

## SECURITIES TRADING POLICY

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This securities trading policy sets out the Company's policy regarding the trading in the Company's securities. This policy incorporates the legal constraints imposed by the common law, the *Corporations Act* and the *ASX Listing Rules*.

This policy applies to all Directors and employees of the Company and their associates (including spouses, children, family trusts and family companies) as well as contractors, consultants, and advisers ("designated officers").

It is illegal to trade in the Company's securities while in possession of unpublished price sensitive information concerning the Company. Under the *Corporations Act* a person with inside information must not, and must not procure another person, to deal in the securities of a body corporate or enter into an agreement to deal in the securities of a body corporate. Inside information is defined in the *Corporations Act* as information that:

- 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 the securities of the body corporate.

### General Prohibition on Insider Trading

All designated officers are prohibited from trading in the Company's securities while in possession of unpublished price sensitive information concerning the Company. In addition, while in possession of unpublished price sensitive information designated officers must not advise others to trade in the Company's securities or communicate the information to another person knowing that the person may use the information to trade in, or procure someone else to trade in, the Company's securities.

Unpublished price sensitive information is information regarding the Company, of which the market is not aware and that a reasonable person would expect to have a material effect on the price or value of the Company's securities, and includes:

- a proposed major acquisition or disposition;
- a significant business development or a proposed change in the nature of the Company's business;
- details of material contracts that are being negotiated by the Company;
- potential litigation that would have a substantial effect on the Company;
- a proposed change to the share capital structure of the Company; and
- a major change to the Board or senior management.

### Discourage Short-Term Trading

The Company encourages Directors and employees to adopt a long-term attitude to their investment in the Company's securities. Consequently, Directors and employees should not engage in short-term or speculative trading of the Company's securities.

## **Notification of Proposed Trade in Company Securities**

### *Directors*

Prior to trading in (either buying or selling) the Company's securities, Directors must notify the Chairman (or in the case of the Chairman he must notify a Non-Executive Director) of their intention to trade and confirm that they are not in possession of any unpublished price sensitive information.

### *Employees*

Prior to trading in (either buying or selling) the Company's securities, employees must notify the Chairman of their intention to trade and confirm that they are not in possession of any unpublished price sensitive information.

Breaches of this policy will be subject to disciplinary action, which may include termination of employment.

## **Notification of trade in Company Securities**

Directors must also notify the Company Secretary of any trade in the Company's securities within 5 days of such trade occurring so that the Company Secretary can comply with the ASX Listing Rule 3.19A requirement to notify the ASX of any change in a notifiable interest held by a Director.

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*This Policy was updated by the Gippsland Limited Board on 08 June 2009.*