

31 December 2010

Company Announcements  
Australian Securities Exchange  
20 Bridge Street  
SYDNEY NSW 2000

**Via E-lodgement**

## **SHARE TRADING POLICY**

Pursuant to the Australian Securities Exchange Listing Rule 12.9, attached is a copy of iCash Payment Systems Limited's Share Trading Policy.



Tony Teng  
Company Secretary  
iCash Payment Systems Limited  
(02) 9432 9000

# **iCash Payment Systems Limited**

ABN 87 061 041 281

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## **SHARE TRADING POLICY**

**December 2010**

## Share Trading Policy

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### Introduction and Purpose

iCash Payment Systems Limited (**iCash or the Company**) aims to achieve high standards of corporate conduct and governance. This guidance note sets out the Company's policy on the sale and purchase of securities in iCash by its directors, employees and consultants and their Associates (**Key Management Personnel**). iCash is committed to ensuring that the Company and its Key Management Personnel do not breach prohibitions on insider trading or create any perception of employees dealing in securities when they should not do so.

The Policy is readily available to all iCash directors and employees. The Board considers that compliance with this policy is essential to ensure that high standards of conduct are being met by all directors and employees of iCash.

The purpose of this document is to assist directors and employees (including consultants and their Associates) to avoid conduct known as 'insider trading' and to detail the policy covering restrictions on dealing in iCash securities and to establish a procedure relating to trading in securities that provides protection to both iCash and employees against the misuse of unpublished information that could materially affect the value of securities.

This document provides a basic explanation of what constitutes insider trading and the Company's policy to prevent it, including:

- a description of what conduct may constitute insider trading;
- a description of the safest times for directors and employees to buy or sell securities in the Company in order to minimise the risk of insider trading;
- a description of the times when Company policy restricts trading in the Company's securities; and
- the steps for directors and employees to take when buying or selling securities in the Company.

### Employees covered by this Policy

This policy imposes trading restrictions on all employees of iCash and its related companies who are in possession of **inside information**, and additional trading restrictions on the following people in iCash and its related companies (**Restricted Persons**):

- all Directors;
- all Executives;
- full-time and part-time employees and their relatives (spouses, parents and children); and
- casual employees, consultants and contractors where their terms and conditions incorporate compliance with this policy or where they have access to inside information,

of iCash and iCash group companies ("**iCash Personnel**")

To avoid any doubts, any reference in this policy to a director includes an alternate director.

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### Insider Trading Laws

Insider trading laws cover all directors and employees (including contractors) of the Company. If you have any **inside information** which is not publicly known, it is a criminal offence for you to:

- trade in iCash securities,
- advise or procure another person to trade in iCash securities, or
- pass on **inside information** to someone else – including colleagues, family or friends -knowing (or where you should have reasonably known) that the other person will use that information to trade in, or procure someone else to trade in, iCash securities.

This offence, called "insider trading", can subject you to criminal liability including large fines and/or imprisonment, and civil liability, which may include being sued by another party or iCash, for any loss suffered as a result of illegal trading or being fined under civil penalty provisions.

### Confidential Information

You also have a duty of confidentiality to iCash. You must not reveal any confidential information concerning iCash, use that information in any way that may injure or cause loss to iCash, or use that confidential information to gain an advantage for yourself or anyone else.

### What is “Inside Information”?

**Inside information** is information that:

- is not generally available, and
- if it were generally available, it would – or would be likely to – influence investors in deciding whether to buy or sell iCash securities.

It does not matter how you come to know the **inside information** (including whether you learn it in the course of carrying out your responsibilities or in passing in the corridor, or in a lift, or outside the work environment).

The financial impact of the information is an important factor but strategic and other implications can be equally important in determining whether information is **inside information**. The definition of information is broad enough to include rumours, matters of supposition, intentions of a person (including iCash) and information that is insufficiently definite to warrant disclosure to the public.

