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ASX Market Announcements  
Australian Securities Exchange Limited  
20 Bridge Street  
SYDNEY NSW 2000

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## AMENDMENTS TO SECURITIES TRADING POLICY

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The Board of Emerchants Limited (**ASX: EML**) ("Company") has approved amendments to the Company's Securities Trading Policy, which takes effect from 9 July 2014.

In accordance with Listing Rule 12.10 a copy of the amended Securities Trading Policy is attached to this announcement. The policy is also available on the 'Corporate Governance' page of the Company's website at <http://emergants.com.au/about-us/corporate-governance/>.

**ENDS**

**For further information please contact:**

Louise Bolger  
Company Secretary  
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## EMERCHANTS LIMITED SECURITIES TRADING POLICY

### INTRODUCTION AND PURPOSE

The *Corporations Act* 2001 (Cth) contains provisions which prohibit a person in possession of material, non-public information relating to a company from dealing in any way with shares, options or other securities issued by that company or issued or created over the company's securities by third parties (**Securities**).

This Policy applies to all Directors, senior executives, employees, contractors and consultants (collectively, **Personnel**) of Emerchants Limited and its subsidiary companies (**Emerchants** or **Company**).

This Securities Trading Policy (**Policy**) sets guidelines designed to protect the Company and Personnel from intentionally or unintentionally breaching the Corporations Act provisions on insider trading.

This Policy is only a summary of complex legal provisions and should therefore only be used as a guideline, not as legal advice.

### DEALINGS IN EMERCHANTS' SECURITIES

#### The insider trading prohibition

If Personnel have **price sensitive information** relating to Emerchants which has **not** been published or which is **not** otherwise **generally available**, it is illegal to:

- buy, sell or otherwise deal in Emerchants' Securities;
- advise, procure or encourage another person (for example, a family member, a friend, a family Company or trust) to buy or sell Emerchants' Securities; or
- pass on information to any other person, if it is known or ought reasonably to be known that the person may use the information to buy or sell (or procure another person to buy or sell) Emerchants' Securities.

It is the responsibility of Personnel to ensure that they do not do any of the things prohibited by the insider trading law. The consequences for breach of this law is set out below.

#### What is "price sensitive information"?

**Price sensitive information** means information relating to Emerchants that would, if the information were publicly known, be likely to:

- have a material effect on the price or value of Emerchants' Securities; or
- influence persons who commonly invest in securities in deciding whether or not to buy or sell the Emerchants' Securities.

Examples of possible price sensitive information include, but are not limited to:

- the financial performance of Emerchants against its budget;
- entry into or termination of a material contract (such as a major contract win);

- a material acquisition or sale of assets by Emerchants;
- an actual or proposed takeover or merger;
- a material claim against Emerchants or other unexpected liability.
- an actual or proposed change to Emerchants capital structure, including a proposed capital raising; or
- a proposed dividend or a change in dividend policy.

#### When is the information "generally available"?

Information is **generally available** if:

- it consists of readily observable matter; or
- it has been made known in a manner that is likely to bring the information to the attention of persons who commonly invest in securities of a kind whose price might be affected by the information, and since it was made known, a reasonable period for it to be disseminated among such persons has elapsed; or
- it is derived from information which has been made public; or
- it consists of observations, deductions, conclusions or inferences made or drawn from other generally available information.

#### Consequences for breach of the insider trading prohibition

Breach of the insider trading prohibition by Personnel could expose them to criminal and civil liability. Breach of insider trading law or this Policy will also be regarded by the Company as serious misconduct which may lead to disciplinary action and/or dismissal.

#### BLACK-OUT PERIODS

##### Directors and Senior Executives' dealing in Emerchants' Securities

Directors and senior executives (being the direct reports to the Managing Director, and those persons' direct reports) are routinely in possession of material non-public information, which, if generally available would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell Emerchants Securities.

