



QUEST INVESTMENTS LIMITED

ACN 004 749 044

SHARE TRADING POLICY

1. Background

- 1.1 Quest Investments Limited (“QST”) has adopted a corporate governance policy taking into account:
- 1.1.1 the *Corporations Act 2001* (Cth);
 - 1.1.2 the guidelines set out in the *Corporate Governance Principles and Recommendations (Second Edition August 2007)* issued by the ASX Corporate Governance Council; and
 - 1.1.3 the guidelines set out in the *Good Governance Guide: No. 3.2 – Issues to consider in developing or reviewing the policy on trading in company securities* issued by the Chartered Secretaries Australia.
- 1.2 In line with the Corporations Act 2001 (Cth) and the aforesaid guidelines, the Board has adopted this Policy to govern how officers and employees of QST deal in the securities of QST.

2. Purpose

The purpose of this policy is to:

- 2.1 explain the type of share trading conduct using unpublished price sensitive information that is prohibited under the Corporations Act 2001 (Cth); and
- 2.2 establish a best practice procedure relating to dealings in securities issued by the Company that provides protection to the Company, officers and employees against the misuse of unpublished price sensitive information.

3. Summary of the Law

- 3.1 The Corporations Act 2001 (Cth) prohibits a person who is in possession of price sensitive information that is not generally available from:
- 3.1 dealing in securities;
 - 3.2 procuring another person to deal in the securities; or
 - 3.3 communicating the information to another person if that person is likely to deal in the securities;

- 3.2 Penalties for breach of this prohibition are severe and include:
- 3.2.1 in the case of a natural person, a penalty of up to \$AUD200,000 or imprisonment for 5 years or both;
 - 3.2.2 in the case of a body corporate, a penalty of up to \$AUD1,000,000; and
 - 3.2.3 for both a natural person and a body corporate, unlimited civil liability.

4. Definitions

In this Policy the following definitions apply unless the context otherwise requires:

- 4.1 “Associate” has the same meaning as in section 9 of the Corporations Act 2001 and in relation to a person includes the person’s spouse, defacto, family members, controlled trusts and companies or other third parties contemplating the acquisition or sale of securities on behalf of the person;
- 4.2 “Authorised Persons” include the Chairman, Managing Director, Executive Director, Chief Financial Officer or Company Secretary;
- 4.3 “Board” means the board of Directors;
- 4.4 “Chief Financial Officer” means the person who is from time to time appointed by the Board as Chief Financial Officer of the Company or such other person nominated by the Board to act in his/her absence for the purposes of this Policy;
- 4.5 “Closed Period” means the fixed periods specified in this Policy where Key Management Personnel are prohibited from trading in the Company’s Securities;
- 4.6 “Company” means Quest Investments Limited ACN 004 749 044;
- 4.7 “Company Secretary” means the person who is from time to time appointed by the Board as Company Secretary of the Company or such other person nominated by the Board to act in his/her absence for the purposes of this Policy;
- 4.8 “Dealing” includes any subscription, redemption, purchase or sale of securities, or any agreement to effect the same; an exercise of an option or other right; or entering into any other form of agreement to acquire or dispose of an interest in securities;
- 4.9 “Director” means a director of the Company;

- 4.10 “Key Management Personnel” are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity and “Key Management Person” shall be a person comprised in that class of persons;
- 4.11 “Investment Manager” means a person who manages investments (whether or not on a discretionary basis) on behalf of a Director or a Relevant Employee or on behalf of an Associate of a Director or a Relevant Employee but does not include such a person who manages investments which are interests in a registered managed investment scheme;
- 4.12 “Managing Director” means the person who is from time to time appointed by the Board as Managing Director of the Company or such other person nominated by the Board to act in his/her absence for the purposes of this Policy;
- 4.13 “Policy” means this document;
- 4.14 “Prohibited Period” means:
- 4.14.1 any Closed Period; or
- 4.14.2 additional periods determined from time to time by the Company when Key Management Personnel are prohibited from trading in the Company’s Securities;
- 4.15 “Relevant Employee” means:
- 4.15.1 an employee of the Company;
- 4.15.2 a director or employee of a related body corporate of the Company; or
- 4.15.3 a contractor who is not an employee if:
- (a) the contractor provides services or performs functions similar to those usually carried out by the employees of the Company; and
- (b) the term of the contract exceeds 6 months.
- 4.16 “Related Body Corporate” means any of the following:
- 4.16.1 a holding company of another body corporate; or
- 4.16.2 a subsidiary of another body corporate; or
- 4.16.3 a subsidiary of a holding company of another body corporate;