### Examples of Inside Information

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:

- the Company considering the acquisition, expansion or disposal of an interest in a major project;
- information relating to the Company's financial results or forecasts results or dividend materially exceeding (or falling short of) the market's expectations;
- a possible change in the Company's capital structure;
- board or senior management changes;
- a proposed takeover or merger involving iCash; or
- the threat of major litigation by or against the Company;

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### **Insider Trading is prohibited at all times**

Notwithstanding any other provisions in this policy, if you possess **inside information**, you must not trade in iCash securities, advise, or get others to do so, or pass on the **inside information** to others. This prohibition applies regardless of how you learn the information.

The prohibition on insider trading is not restricted to information concerning the Company's shares. If a person has inside information in relation to shares of another company that is not publicly available, that person must not deal in those shares.

You should note that the prohibition on insider trading extends to the employee's spouse, dependants, other family members, and to their family companies and trusts if they have come into possession of Inside Information about iCash in any way.

### **Trading Restrictions**

As a general rule, directors and employees of the Company **must not buy or sell securities in the Company when they are in possession of price sensitive information which is not generally available to the market.**

With respect to dealing with security analysts, institutional investors and journalists, **only authorised spokespersons should make public statements on behalf of the Company.** Employees who receive queries must not make any comment beyond saying they will refer to the Company's authorised spokesperson, and must promptly refer the query to the Company's authorised spokesperson.

### **Hedging**

Employees are prohibited under the Policy from entering into any schemes or arrangements that protect the value of shares, options or performance rights allocated under iCash incentive schemes prior to them becoming fully vested. Any breach of this prohibition will also constitute a breach of the conditions of grant and could result in the forfeiture of the shares, options or performance rights.

### **No Short Term Trading**

A Restricted Person must not deal in iCash securities for short-term gain. For the purposes of this policy 'short-term' is defined as within a 90 day period. Accordingly, any dealing in the same iCash securities within a 90 day period is prohibited

This does not restrict the sale of iCash securities after the vesting of share rights or the end of a restriction period.

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### **Blackout Periods**

In addition to the prohibitions on insider trading set out in the Corporations Act, the Company requires that directors, officers, employees and contractors, must not trade in the Company's securities during the period:

- a) in the 2 weeks prior to the release of the Company's Quarterly Results or Half Year Results;
- b) from the financial year balance date to the release of the Annual Report pertaining to that financial year; and
- c) within 24 hours of release of price sensitive information to the market.

("Blackout Period"), unless the circumstances are exceptional and the procedure for prior written clearance described below has been met.

Specific 'Blackout Period' restrictions on trading the Company's shares apply to the following people in the Company and its related companies (**Restricted Persons**):

- a) all Directors;
- b) all Executives reporting directly to the Managing Director;
- c) any other employees including consultants of the Company considered necessary or appropriate by the Managing Director and Company Secretary from time to time; and
- d) immediate family members, companies, trusts and entities over which a director, employee or an immediate family member has control.

The Company Secretary will notify those in (b), (c) and (d) above that are considered Restricted Persons for this Policy and therefore bound by the additional restrictions in terms of:

- Blackout Periods
- Requirements Before Trading
- Notification of Dealing

The Company Secretary will also notify any Restricted Person if the Board decides that the person should no longer be considered a Restricted Person under the Policy.

### **Exceptional Circumstances when trading may be permitted subject to prior written clearance**

A person may trade in the Company's securities inside a Blackout Period, subject to obtaining prior written clearance in accordance with the procedure described below, in the following exceptional circumstances:

- i. if the person granting the prior written clearance is satisfied that the person seeking the clearance does not possess unpublished price sensitive information about the Company and the person seeking clearance is in severe financial hardship;
- ii. if the person granting the prior written clearance is satisfied that the person seeking the clearance does not possess unpublished price sensitive information about the Company and there are other circumstances deemed to be exceptional by the person granting the prior written clearance; or
- iii. where trading is required for compliance with a court order or court enforceable undertakings or for some other legal or regulatory requirement.

