



## Australian Stock Exchange Announcement

23 December 2010

The Manager  
Companies Announcements Office  
Australian Stock Exchange  
Electronic Lodgement

Dear Sir/Madam

### Share Trading Policy

Legend Corporation Limited (“Legend”) wishes to advise that today the board of directors adopted a revised Share Trading Policy which is attached.

For further information, please contact:

Graham Seppelt  
Company Secretary  
Legend Corporation Limited

Ph: 0419 035 297  
Fax: (08) 8339 7909  
Email: [seppelt@bold.net.au](mailto:seppelt@bold.net.au)

**Adelaide**  
1 Butler Drive  
Hendon SA 5014  
Telephone (61) 8 88401 9888  
Facsimile (61) 8 8277 6027

**Brisbane**  
Unit 2  
27 Birubi Street  
Coorparoo QLD 4151

**Melbourne**  
Unit 2  
4 Garden Road  
Clayton VIC 3168

Unit 3  
37-39 Rushdale Street  
Knoxfield VIC 3180

**Perth**  
Unit 2  
50 Howe Street  
Osborne Park WA 6017

Unit 1B, 11 Anvil Way  
Welshpool WA 6106

**Sydney**  
8 Distribution Drive  
Seven Hills NSW 2147

**Legend Corporation Ltd**  
ACN 102631087  
ABN 69 102631087

**Legend (Australasia) Pty Ltd**  
ACN 006 722 292  
ABN 81 006 722 292

[www.legendcorporate.com](http://www.legendcorporate.com)



## **LEGEND CORPORATION LIMITED**

### **Dealing Rules for Employees and Directors**

#### **Summary**

Under its share purchasing policy, Directors and Key Management Personnel (KMP's) are permitted to buy and sell shares in the company during any period which is not regarded as a 'Prohibited Period'. These officers are not permitted to buy and sell shares in the company without first obtaining written or email consent from the Chairman or Company Secretary. That consent will normally be granted provided there is no price sensitive information known to the company that has not been disclosed to the market in accordance with ASX exemptions from mandatory disclosure.

Key Management Personnel means:

'Those executives reporting to the CEO or CFO of the parent company or any subsidiary company of the parent or Related Party or Associate. The terms Related Party or Associate are as defined under AASB 124 Related Party Disclosures'.

Prohibited Period means:

1. Any 'closed period'; and
2. Additional periods when an entity's KMP's are prohibited from trading, which are imposed by the entity from time to time when the company is considering matters which are subject to the Listing Rules continuous disclosure requirements.

Closed Period means:

Fixed periods specified in this Trading policy when the company's KMP's are prohibited from trading in the company's securities.

#### **Introduction**

KMP's and directors may have in their possession sensitive commercial information which could materially affect the value of company shares and securities.

The Corporations Act 2001(Cth) prohibits insider trading in relation to financial products. The provisions are wide ranging and breaches are serious offences.

#### **This document:**

- (a) provides an outline of the insider trading and other relevant provisions of the Corporations Act;
- (b) sets out the rules relating to dealings by KMP's and directors in shares and other securities issued by the company ("company securities").

These Rules are designed to assist in preventing breaches of the insider trading provisions of the Corporations Act. Ultimately it is the responsibility of an employee or director to ensure that none of his or her dealings could constitute insider trading.

#### **Insider Trading Prohibition**

##### **The nature of the Prohibition**

Section 1043A (of Part 7.10, Division 3) of the Corporations Act makes it an offence for a person in possession of information that is not generally available but which, if

generally available, might materially impact the price or value of company securities, to:

trade in (i.e. apply for, acquire or dispose of, or enter into an agreement to do any of these things); or

procure another person to trade in, company securities (collectively referred to as deal in company securities).

It is also an offence to tip the information to another person with the knowledge that the person could deal in company securities. Accordingly the effect of this section cannot be avoided by simply getting another person to deal on your behalf.