- 4.17 “Securities” means any listed or unlisted shares, debentures, interests, rights, units or option contracts in the Company;
- 4.18 “Staff Account” means a share trading account which is:
- 4.18.1 held with the Company or any Related Body Corporate;
 - 4.18.2 broker sponsored by the Company or any Related Body corporate;
 - 4.18.3 designated as a “staff” account or some other like designation by the Company or any Related Body Corporate.
- 4.19 “unpublished price sensitive information” means information which:
- 4.19.1 relates to particular securities or to a particular issuer of securities and not to securities generally or issuers of securities generally;
 - 4.19.2 is specific or precise;
 - 4.19.3 has not been made public; and
 - 4.19.4 if it were made public would be likely to have a significant effect on the price or value of any securities.

5. Dealings by Key Management Personnel

- 5.1 Each Key Management Person must conduct his or her personal involvement activities lawfully and in a manner that avoids a conflict of interest between the interests of the Key Management Person and the duties that he or she owes to the Company or its clients.
- 5.2 A Key Management Person must not deal in Securities at any time when he or she is in possession of unpublished price sensitive information or otherwise where clearance to deal is not given under paragraph 6 of this Policy.
- 5.3 Each Key Management Person must:
- 5.3.1 open a Staff Account;
 - 5.3.2 as soon as practicable after opening a Staff Account transfer all of their existing holdings of Securities to that Staff Account; and
 - 5.3.3 conduct all dealings in Securities through his/her Staff Account in accordance with this Policy and any other policies of the Company which apply to Staff Accounts.

- 5.4 A Director must not enter into a transaction that is designated or intended to hedge his or her exposure to:
- 5.4.1 a Security that is subject to retention arrangements; or
 - 5.4.2 an unvested option; or
 - 5.4.3 both 5.4.1 and 5.4.2.

6. **Margin Lending**

- 6.1 All Key Management Personnel reporting directly to the Managing Director must receive prior consent from the Chairman before entering into margin loans or other financing arrangements which create a security interest over a significant holding of Company securities. A “significant holding” of Securities is a holding of more than 1% of the issued capital of the Company. In the case of the Chairman, approval must be obtained from an Executive Director and the Chief Financial Officer.
- 6.2 If required by the Company, a Key Management Person must provide the Company Secretary with information relevant to the margin loans or financing arrangements.
- 6.3 This Policy continues to apply to all Key Management Personnel regardless of commitments which such individuals may enter into in relation to margin lending contracts or other financing arrangements.

7. **Clearance to Deal**

- 7.1 A Relevant Employee must not deal in Securities without obtaining the prior approval of two Authorised Persons.
- 7.2 A Director (including the Managing Director) must not deal in Securities without obtaining the prior approval of all other directors and the Chief Financial Officer.
- 7.3 The Chairman must not deal in Securities without obtaining the prior approval of all other directors and the Chief Financial Officer.
- 7.4 Requests for clearance to deal should be made in writing in the prescribed form and forwarded to the Company Secretary. The Company Secretary will forward requests to the person(s) responsible for giving clearance. It is intended that all requests will be answered within 24 hours.

7.5 Dealings in Securities must be completed within a reasonable time of approval being granted.

7.6 Subsequent to any approved dealing in Securities, a Key Management Person or Relevant Employee must provide copies of trading confirmations to the person(s) who granted the approval to deal and the Company Secretary.

8. **Circumstances for Refusal**

Subject to paragraph 10, a Key Management Person or Relevant Employee must not be given clearance to deal in Securities during a prohibited period. A prohibited period means:

8.1. any closed period;

8.2 any period where the person seeking clearance is in possession of unpublished price sensitive information in relation to Securities; or

8.3 any period when the person responsible for clearance otherwise has reason to believe that the proposed dealing is in breach of this Policy.