As such, they (or any family member or associate over whom they have influence) **are prohibited from dealing in the Company's Securities during a blackout period.**

Unless the Board otherwise directs, in its absolute discretion, **blackout periods:**

- commence from the end of 31 December until the end of the trading day on which the Company's half-year financial results are released to the ASX;
- commence from the end of 31 March until the end of the trading day on which the Company's quarterly financial results are released to the ASX;
- commence from the end of 30 June until the end of the trading day on which the Company's full year financial results are released to the ASX;

- commence from the end of 30 September until the end of the trading day on which the Company's quarterly financial results are released to the ASX; and
- commence four weeks prior to the Company's Annual General Meeting and ending at the end of the day on which the Company's Annual General Meeting is held.

Additional blackout periods outside of those scheduled above may be declared when the Company is engaging in a market sensitive transaction or has other price sensitive information. These periods will be determined by the Board or the Company Secretary in consultation with the CEO and CFO and notified to Personnel.

## EXEMPTIONS

### Exceptional Circumstances

In certain exceptional circumstances the Company Secretary together with the CEO (or, in the case of Directors, CEO or Company Secretary, the Chair) has discretion to approve dealings in Emerchants Securities during blackout periods, or other dealings that would otherwise be prohibited by this Policy. A request for consent providing details of the proposed dealing must be provided in writing to the relevant officer and any approval must be provided by electronic delivery via email. After the dealing, if approved, the Company Secretary must be provided with a transaction confirmation.

What constitutes "exceptional circumstances" will be assessed on a case-by-case basis, and may include, without limitation, severe financial hardship or a requirement to comply with a court order or court enforceable undertaking.

### Other Exemptions

Personnel may at any time:

- trade Emerchants Securities where the trading does not result in a change of beneficial interest in the Securities;
- acquire Securities under any Director or employee share plan or through the exercise of options or performance rights under an option or performance rights plan or acquire, or agree to acquire, options or performance rights under an option or performance rights plan. However, any dealing in those Securities remains subject to this policy and the provisions of the Corporations Act;
- transfer Emerchants Securities already held into a self-managed superannuation fund or other saving scheme in which the Person is a beneficiary;
- undertake to accept, or accept, a takeover offer;
- trade under an offer or invitation made to all or most of the securityholders, such as, a rights issue, a security purchase plan, a dividend or distribution reinvestment plan or 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 deciding 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.

## DIRECTORS

### Notification in Dealing in the Company's Securities

The Company is required to report any trades in Securities by Directors to the ASX within 5 business days after they occur. Directors of the Company must immediately (and no later than 2 business days after any relevant event) notify the Company Secretary in writing of the requisite information for the Company Secretary to make the necessary notifications to the Australian Securities and Investment Commission and ASX as required under the Corporations Act and ASX Listing Rules.

## PROHIBITED TRANSACTIONS

### Hedging Transactions

No employee of Emerchants is permitted to enter into security transactions (or any derivative thereof) which limit the economic risk of any unvested entitlements awarded under any equity-based remuneration scheme, or otherwise awarded, or which will be offered by Emerchants in the future.

### Dealings in Securities of Other Companies

If Personnel have **price sensitive information** relating to a company other than Emerchants which is not **generally available** the same insider trading rules outlined above apply to buying and selling securities in that company.

In the course of performing duties on behalf of Emerchants, Personnel may obtain price sensitive information relating to another company in a variety of circumstances. Examples include, but are not limited to the following:

- another company may provide price sensitive information about itself to Emerchants in the course of a proposed transaction;
- another company with whom Emerchants is dealing may provide price sensitive information about a third company; or
- information concerning Emerchants or actions which may be taken by Emerchants (ie. a planned transaction or strategic change) could reasonably have an effect on a third party company.

### Confidentiality

Apart from the application of the insider trading law to securities in other companies, Personnel are also bound by a duty of confidentiality in relation to information obtained in the course of their duties as an employee of Emerchants, in respect of third parties.

## WHO TO CONTACT

If you are in any doubt regarding your proposed dealing in Emerchants' securities, you should contact the Company Secretary.