

AMCOM TELECOMMUNICATIONS LIMITED

SECURITIES TRADING POLICY

Effective 26 November 2010

1. Introduction

- This Policy establishes a best practice procedure for buying and selling securities that protects Amcom Telecommunications Limited and its Directors, Employees and Contractors against the misuse of unpublished information which could materially affect the value of the Company's securities.
- The Company aims to achieve the highest possible standards of corporate conduct and governance. The board of Directors of the Company considers that compliance with this Policy is essential to ensure that the highest standard of conduct is being met by all Directors and Employees.
- This Policy applies to trading in all types of the Company's securities.
- Strict compliance with this Policy is a condition of employment. Breaches of this Policy will be subject to disciplinary action, which may include termination of employment.

2. Who does this Policy apply to and when does it apply ?

This Policy applies to all Directors and Employees and their respective associates (**Relevant Person**).

Section 4 contains additional clauses that apply to Directors and the Executive Group.

3. Restrictions on dealing in the company's securities

- A Relevant Person must not deal in the Company's securities where they are in possession of price sensitive or inside information. Attachment 1 describes how insider trading rules apply and what is 'price sensitive information' or 'inside information'.
- A Relevant Person is free to deal in securities of other listed companies. However, they are prohibited under the Corporations Act to trade in the securities of another company with which Amcom may be dealing (ie customers or suppliers) where the Relevant Person possesses 'inside information' in relation to that other company.
- A Relevant Person has a duty of confidentiality to the Company in relation to any confidential information they possess, in addition to obligations under the law in relation to inside information.

4. This section applies only to Directors and the Executive Group

Further restrictions apply to Directors and the Executive Group who are referred to collectively as Key Management Personnel or KMP.

- KMP are not permitted to deal in the Company's securities on a short term trading basis. Short term trading includes buying and selling securities within a 30 day period, and entering into other forms of short term dealings (for example, forward contracts).
- KMP are not permitted to deal in the Company's securities during a Closed Period except in Exceptional Circumstances.

- **Closed Period** means the following periods:
 - a) the period from the close of trading on the ASX on 30 June each year until 9 am WST on the day after the announcement of annual results; and
 - b) the period from the close of ASX trading on 31 December each year until 9 am WST on the day after the announcement of half yearly results.
- In **Exceptional Circumstances**, KMP may apply in writing to the Company Secretary for a waiver to the prohibition to deal in the Company's securities during a Closed Period. The written application is to include the nature of the intended form of trading and provide sufficient detail of the circumstances. The application also needs to state that the KMP is not in possession of inside information. *Exceptional Circumstances* include severe financial hardship where KMP has a compulsion to deal with securities by Court Order, or any other circumstances deemed exceptional by the Chairman or Chief Executive Officer. Upon the KMP satisfying the Chairman or Chief Executive Officer that they are in severe financial hardship, or that their circumstances are otherwise exceptional and that the proposed dealing in the Company's securities is the only reasonable course of action available, the Chairman or Chief Executive Officer will provide to the KMP a written notice of clearance to deal in the Company's securities. Upon receipt of a written notice of clearance, such trade must take place within 5 days of such clearance.
- **Hedging** of the Company's securities is permitted, however hedging transactions but must not be entered into, renewed, altered or closed out when the KMP has inside information, or during a Closed Period, or where the security is subject to a holding lock or similar restriction or is unvested.
- **Exemptions** - the restrictions in Section 4 do not apply in the following situations of passive dealing by KMP in the Company's securities:
 - a) the transfer of securities already held by the KMP into a superannuation fund or similar scheme where the KMP is a beneficiary;
 - b) investments in, or trading in, units of a fund (other than a fund solely investing in Amcom securities) where the investing is at the discretion of a third party;
 - c) the acceptance of a takeover offer;
 - d) trading under an offer or plan that is made to all or most of the Company's security holders where the trading is to occur on the timing determined by the offer or plan;
 - e) margin calls;
 - f) accepting an offer to participate in or the exercise of vested rights or options in an employee securities plan; and
 - g) any such similar transaction determined by the Directors to be a passive dealing.

Who to contact

Any employee who has queries about this Policy should contact the Company Secretary.