9. **Closed periods**

For the purposes of this Policy, a closed period is the period commencing:

9.1 14 days immediately before the release of the Company's half yearly results and ending on the release of the said results to the ASX; and

9.2 14 days immediately before the release of the Company's annual results and ending on the release of the said results to the ASX.

10. **Circumstances where clearance most appropriate**

As a matter of practice, the following periods are the most appropriate times for a Key Management Person or Relevant Employee to deal in Securities:

10.1. the period of 4 weeks commencing after the date that the full year results of the Company are announced to the ASX;

10.2 the period of 4 weeks commencing after the date that the half year results of the Company are announced to the ASX;

10.3 the period of 4 weeks commencing after the date that the Annual General Meeting of the Company is held.

11. Dealing in exceptional circumstances

- 11.1 In exceptional circumstances, clearance may be given for a Key Management Person or Relevant Employee to deal in Securities where they would otherwise be prohibited from doing so only because the proposed deal would fall within a closed period. The determination of whether circumstances are exceptional for this purpose must be made by the person responsible for the clearance.
- 11.2 Clearance must not be given where the person responsible for giving the clearance is aware of any other reason why the Key Management Person or Relevant Employee would be prohibited from dealing by this Policy.
- 11.3 Examples of this type of circumstances which may be considered exceptional for these purposes would be:
 - 11.3.1 a pressing financial commitment on the part of the Key Management Person or Relevant Employee that cannot otherwise be practically or reasonably satisfied;
 - 11.3.2 if the Key Management Person or Relevant Employee is required by a court order, or there are court enforceable undertakings, for example, in a bona fide family settlement, to transfer or sell the Securities or there is some other overriding legal or regulatory requirement for the Key Management Person or Relevant Employee to do so.

12. Dealings of a short term nature

A Key Management Person or Relevant Employee must not deal in Securities on considerations of a short term nature.

13. Dealings by associated persons and investment managers

- 13.1 Each Key Management Person and Relevant Employee must (so far as is consistent with their duties of confidentiality to the Company) seek to prohibit (by taking the steps set out in paragraph 13.2 of this Policy) any dealing in Securities during a closed period or at a time when the Key Management Person or Relevant Employee is in possession of unpublished price sensitive information in relation to those securities and would be prohibited from dealing under paragraph 5 of this Policy:

- 13.1.1 by or on behalf of their Associates; or
- 13.1.2 by their Investment Managers.
- 13.2 For the purposes of paragraph 13.1 of this Policy, a Key Management Person or Relevant Employee must advise their Associates and Investment Managers:
 - 13.2.1 that they are a Key Management Person or Relevant Employee of the Company;
 - 13.2.2 of the closed periods during which they cannot deal in Securities;
 - 13.2.3 of any other period when the Key Management Person or Relevant Employee is aware that they are not free to deal in Securities under the provisions of this Policy, unless their duty of confidentiality to the Company prohibits them from disclosing such periods; and
 - 13.2.4 that they must advise them immediately after they have dealt in Securities.
- 13.3 Where a Key Management Person or Relevant Employee receives advice under paragraph 13.2.4 of this Policy, this information must immediately be communicated to the Company Secretary.

14. **Guidance on other dealings**

For the avoidance of doubt and subject to the specific exceptions set out in paragraph 15 of this Policy, the following constitute dealings for the purposes of this Policy and are consequently subject to the provisions of this policy;

- 14.1 arrangements which involve a sale of securities with the intention of repurchasing an equal number of such securities soon afterwards;
- 14.2 dealings between Key Management Persons and Relevant Employees;
- 14.3 off market dealings; and
- 14.4 transfers for no consideration.