### **How You Become Aware of the Information is Irrelevant**

It is irrelevant how or in what capacity the person came into possession of the information.

This means that s 1043A will apply to any employee or director who acquires inside information in relation to company securities, no matter in which capacity and is prohibited from dealing in company securities.

### **Information Which Might Affect Price Value**

The prohibition refers to unpublished information which, if generally available, might materially impact the price or value of company securities.

### **What Does Information Include?**

Information includes matters of supposition or speculation and matters relating to the intentions or likely intentions of a person.

### **What Information Might Materially Affect Price or Value?**

This means information that a reasonable person would expect to have a material effect on the price or value of company securities. A reasonable person would be taken to expect information to have a material effect on price or value if the information would be likely to influence persons who commonly invest in securities whether or not to do so.

Examples of this type of information which might affect the price or value of company securities include:

- proposed changes in the capital structure, capital returns and buy backs of financial products;
- information relating to financial results;
- a material acquisition, divestment or realisation of assets;
- proposed dividends and share issues;
- changes to the Board;
- possible events which could have a material impact on profits (negatively or positively) e.g, loss of a major customer;
- proposed changes in the nature of the business of the company;
- notification of a substantial shareholding; and
- any information required to be announced to the market pursuant to Listing Rule 3.1.

- What does Unpublished Mean?
  - Unpublished for this purpose means that the information is not generally available. Information is generally available if it consists of readily observable matter, or it has been disseminated in a manner likely to bring it to the attention of investors and a reasonable period has elapsed.

### **Closed Periods**

Directors and KMP's may not trade in the Company's securities during the financial closed periods which are:

- The period between 30 June and 12pm on the day after the release of the Company's Appendix 4E preliminary final report; and
- The period between 31 December and 12pm on the day after the release of the Company's half year report.

### **Other Relevant Corporations Act Provisions**

Officers and KMP's are subject to the duties set out in sections 182, 183 and 184 of the Corporations Act. Officers are subject to additional duties outlined in sections 180 and 181 of the Corporations Act.

#### **No Improper Use of Inside Information (s183 and s184)**

An officer or employee, or former officer or employee must not make improper use of information acquired by virtue of his or her position as such an officer or employee to gain, directly or indirectly, an advantage for himself or herself or for any other person, or to cause detriment to the company.

#### **No Gain by Improper Use of Position (s182 and s184)**

An officer or employee must not make improper use of his or her position as such an officer or employee, to gain, directly or indirectly, an advantage for himself or herself or for any other person, or to cause detriment to the company.

#### **Care and Diligence (s180)**

An officer must exercise their powers and discharge their duties with the degree of care and diligence a reasonable person would exercise in the same circumstances.

#### **Good Faith (s181 and s184)**

An officer must exercise their powers and discharge their duties in good faith in the best interests of the company. An officer commits an offence if they are reckless or are intentionally dishonest and fail to exercise their powers and discharge their duties in good faith in the best interests of the company and for a proper purpose.

#### **Prohibition in Dealing While in Possession of Relevant Information**

Dealing in shares is subject to the prohibition that an employee or director must not deal in shares:

- at any time when he or she is in possession of unpublished, information which, if generally available, might materially affect the price or value of those shares; and
- on the day the public announcement is made in relation to that matter.

This means that

- in a closed period employees and KMP may not trade without permission.
- All of the time directors and KMP's need approval.
- Employees other than KMP's can trade without approval during most of the year outside closed periods.

### **Prohibition on Active Dealing**

Dealing during a Trading Period is subject to the prohibition that an employee and director must not actively deal in shares with a view to deriving profit related income from that activity. "Actively Deal" for this purpose means to deal in shares in a manner which involves frequent and regular trading activity.

### **Confirmation of Dealing that has Occurred**

The company may require an employee to provide confirmation of dealing in company securities by an employee or his/her associate(s).