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### Procedure for Obtaining Clearance Prior to Trading

Directors, officers, employees and contractors must not trade in the Company's securities during a Blackout Period at any time, including in the exceptional circumstances referred to above unless the director, officer, employee or contractor obtains prior written clearance from:

- 1) in the case of employees or contractors, the Chairman or in his absence, the Managing Director, Company Secretary or Chief Financial Officer;
- 2) in the case of a director, or persons (including spouses and de facto spouses) or entities connected to the director, the Chairman or in his absence, the Chairman of the Audit & Risk Management Committee;
- 3) in the case of the Chairman, the Chairman of the Audit & Risk Management Committee,

(each, an "Approving Officer").

A request for prior written clearance under this policy should be made in writing using the form attached to this policy entitled '**Securities Trading Request Notice**' and given to the Approving Officer. The request may be submitted in person, by mail, by email or by facsimile via the Company Secretary.

Any written clearance granted under this policy will be valid for the period of 5 business days from the time at which it is given or such other period as may be determined by the approving Officer. The expiry time of the clearance will be stated in the clearance granted. Written clearance under this policy may be given in person, by mail, by email or by facsimile.

### Safest times to deal in the Company's securities

Strictly speaking, there is no particular time during which it is safe to deal in the Company's securities. The sole test is whether, at the particular time, a director or employee is in possession of price sensitive information which is not generally available in the market.

During certain times of the year (called "blackout periods"), Key Management Personnel are not permitted to trade in iCash securities, unless permitted to do so under this policy. The "blackout periods" do not restrict an employee's participation in the iCash Employee [Share Acquisition Plan] or Share Option Plan, however it does apply to the trading of iCash securities to which employees have become entitled under those plans (for example following the exercise of options) it is prohibited to trade shares that have been acquired as a result of the exercise of options during a blackout period.

- Trading blackout periods in respect of company securities will be imposed from the end of the half year and full year until release of financial results.
- Any other period notified by the Board or Company Secretary.

As a matter of practice, however, the following periods are the most appropriate times for directors and employees to deal in securities in the Company:

- in the four weeks following the release of the annual results;
- in the four weeks following the release of the half-yearly results;
- in the four weeks following the annual general meeting

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### **Permitted Conduct**

#### **When is dealing permitted if you are an Employee, Contractor or Consultant?**

If you are an employee, contractor or consultant of iCash, the following rules apply:

- 1) subject to the rules of any applicable iCash equity-based plan (for example, a share or option or performance rights plan) you can deal in iCash securities at any time provided:
  - a. you obtain the prior written consent (which shall not be unreasonably withheld and which may be provided by email) of the Managing Director (Refer to Annexure 1 – “Securities Trading Request Notice”);
  - b. you confirm to the Managing Director that you do not have inside information;
  - c. the dealing does not occur during a blackout period (refer to 4.4 above);
  - d. you are not involved in short term or speculative dealing;
  - e. you are not hedging the risk of any fluctuation in value of any unvested entitlement in iCash securities; and
  - f. if applicable, one of the exceptions to the policy below applies;
- 2) if you subsequently deal in those securities – you must confirm the dealing in writing to the Managing Director and Company Secretary within two business days after the dealing. The confirmation must include:
  - (i) your name;
  - (ii) the name of any person who dealt on your behalf;
  - (iii) details of your interest (direct or indirect) in the iCash securities the subject of the dealing
  - (iv) the date of the dealing;
  - (v) the number of iCash securities subscribed for, bought or sold;
  - (vi) the amount paid or received for those securities; and
  - (vii) the number of iCash securities held by you (directly or indirectly) before and after the dealing.

#### **When is dealing permitted if you are a Director?**

If you are a director of iCash, the following rules apply:

- a) you can only deal in iCash securities (or financial products issued by third parties in relation to iCash securities which operate to limit the economic risk of a vested holding in iCash securities) provided:
  - (i) you obtain the prior written consent (which shall not be unreasonably withheld and which may be provided by email) of the Chairman (or the Chairman of the Audit Committee if you are the Chairman) (Refer to Annexure 1 – “Securities Trading Request Notice”);
  - (ii) you confirm that you are not in possession of any inside information;
  - (iii) the dealing does not occur during an blackout period (refer to 4.4 above);
  - (iv) you are not involved in short term or speculative dealing; and
  - (v) you are not hedging the risk of any fluctuation in value of any unvested entitlement in iCash securities; and
  - (vi) if applicable, one of the exceptions to the policy in 5.3 below applies;
- b) if you subsequently deal in those securities – you must confirm the dealing in writing to the person to whom your prior notice was given and the Company Secretary within two business days after the dealing. The confirmation must include:
  - (i) your name;
  - (ii) the name of any person who dealt on your behalf;
  - (iii) details of your relevant interest (direct or indirect) in the iCash securities the subject of the dealing;
  - (iv) the date of the dealing;
  - (v) the number of iCash securities subscribed for, bought or sold;
  - (vi) the amount paid or received for those securities;

