



# **Securities Trading Policy – Directors and Senior Executives**

**ADOPTED BY BOARD: 14/04/08**

**REV 2 ADOPTED BY BOARD: 16/05/11**



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## Saunders International Limited

ABN 14 050 287 431

(Company)

### Securities Trading Policy – Directors and Senior Executives

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#### 1. Introduction

- 1.1 This policy imposes constraints on directors and senior executives of the Company dealing in securities of the Company. It also imposes disclosure requirements on directors.
- 1.2 The senior executives are those occupying the position in the organization as listed in Appendix A and this list will be updated as circumstances arise.

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#### 2. Objectives

- 2.1 The objectives of this policy are to:
  - (1) minimise the risk of directors and senior executives of the Company contravening the laws against insider trading;
  - (2) ensure that the Company is able to meet its reporting obligations under the ASX Listing Rules; and
  - (3) increase transparency with respect to trading in securities of the Company by its directors.
- 2.2 In order to achieve these objectives, directors and senior executives should treat this policy as binding on them in the absence of any specific exemption by the Board.

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#### 3. Dealing in securities – legal and other considerations

- 3.1 Sections 1042B to 1043O of the *Corporations Act 2001* prohibit persons who are in possession of price sensitive information that is not generally available to the public in relation to particular securities from:
  - (1) dealing in the securities; or
  - (2) communicating the information to others who might deal in the securities.
- 3.2 The central test of what constitutes price sensitive information is contained in section 1042A. Section 1042A provides that insider trading and continuous disclosure rules apply to inside information that is not generally available to the public and which a reasonable person would expect to have a material effect on the price or value of securities in the Company (**price sensitive information**). Such price sensitive information extends to include matters of supposition and matters relating to the intentions or likely intentions of a person.
- 3.3 Directors and senior executives of the Company will from time to time be in a situation where they are in possession of price sensitive information that is not generally available to the public. Examples are the period prior to release of annual or half-yearly results to ASX Limited (**ASX**) and the period during which a major transaction or contract is being negotiated.

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#### 4. Policy – dealing in securities

- 4.1 Directors and senior executives should not deal in securities of the Company, including entering into arrangements which operate to limit the economic risk of their security holdings in the Company, unless:
- (1) they have satisfied themselves that they are not in possession of any price sensitive information that is not generally available to the public;
  - (2) they have advised the Chairperson of their intention to do so;
  - (3) depending on the magnitude of the proposed dealing, the Chairperson has made appropriate enquiries of other directors; and
  - (4) the Chairperson has indicated that there is no impediment to them doing so.
- 4.2 The Chairperson will generally allow directors and senior executives to deal in securities of the Company as a matter of course (unless there is in existence price sensitive information that has not been disclosed because of an ASX Listing Rule exception)
- within the period of 2 months after the release of annual or half-yearly results; and
- within the period of 2 months after the issue of a prospectus.
- Directors and senior executives should wait at least 2 hours after the relevant release so that the market has had time to absorb the information.
- 4.3 In the period of 2 months prior to the release of annual or half year results, or the issue of a prospectus, the Chairperson will generally not allow directors and senior executives to deal in securities of the Company. In the event of exceptional circumstances during this period, such as a court order, financial hardship etc, the Chairperson may give approval provided the conditions of 4.1 are satisfied.
- 4.4 For periods other than those specified in 4.2 and 4.3, the Chairman may give approval after considering the circumstances and after making appropriate enquiry concerning the existence of price sensitive information that has not been disclosed.
- 4.5 Directors and senior executives must not at any time engage in short-term trading in securities of the Company.
- 4.6 Directors and senior executives must not communicate price sensitive information to a person (including a spouse, relative, friend, trustee of a family trust or directors of a family company) who may deal in securities of the Company.
- 4.7 The above principles also apply to the following:
- (1) trading in financial products issued or created over the Company's securities and associated products;
  - (2) entering into transactions in associated products which operate to limit the economic risk of security holdings in the Company; and

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5. **Notification of dealings in securities – legal and other considerations**

- 5.1 ASX Listing Rules 3.19A and 3.19B require the Company to notify the ASX of dealings in securities by directors within 5 business days. Three appendixes are included in the Listing Rules for the purpose of this notification, being 3X Initial Director’s Interest Notice, 3Y Change of Director’s Interest Notice and 3Z Final Director’s Interest Notice.

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6. **Explanation of terms**

- 6.1 For the purposes of this policy:

(1) **deal in securities** means buy or sell shares, options or other securities in the Company, or enter into transactions in relation to shares, options or other securities in the Company. It includes procuring another person to do any of these things; and

(2) **price sensitive information** has the meaning given in paragraph 3.2.

- 6.2 For the purposes of paragraph 4.1, directors “dealing” includes associates of directors dealing in securities, and it is incumbent on each director to ensure that an associate does not deal in circumstances where the dealing could be attributed to the director concerned.

## **APPENDIX A**

### **Positions subject to Securities Trading Policy**

**(Refer Policy Clause 1.2)**

Chief Financial Officer

General Manager

Operations Manager

Engineering Manager

Chief Accountant

Company Secretary