



Dated 20 May 2005

# **Corporate Governance Policy – Securities Trading – Employees**

**CMA Corporation Limited**  
ACN 113 329 016

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(Company)

# **Corporate Governance Policy – Securities Trading – Employees**

## **1. Introduction**

1.1 This policy imposes constraints on employees of the Company dealing in securities of the Company.

1.2 This policy has been adopted by the Board of the Company.

1.3 If any employee has:

- (1) doubt as to whether he or she is subject to this policy; or
- (2) has any query about the application of this policy,

he or she should raise the matter with his or her Senior Manager who will then consult the Company. Queries are to be directed to the Company Secretary who will provide advice on behalf of the Company and seek further advice as required.

## **2. Application**

2.1 This policy applies only to employees of the Company. Directors and executives of the Company are subject to a separate policy in relation to trading in securities.

## **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 Examples of price sensitive information include:

- (1) the financial performance of the Company against its budget;
- (2) entry into or termination of a material contract;
- (3) a material acquisition or sale of assets by the Company;
- (4) an actual or proposed takeover or merger;
- (5) an actual or proposed change to the Company's capital structure;
- (6) a proposed dividend or change in dividend policy; or
- (7) a material claim against the Company.

#### **4. Policy – Dealing in Securities**

4.1 Employees must not deal in securities of 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; and
- (2) they have advised their Senior Manager of their intention to do so.

4.2 The Senior Manager, after consultation with the Company Secretary and the Disclosure Officer, will then indicate to the employee whether there is any impediment to the employee dealing in securities.

4.3 Employees may 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) in the following periods:

- (1) within the period of 1 month after the release of the annual or half-yearly results; and
- (2) within the period of 1 month after the issue of a prospectus,

but only after waiting for sufficient time after the relevant release so that the market has had time to absorb the information.

4.4 Clearance to trade in the Company's securities outside the periods mentioned in paragraph 4.3 may be obtained from the employee's Senior

Manager (after consultation with the Company). But clearance will generally only be granted in extraordinary circumstances, and not generally in the period of 1 month prior to the release of the annual or half-yearly results, or the issue of a prospectus.

- 4.5 An employee must not at any time engage in short-term trading in securities of the Company.
- 4.6 An employee must not communicate price sensitive information to a person who may deal in securities of the Company.
- 4.7 In addition, an employee must not recommend or otherwise suggest to any person (including a spouse, relative, friend, trustee of a family trust or directors of a family company) the buying or selling of securities in the Company.
- 4.8 The above principles also apply to the following:
  - (1) trading in financial products issued or created over the Company's securities and associated products; and
  - (2) entering into transactions in associated products which operate to limit the economic risk of security holdings in the Company.

## **5. Notification**

- 5.1 Employees must notify their Senior Manager immediately on acquiring or disposing of a relevant interest in any securities in the Company.
- 5.2 Employees must ensure that external advisers who may receive price sensitive information are bound by confidentiality agreements or other enforceable confidentiality obligations.

## **6. Penalties**

- 6.1 A trade in any securities by a person who is in possession of price sensitive information not publicly available could contravene the *Corporations Act 2001* and expose the person to civil and criminal penalties.
- 6.2 A contravention of this policy by an employee may result in disciplinary action and/or summary dismissal.

## **7. Explanation of Terms**

- 7.1 For the purposes of this policy:

- (1) **deal in securities** means to 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 the explanation in paragraph 3.
- (3) **Senior Manager** means an officer of the Company that reports directly to a General Manager, where a General Manager is regarded as an executive of the Company.