

4 March 2014

Companies Announcements Office  
Australian Securities Exchange

**Revised Securities Trading Policy**

In accordance with ASX Listing Rule 12.10, Intec Ltd provides a revised Securities Trading Policy for release to the market. The revised policy takes effect from 1 March 2014.

**Intec Ltd**



**Kieran G Rodgers**  
Managing Director

# **GUIDELINES FOR BUYING AND SELLING SECURITIES**

## **1. INTRODUCTION**

These guidelines set out the policy on the sale and purchase of securities in the Company by its Directors and employees. Directors and employees are encouraged to be long-term holders of the Company's securities. However, it is important that care is taken in the timing of any purchase or sale of such securities. The purpose of these guidelines is to assist Directors and employees to avoid conduct beyond the strict requirements of the Corporations Act.

## **2. WHAT TYPES OF TRANSACTIONS ARE COVERED BY THIS POLICY?**

This policy applies to both the sale and purchase of any securities of the Company and its subsidiaries on issue from time to time.

## **3. WHAT IS INSIDER TRADING?**

### **3.1 Prohibition**

Insider trading is a criminal offence. It may also result in a civil liability. In broad terms, a person will be guilty of insider trading if:

(a) that person possesses information which is not generally available to the market and, if it were generally available to the market, would be likely to have a material effect on the price or value of the Company's securities (ie, information that is "price sensitive");

(b) and that person:

(i) buys or sells securities in the Company; or

(ii) procures someone else to buy or sell securities in the Company; or

(iii) passes on that information to a third party where that person knows, or ought reasonably to know, that the third party would be likely to buy or sell the securities or procure someone else to buy or sell the securities of the Company.

### **3.2 Examples**

To illustrate the prohibition described above, the following are possible examples of price sensitive information which, if made available to the market, may be likely to affect materially the price of the Company's securities:

(a) the Company considering a major acquisition or disposal of assets;

(b) the threat of major litigation against the Company;

(c) the Company's sales and profit results materially exceeding (or falling short of) the market's expectations;

(d) a material change in debt, liquidity or cash flow;

(e) a significant new development proposal, ie, new product or technology;

(f) the granting (or loss) of a major contract;

(g) management or business restructuring proposal;

(h) a share issue proposal;

(i) an agreement or option to acquire an interest in a mining tenement, or to enter into a joint venture or farm-in or farm-out arrangement in relation to a mining tenement; and

(j) significant discoveries, exploration results, or changes in reserve/resource estimates from mining tenements in which the Company has an interest (direct interest or royalty interest).

### **3.3 Dealing through third parties**

A person does not need to be a Director or employee of the Company to be guilty of insider trading in relation to securities in the Company. The prohibition extends to dealings by its Directors and employees through nominees, agents or other associates, such as family members, family trusts and family companies (referred to as "Associates" in these guidelines).

### 3.4 Information however obtained

It does not matter how or where the person obtains the information – it does not have to be obtained from the Company to constitute inside information.

### 3.4 Option exercises

The prohibition does not apply to acquisitions of shares or options by employees made under the employee share option schemes, nor does it apply to the acquisition of shares as a result of the exercise of options under an employee option scheme. However, the prohibition does apply to the sale of shares acquired under an employee share scheme and also to the sale of shares acquired following the exercise of an option granted under an employee option scheme.

## 4. GUIDELINES FOR TRADING IN THE COMPANY'S SECURITIES

### 4.1 General rule

A Director or employee is not permitted to buy or sell Company securities during the period (blackout period) commencing on the fifteenth (15th) day of the month in which the Company is required to release its Quarterly Cashflow Report (ASX Appendix 4C), its Half Year Report (ASX Appendix 4D) and Preliminary Final Report (ASX Appendix 4E) to the Australian Securities Exchanges (ASX), in line with the ASX Listing Rules, and ending two (2) days following the date of release of these reports.

The Company may at its discretion vary this rule in relation to a particular period by general announcement to all Directors and employees either before or during the period.