Attachment 1 - How the insider trading rules apply

1. Summary

The Corporations Act prohibits 'insider trading'. Under the Corporations Act, a person is prohibited from dealing in securities where:

- (a) the person possesses information which is not generally available to the public;
- (b) that information may have a material effect on the price of securities of the relevant entity; and
- (c) the person knows or ought reasonably to know that the information is not generally available and, if it were, it might have a material effect on the price of securities.

In addition, a person with inside information must not:

- (d) procure another person to deal in the Company's securities; or
- (e) communicate the information (directly or indirectly) to another person knowing, or where that person should have known, that the other person will use that information to trade in, or procure another person to trade in, the Company's securities.

The prohibition applies regardless of how the Relevant Person learns the information.

2. Dealing in securities

Dealing in securities is a broad concept and covers more than simply buying or selling securities. It extends to exercising options over securities and entering agreements to buy or sell securities.

Under this Policy and the law, the prohibition on dealing means that Relevant Persons are not permitted to:

- (a) buy or sell; or
- (b) enter into an agreement to subscribe for, buy or sell securities, where they possess information that is not generally available and which a reasonable person would expect to have a material effect on the price or value of those securities.

If a Relevant Person possesses price sensitive information that is not generally available, the Relevant Person is also prohibited from:

- (c) procuring any other person to deal in those securities; or
- (d) directly or indirectly communicating the information to another person whom the Relevant Person believes is likely to deal in, or procure another person to deal in, those securities.

Procuring means enticing, encouraging, persuading, causing or securing another person to do or not to do something. Procuring also includes inciting, inducing or encouraging an act or omission. For example, a Relevant Person cannot ask or encourage anyone, including family members, friends, associates or others, to deal in securities when the Relevant Person possesses price sensitive information, and Relevant Persons should not communicate price sensitive information.

If a Relevant Person accidentally gives somebody 'inside information' when he or she should not have, the Relevant Person must immediately tell that person that it is 'inside information' and warn them against trading in the Company's securities, getting others to trade in the Company's securities, or communicating the information to others.

3. **Price sensitive or Inside Information**

Information is 'inside' or 'price sensitive' if it is not generally available, but which, if it were generally available, a reasonable person would expect to have a material effect (upwards or downwards) on the price or value of a security. For the purposes of the insider trading provisions of the Corporations Act, information is defined broadly and includes matters of supposition and other matters which are insufficiently definite to warrant being made known to the public. It also includes matters relating to the intentions of a person.

4. **Information that is generally available**

Information is 'generally available' if it:

- (a) consists of readily observable matter;
- (b) has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in any of the classes of securities issued by the Company and since it was made known, a reasonable period for it to be disseminated among those persons has elapsed. That is, information will be 'generally available' if it has been released to ASX or published in an annual report or prospectus or similar document and a reasonable period of time has elapsed after the information has been disseminated in one of these ways; or
- (c) consists of deductions, conclusions or inferences made or drawn from information referred to in 4 (a) of this Attachment 1 or information made known as mentioned in 4 (b) of this Attachment 1, or both.

5. **Material effect on the price of securities**

Under the Corporations Act, information is likely to have a material effect on the price or value of securities of a company if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell those securities.

It is not possible to list all information that may be material. However, the following types of information would be likely to be considered to have a material effect on the price of the Company's securities:

- sales or profit forecasts;
- unpublished announcements or knowledge of possible regulatory investigation;
- liquidity and cashflow;
- proposed changes in the Company's capital structure, including issues of securities, rights issues and buy backs;
- major asset purchases or sales;
- impending mergers, acquisitions, reconstructions, takeovers, etc;
- significant litigation;
- significant changes in operations;
- significant changes in industry;
- proposed dividends;
- management restructuring or Board changes; and
- new contracts or customers.

6. **Consequences of breach**

Breaches of the insider trading laws have serious consequences for both the Relevant Person concerned and the Company. A person who commits a breach of the insider trading provisions could be subject to criminal liability (substantial fines or imprisonment or both may be imposed) or civil liability (substantial fines may be imposed) under Australian law. A person who contravenes or is involved in a contravention of these provisions may also be liable to compensate any person who suffers loss or damage resulting from the conduct. In addition, an actual or suspected breach of the insider trading laws may also give rise to adverse public scrutiny and media comment.

It is therefore important that Relevant Persons adhere to this Policy at all times.