

SECURITIES TRADING POLICY

The Board of Directors has adopted the following policies regarding the buying and selling of the Company's Securities, and communication of Inside Information by directors, officers, other employees and consultants.

1. Meanings

ASIC means the Australian Securities and Investments Commission;

ASX means the Australian Securities Exchange Limited;

Inside Information means any information that is not generally available but which, if it were, a reasonable person would expect that information to have a material effect on the price or value of the Company's Securities;

Insider Trading means buying or selling, or procuring or encouraging another person to buy or sell Securities whilst in the possession of Inside Information;

Security means:

- (a) a share in the Company; or
- (b) a debenture of the Company; or
- (c) a right or interest in a share or debenture of the Company; or
- (d) an option to acquire a share, debenture, or right or interest in a share or debenture of the Company.

2. Trading in Securities - Position at law

2.1 The Company's shares are listed on the ASX. Under Australian law, it is a serious offence for a person who possesses Inside Information to:

- (a) engage in Insider Trading; and/or
- (b) communicate (directly or indirectly) Inside Information to another person if he/she knows or ought to know that the other person would be likely to engage in Insider Trading.

2.2 Any one offence carries the penalty of a fine of up to \$220,000 or 5 years imprisonment or both, in addition to other remedies e.g. paying compensation for damages suffered by the other party to the transaction, banning orders (which prohibits a person from supplying financial services) issued by ASIC.

2.3 Information possessed by one person may in certain circumstances be deemed to be possessed by another (e.g. information obtained by a director in the course of performing his duties is imputed to the company, information obtained by a member of a partnership in his capacity as such a member is imputed to the partnership), and therefore care must be taken to ensure that one does not unintentionally breach the relevant provisions due to information being in another's possession.

3. Communication of Inside Information Policy

Any director, officer, employee or consultant in possession of Inside Information concerning the Company has a duty:

- (a) to keep that information confidential;
- (b) to take all reasonable steps to secure and keep secure that information in their possession; and
- (c) must not disclose or communicate that information to any person without the prior written consent of the Board of Directors, except:
 - (i) where necessary to comply with any court order, applicable law or the rules of any applicable securities exchange provided that written notice is first given to the Board of Directors of the proposed disclosure and, to the extent practicable, reasonable endeavours are made to comply with any request by the Board of Directors concerning the proposed disclosure; or
 - (ii) to any fellow employee, professional adviser, banker, auditor or other consultant of the Company (**Receiving Party**) strictly on a "need to know basis", provided that prior to disclosure, the Receiving Party is notified of the confidential nature of the information to be disclosed and gives a signed undertaking (for the benefit of the Company) agreeing to be bound by the confidentiality and other obligations in this policy in relation to that information.

4. Securities Trading Policy

4.1 This is a very broad prohibition. It applies to all directors, officers, employees and consultants of the Company at all times, even during trading periods permitted under this policy. The Company requires strict compliance with this policy.

4.2 **General prohibition** - Trading in the Securities by all directors, officers, employees and consultants of the Company is prohibited when the relevant person is aware of any Inside Information. Without limiting the application of this general prohibition, the Chairman of the Company may from time to time declare a "Blackout Period" where there is the possibility of any person possessing Inside Information.

4.3 **Specific Blackout Period** - Trading in the Securities is not permitted in the period leading up to the publication of yearly and half-yearly results. No director, officer employee or consultant may buy or sell any Securities at any time during the following periods:-

- from 1 July until one week after the release of the Company's full year results;
- from 1 January until one week after the release of the Company's half year results.

4.4 **Trading Notice** – Where any employee or consultant of the Company (including its directors) proposes dealing at any time in the Securities, prior approval from the Chairman is required in order to determine whether such a transaction might be sensitive or infringe the general prohibition on Insider Trading (see paragraph 4.2 above). For this purpose the relevant person must provide at least 2 days prior written notice to the Chairman of the proposed trading in the Securities. This notice may be a "standing notice" that the relevant person intends to buy or sell the Securities over a specified period (up to a maximum of 5 business days after expiry of the notice to the Chairman) and also specify that the relevant person intends to buy or sell the Securities up to a maximum specified in the notice to the Chairman.

- 4.5 **Register of Dealings** - Any director selling any of his/her Securities in the Company or a related body corporate must submit a section 205G notice to the Company Secretary who will keep a register of all such dealings. The register will be tabled at each board meeting and will be available for inspection by directors at any time (section 205G of the Corporations Act requires notification to the ASX within 14 days of the listing of the company, and within 14 days of the appointment of the director to the company, and thereafter within 14 days of a change in the director's interest in Securities of the company and its related body corporates). The Company Secretary will prepare and circulate to directors in advance of each board meeting a summary of transactions notified since the previous board meeting.
- 4.6 **Notifiable Interests** - Despite the provisions of section 205G, the Company requires all directors to provide in a timely manner (and in any event not more than 3 business days after any change in their notifiable interests in the Securities) details of any change. Under ASX Listing Rule 3.19A.2 the Company is required to complete and lodge with the ASX an appendix 3Y within 5 business days after the change in the relevant director's notifiable interest.
- 4.7 Details of purchases or sales of the Securities by officers, employees and consultants must also be notified as soon as possible in writing to the Company Secretary to be recorded in the register kept for that purpose.
- 4.8 Each director, officer, employee and consultant is obliged to ensure that each of his/her related or associated entities complies with this securities trading policy. A related or associated entity includes:
- a spouse and any non-adult children;
 - a "Family Company" or "Family Trust" (as those terms are defined in the ASX Market Rules); and
 - a company in which a director, officer, employee or consultant of the Company is a director, has a "relevant interest" (as that term is defined in sections 608 and 609 of the Corporations Act) or in which he or she holds voting power in respect of 20% or more of the shares of that company.
- 4.9 Each director, officer, employee and consultant is required to certify his/her compliance with the Securities Trading Policy on an annual basis by completing the formal authorisation below:

Authorisation Statement

I _____(insert full name), being a Director/Officer/Employee/Consultant (delete as appropriate) of Patrys Limited and/or its associates, do acknowledge my acceptance of the above policy and certify my compliance with these regulations.

Signature: _____

Date: _____