However, if a Director or employee of the Company is in possession of price sensitive information which is not generally available to the market, then he or she must not deal in the Company's securities at **any** time.

### 4.2 No short-term trading in the Company's securities

Directors and employees should never engage in short-term trading of the Company's securities except for the exercise of options where the shares will be sold shortly thereafter.

### 4.3 Securities in other companies

Buying and selling securities of other companies with which the Company may be dealing is prohibited where an individual possesses information which is not generally available to the market and is "price sensitive". For example, where an individual is aware that the Company is about to sign a major agreement with another company, they should not buy securities in either the Company or the other company.

### 4.4 Exceptions

(a) Directors and all employees may at any time:

- (i) acquire ordinary shares in the Company by conversion of securities giving right of conversion to ordinary shares;
- (ii) acquire Company securities under a bonus issue made to all holders of securities of the same class;
- (iii) acquire Company securities under a dividend reinvestment, or top-up plan that is available to all holders or securities of the same class;
- (iv) acquire, or agree to acquire or exercise options under a Company Share Option Plan;
- (v) withdraw ordinary shares in the Company held on behalf of the employee in an employee share plan where the withdrawal is permitted by the rules of that plan;
- (vi) acquire ordinary shares in the Company as a result of the exercise of options held under an employee option scheme;
- (vii) transfer securities of the Company already held into a superannuation fund or other saving scheme in which the restricted person is a beneficiary;
- (viii) make an investment in, or trade in units of, a fund or other scheme (other than a scheme only investing in the securities of the Company) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (ix) where a restricted person is a trustee, trade in the securities of the Company by that trust provided the restricted person is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by the other trustees or by the investment managers independently of the restricted person;
- (x) undertake to accept, or reject, a takeover offer;

(xi) trade 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 buy-back, where the plan that determines the timing and structure of the offer has been approved by the board. This includes decisions 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 rata issue;

(xii) dispose of securities of the Company resulting from a secured lender exercising their rights, for example, under a margin lending arrangement;

(xiii) exercise (but not sell securities following exercise) an option or a right under an employee incentive scheme, or convert 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 restricted person could not reasonably have been expected to exercise it at a time when free to do so; or

(xiv) trade under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this Policy.

(b) In relation to any share or option plans:

(i) it is not permissible to pay or fund the exercise price of options by selling the shares acquired on the exercise of these options unless the sale of those shares occurs outside the closed periods specified in paragraph 4.1; and

(ii) where the exercise price of options is being funded or provided by a margin loan or other form of lending arrangement then there may be a risk that the employee or Director may need to sell shares to avoid providing additional capital or security to the lender in the event of a decrease in the value of the shares.

Were this to occur at a time when the person possessed inside information then the sale of Company securities would be a breach of insider trading laws, even though the person's decision to sell was not influenced by the inside information that the person possessed and the person may not have made a profit on the sale. Where Company securities are provided to a lender as security by way of mortgage or charge a sale that occurs under that mortgage or charge as a consequence of default would not breach insider trading laws.

## **5. APPROVAL AND NOTIFICATION REQUIREMENTS**

### **5.1 Approval Requirements – Directors**

(a) Any Director wishing to buy, sell or exercise rights in relation to the Company's securities must obtain the prior approval of the Chairman or the Board before doing so; or

(b) If the Chairman wishes to buy, sell or exercise rights in relation to the Company's securities the Chairman must obtain the prior approval of the Board before doing so.

### **5.2 Approval Requirements – Key Management Personnel**

(a) Any Key Management Personnel wishing to buy, sell or exercise rights in relation to the Company's securities must obtain the prior approval of the Managing Director before doing so.

(b) For the purpose of this policy, "Key Management Personnel" are defined as:

(i) any first line reports of the Managing Director and their direct reports; and

(ii) any other person designated by the Managing Director as key management personnel on the basis that they have authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly.

These approvals must be evidenced in writing using the attached **Appendix 1 – Request to Trade Form**.

