

# CORPORATE GOVERNANCE STATEMENT SHARE TRADING POLICY

The DKN Group (DKN) seeks comply with all legislation in its requirements relating to the sale and purchase of securities in DKN by its Directors and employees.

The purpose of this policy is to assist Directors and employees avoid conduct which could be construed as **insider trading**. The policy provides guidance as to when trading in the company's securities is prohibited.

Insider trading is a criminal offence.

A person is guilty of the offence if:

- that person possesses information in relation to a company which is not generally available to the market, and if it were generally available to the market, would be likely to affect the price or value of that company's securities (i.e. the information is "price sensitive") and
- that person:
  - buys or sells securities in the company;
  - procures someone else to buy or sell securities in the company;
  - or passes on that information to a third party where that person knows, or ought reasonably to know, that the third party would be likely to deal in the securities or procure someone else to deal in the securities of the company.

## **Dealing through Third Parties**

The policy extends to dealings by the Directors and employees through nominees, agents or other associates, such as superannuation funds, family members, family trusts and family companies.

## **DKN Employee Share Option Plan**

The policy does not apply to applications for options resulting from the operation of the DKN Employee Share Option Plan (Plan).

The policy could apply to the exercise of options issued under the Plan if the employee was in possession of price sensitive information at that time.

The policy does apply to the disposal of shares acquired under the Plan.

## **Share Trading Guidelines**

Directors and employees of DKN should not buy or sell securities in DKN when they are in possession of price sensitive information which is not generally available to the market.

Given the obligations arising from the continuous disclosure rules imposed by the ASX it is no longer relevant to restrict trading in the company's shares to specific "windows" following the issue of half-yearly and annual financial statements.

**The only appropriate time for a Director or employee buy or sell securities in DKN is when they are not in possession of price sensitive information which is not generally available to the market.**

In addition to avoid any adverse inference being drawn of unfair trading, Directors and employees should not, if at all possible, engage in short term (i.e. less than 12 months) trading in the Company's securities or deal in its securities during the two week period immediately preceding and one day following:

- release of the half-yearly results;
- release of the yearly results; or
- the Annual General Meeting

when it is customary for price sensitive information to be released.

## **Approval to Trade in Securities**

Prior to a Director buying, selling or exercising options over the Company's securities the Director must advise the Chairman of their intentions and not proceed until approval in writing to the transaction has been granted by the Chairman.

Prior to an employee buying, selling or exercising options over the Company's securities the employee must advise the Chairman or the Company Secretary of their intentions and not proceed until approval in writing to the transaction has been granted by the Chairman or the Company Secretary.

## **ASX Notification**

The Corporations Law obliges Directors to notify the ASX within five business days after any dealing in the Company's securities (either personally or through a third party) which results in a change in the relevant interests of the Director in the Company's securities.

## **Encumbrance of Shares**

Staff and Directors must notify the Chairman or Company Secretary in writing within 24 hours of:

- pledging their shares or options in the Company as security for a loan, borrowing, or other obligation or potential obligation;
- entering into any contract involving derivatives or other financial instruments which are in any way related to the Company's shares or securities (such as equity swaps, contracts for difference or loans of shares)

of the nature, amount, terms and duration of that encumbrance or contractual arrangement and they are encouraged to provide notice before such arrangements are entered into.

Staff and Directors are encouraged to:

- give such notice before the encumbrance or contractual arrangement is entered into; and
- disclose any such encumbrances or contractual arrangements in place at the time of this amendment to the share trading policy.

**Approved by the Board of DKN Financial Group Limited**

**11 December 2006**

**Amended by the Board of DKN Financial Group Limited**

**2 May 2008** (*addition of Encumbrance of Shares section*)