the Director's relevant interest in securities of the Company or a related body corporate of the Company.
22. A director must notify the Company Secretary in writing of the requisite information for the Company Secretary to make the necessary notifications to ASIC and ASX as required by the Corporations Act and the ASX Listing Rules.

Consequences of breach

23. Strict compliance with this policy is mandatory for all persons covered under this policy. Breaches of this policy may damage the Company's reputation in the investment community and undermine confidence in the market for Company Securities. Accordingly, breaches will be taken very seriously by the Company and will be subject to disciplinary action, including possible termination of a person's employment or appointment.

Questions / further information

24. If you have any questions or need further information on how to comply with this policy, please contact the Company Secretary.