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- (vii) the number of iCash securities held by you (directly or indirectly) before and after the dealing, including where the securities are held indirectly, the names of the holder of securities on the Company's share register and the name of any underlying beneficiary; and
- (viii) sufficient information to enable iCash to comply with the requirements to notify a change of interests to ASX

### **Exceptions to the policy**

iCash Personnel may at any time:

- (a) acquire ordinary shares in the Company by conversion of securities giving a right of conversion to ordinary shares (but may not sell all or any of the shares received upon exercise of the options other than in accordance with this policy);
- (b) acquire iCash securities under a bonus issue made to all holders of securities of the same class;
- (c) acquire iCash securities in accordance with an incentive bonus agreed under an employment contract;
- (d) acquire iCash securities under a dividend reinvestment plan, a rights issue or a share purchase plan that is available to all holders of securities of the same class;
- (e) acquire, or agree to acquire, options or share rights under a Company incentive plan;
- (f) exercise options or convert shares acquired under a Company incentive plan (but may not sell all or any of the shares received upon exercise of the options or conversion of the rights other than in accordance with this policy);
- (g) transfer iCash securities already held into a superannuation fund or other saving scheme in which the relevant iCash person is a beneficiary, subject to ensuring the transfer does not contravene the laws prohibiting insider trading;
- (h) invest in, or trade units of, a fund or other scheme where the assets of the fund or other scheme are invested at the discretion of a third party; or
- (i) provide undertakings to accept, or accept, a full or partial takeover offer.

### **ASX notification by directors**

The Corporations Act obliges a director to notify the ASX within 14 days after any dealing in the Company's shares (either personally or through a third party) which results in a change in the relevant interests of the director in the Company's shares.

In addition, under the ASX Listing Rules the Company is required to notify the ASX of such dealings within 5 business days of such dealings taking place. Directors have agreed with the Company to provide notice of such dealings to the Company as soon as possible after such dealings to enable the Company to comply with its obligations under the Listing Rules. A notice given by the Company to the ASX under the ASX Listing Rules satisfies the director's obligations to notify the ASX under the Corporations Act. Any director requiring assistance in this regard should contact the Company Secretary.

### **Breaches of Policy**

Strict compliance with this policy is mandatory for all iCash Personnel covered by this policy. Breaches of this policy will be subject to disciplinary action, which may include termination of employment.

### **More Information**

For more information about this policy or clarification on when an employee may or may not trade please contact the Company Secretary

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**ANNEXURE A**

**SECURITIES TRADING REQUEST NOTICE**

Date: \_\_\_\_\_

The Board of Directors

**BUYING/SELLING OF SHARES IN ICASH PAYMENT SYSTEMS LIMITED**

This notice seeks approval for the named iCash personnel/director below to trade in the securities of iCash Limited in accordance with the Company's Securities Trading Policy. I confirm that;

- I am not in possession of, or aware of, any information that may be considered "inside information";
- I am not involved in any short term or speculative trading in the securities of iCash;
- I am not hedging the risk of any fluctuation in value of any unvested entitlement in the securities of iCash; and
- I will not deal in the securities during any blackout period.

I acknowledge that this approval to trade is only valid for five (5) clear business days from the date indicated below, unless otherwise revoked earlier by notice in writing.

\_\_\_\_\_  
Estimated number \*shares/options to be \*purchased/sold  
\*Delete as appropriate.

\_\_\_\_\_  
Name and signature of Employee/ Director

**Approved:**

\_\_\_\_\_  
Managing Director / Chairman

Date: \_\_\_\_\_