### **Notice of Change to Trading Period or Non Trading Period**

The Non Trading Period, as outlined in Rule 4.1, may be extended or shortened or another Non Trading Period may be introduced at any time by direction of the Board. Notice of such changes will be specified to KMP's by email and to directors by email and/or facsimile. Changes to the Non Trading Period or Trading Period are effective immediately upon the giving of such notice. Where an employee does not have email access it is the manager's responsibility to inform the employee.

### **Director Requirement to Report to the market . Listing Rule 3.19A**

In accordance with the Agreement between directors and the company, directors are required to provide details of all changes to their interest in company shares registered in the name of the director or held on behalf of the director, directly or indirectly. The details must be provided as soon as reasonably possible after the date of the change and in any event no later than three business days after the change or another time frame which allows for compliance with the listing rule obligations.

### **Waiving Rules**

If there are exceptional circumstances, the Chief Executive Officer or if absent, the Chairman, in their discretion may waive parts of the Dealing Rules, to allow for KMP's to deal.

If there are exceptional circumstances, the Chairman in consultation with the Chief Executive Officer and the Chairman of the Audit and Risk Committee, in their discretion may waive parts of the Dealing Rules, to allow directors to deal.

Exceptional circumstances may include the following:

- A representative in severe financial hardship where the representative has a pressing financial commitment which cannot be satisfied otherwise than by selling the relevant securities of the Company.
- A representative is the subject of a court order, or there are enforceable undertakings to transfer or sell the securities of the Company or there is some other overriding legal or regulatory requirement for them to do so.

The Board recognises that by nature of exceptional circumstances, it is envisaged that there may be other circumstances which have not been identified in this policy that may be deemed exceptional by the Board.

This discretion will be applied, taking into account the hardship of the employee or director and weighing this against any perceived detriment to the company's reputation.

Other trading that is specifically excluded from the operation of this trading policy includes the following:

- Transfers of securities of the Company already held, into or out of a superannuation fund or other saving scheme in which the representative is a beneficiary.
- An investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the securities of the Company) where the assets of the fund or other scheme are invested at the discretion of a third party.
- Where a representative is a trustee, trading in securities of the Company by that trust provided the representative is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by other trustees or by the investment managers independently of the representative.
- Undertakings to accept, or the acceptance of a takeover offer;
- Trading under an offer or invitation made to all or most of the security holders, 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.

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 representative could not reasonably have been expected to exercise it at a time when free to do so.

KMP's who apply for a waiver under exceptional circumstances must obtain written or email consent from the Managing Director prior to trading in the Company's securities.

### **Related Parties and Relevant Interests**

The restrictions on dealings by an employee or director are equally applicable to any dealings:

- (a) by their spouses or de facto spouses;
- (b) by or on behalf of any dependant under 18 years of age; and
- (c) any other dealings in which, for the purposes of the Corporations Act, he or she is or is to be treated as "interested". For example, if an employee or director is a trustee of a trust and is also a beneficiary of the trust, the employee or director must not purchase company shares on behalf of the trust.

It is the duty of the employee and director to seek to avoid any such dealing at a time when he or she is himself or herself prohibited from dealing.

### **Employment and Monitoring of Compliance**

To promote understanding of the insider trading prohibition, related Corporations Act provisions and company policy, a copy of this document will be distributed to all KMP's and directors (present and future) and will also be available on the company's intranet site. The induction procedures for new KMP's and directors must require that a copy of this document be provided to each new employee and director.

All new KMP's will be required to provide a completed Form of Acknowledgment to Human Resources. All new directors will be required to provide this form to Company Secretariat.

### **Conclusion**

Compliance with the rules set out in this document is mandatory. Infringement of the insider trading provisions can attract a substantial monetary penalty, imprisonment or both.

Any employee or director who does not comply with the Dealing Rules set out in this document will be considered to have engaged in serious misconduct which may result in the termination of their engagement by the company.

Ultimate discretion rests with Chairman of the Board in respect of granting a waiver to the requirements of this Share Trading Policy to allow Representatives to trade in the shares of the Company, provided to do so would not be illegal.