### **5.3 Exemption from Trading Window restriction due to exceptional circumstance**

A Director, employee or contractor who is not in possession of inside information in relation to the Company, may be given prior written clearance by the Managing Director (or in the case of a Director, the Chairman, or in the case of the Chairman, all the other members of the Board) to sell or otherwise dispose of Company securities outside of a trading window where the person is in severe financial hardship or where there are exceptional circumstances as set out in this policy.

#### **5.4 Severe Financial Hardship or Exceptional Circumstances**

The determination of whether a Director, employee or contractor is in severe financial hardship will be made by the Managing Director in the case of employees, the Chairman in the case of a Director, and all of the board in the case of the Chairman.

A financial hardship or exceptional circumstances determination can only be made by examining all the facts and if necessary obtaining independent verification of the facts from banks, accountants or other like institutions.

#### **5.5 Financial Hardship**

A Director, employee or contractor may be in severe financial hardship if they have a pressing financial commitment that can not be satisfied other than by selling the securities of the Company.

In the interests of an expedient and informed determination by the Managing Director, Chairman or board of Directors, any application for an exemption allowing the sale of Company securities outside of the Trading Window based on financial hardship must be made in writing, be accompanied by a statutory declaration stating all the facts and be accompanied by copies of relevant supporting documentation, including contact details of the persons accountant, bank and other such independent institutions.

Any exemption, if issued, will be in writing and shall contain a specified time period during which the sale of securities can be made.

#### **5.6 Exceptional Circumstances**

Exceptional circumstances may apply to the disposal of Company securities by a Director, employee or contractor if the person is required by a court order, a court enforceable undertaking for example in a bona fide family settlement, to transfer or sell securities of the Company or there is some other overriding legal or regulatory requirement to do so.

Any application for an exemption allowing the sale of Company securities outside of the Trading Window based on exceptional circumstances must be made in writing and be accompanied by relevant court and/or supporting legal documentation.

Any exemption, if issued, will be in writing and shall contain a specified time period during which the sale of securities can be made.

### **6. ASX NOTIFICATION FOR DIRECTORS**

The ASX Listing Rules require the Company to notify the ASX within 5 business days after any dealing in securities of the Company (either personally or through an Associate) which results in a change in the relevant interests of a Director in the securities of the Company.. The Company has made arrangements with each Director to ensure that the Director promptly discloses to the Company Secretary all the information required by the ASX.

### **7. EFFECT OF COMPLIANCE WITH THIS POLICY**

Compliance with these Guidelines for trading in the Company's securities does not absolve that individual from complying with the law, which must be the overriding consideration when trading in the Company's securities.

**APPENDIX 1 – REQUEST TO TRADE FORM**

I, \_\_\_\_\_, a Director/an Officer/an employee/a contractor/ an advisor or a consultant (delete as appropriate) of the Company, request prior written clearance to trade in securities of the Company in accordance with the terms of the Company's Policy for Trading in Company Securities and provide the following information:

**1. Details of Securities**

Nature of dealing:  
(details of proposed dealing)

Number of securities:  
(maximum numbers)

Class of securities:

Name of registered holder:

**2. Reason for Request**

**Standard Request to Trade**

**OR**

**Request to Trade in Exceptional Circumstances**

Please provide complete details of the circumstances which you wish to be considered as exceptional

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I confirm that I have read and understood the Company's *Guidelines for Buying and Selling Securities* and that the proposed dealing does not breach that policy or any legal obligations referred to in it, and in particular, that I am not in possession of any inside information in relation to the Company.

I acknowledge that in accordance with the Company's *Guidelines for Buying and Selling Securities*, I cannot trade in the Company's securities until clearance is given and I understand that any clearance given will be valid only for the period stated in the clearance.

Name: .....

Signature: ..... Date: ...../ ..... / .....

**OFFICE USE – Clearance to be completed by Approving Officer**

Clearance given by:

..... / /  
Name of Approving Officer Signature of Approving Officer Date

Clearance valid for:

- until next Blackout Period (expected to be / / ) or notification of an Additional Blackout Period
- 10 business days from the date of clearance
- business days from the date of clearance