15. **Exempt Dealings**

The following dealings are not subject to the provisions of this Policy:

- 15.1 undertakings or elections to take up or the take up or the lapse of entitlements under a rights issue or other offer in which all shareholders are entitled to participate;

- 15.2 undertakings to accept, or the acceptance of, a takeover offer;
- 15.3 a dealing by a Key Management Person or Relevant Employee with an associated person whose interest in the securities is to be treated by virtue of the Corporations Act 2001 (Cth) as their own interest;
- 15.4 subscriptions for shares under an employee share scheme;
- 15.5 shares issued under a dividend reinvestment plan;
- 15.6 transfers of Securities already held into a superannuation fund or other saving scheme in which the Key Management Person or Relevant Employee is a beneficiary;
- 15.7 an investment in, or trading in securities of, an entity (other than a entity only investing in the Securities) where the assets of the entity are invested at the discretion of a third party;
- 15.8 where the Key Management Person or Relevant Employee is a trustee or a director of a trustee trading in the Securities by that trustee of a trust, provided the Key Management Person or Relevant Employee is not a beneficiary of the trust and any decision to trade during the Prohibited Period is taken by the other trustees or directors of the trustee or by the investment managers independently of the Key Management Person or Relevant Employee;
- 15.9 trading under an offer or invitation made to all or most of the holders of Securities, such as a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
- 15.10 a disposal of Securities that is the result of a secured lender exercising its rights, for example, under a margin lending arrangement;
- 15.11 the exercise (but not the sale of Securities following exercise) of an option or a right under an employee incentive scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the Security, falls during a Prohibited Period and the Company has been in an exceptionally long Prohibited Period or the Company has had a number of consecutive Prohibited Periods and the Key Management Person or Relevant Employee could not reasonably have been expected to exercise it at a time when free to do so;

- 15.12 trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out herein and where:
- 15.12.1 the Key Management Person or Relevant Employee did not enter into the plan or amend the plan during the Prohibited Period;
 - 15.12.2 the trading plan does not permit the Key Management Person or Relevant Employee to exercise any influence or discretion over how, when, or whether to trade; and
 - 15.12.3 this policy does not allow for the cancellation of a trading plan during a Prohibited Period other than in exceptional circumstances;
- 15.13 trading in Securities by a Key Management Person at the request of the Board where such trading is in the interests of the Company.

16. Record Keeping

- 16.1 A written record will be maintained by the Company Secretary of the receipt of any request to deal pursuant to paragraph 6 of this Policy and of any clearance given.
- 16.2 The Company Secretary must maintain a register of persons to whom this policy applies.

17. Who to Contact

Queries in relation to the application of this Policy should be directed to the Company Secretary. Ultimately, the onus is on the individual Key Management Person or Relevant Employee to determine whether it is appropriate to deal in Securities.

**AUTHORITY TO TRADE –
KEY MANAGEMENT PERSON AND RELEVANT EMPLOYEES**

Quest Investments Limited
Part Level 2,
11 Queens Road,
MELBOURNE VIC 3004

BY EMAIL: [INSERT EMAIL ADDRESS]

Attention: Person(s) whose clearance is sought

Dear Sir/Madam,

TRADING OF SECURITIES IN QUEST INVESTMENTS LIMITED (“QST”)

In accordance with the Share Trading Policy of Quest Investments Limited, I give notice to you that I am proposing to deal in QST securities in the following manner:

- purchase QST shares
- sell QST shares
- transfer shares vested under an executive incentive plan to me
- transfer QST shares to a related party
- exercise options over QST shares
- utilise derivatives and enter into a hedge transaction;
- other (please provide details).

I confirm that I do not hold any information regarding QST or its Related Body Corporate which would or would be likely to influence a person to buy or sell securities issued or granted by QST and which is not generally available to the public and that I will be in compliance with the Share Trading Policy of QST in my dealings in securities issued or granted by QST.

I agree to notify the Chief Financial Officer of the results of this action for the purposes of any necessary disclosures in the annual report or to the ASX.

Please confirm that I am authorised to deal in securities issued or granted by QST.

..... (Position held by Key Management Person)

Date:

I confirm that subject to you gaining any inside information, you are authorised to deal in securities issued or granted by QST for [INSERT PERIOD] as outlined above.

..... [Position of Person(s) giving clearance]

Date:

..... [Position of Person(s) giving clearance]

Date: