



25 August 2016

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

AMENDMENTS TO SECURITIES TRADING POLICY

The Board of Emerchants Limited (**ASX: EML**) (Company) has approved amendments to the Company's Securities Trading Policy, which takes effect from 25 August 2016.

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://emerchants.com.au/about-us/corporate-governance/>.

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For further information please contact:

Louise Bolger
Company Secretary
07 3607 0100

ABOUT EMERCHANTS

Emerchants is a payments solutions provider of prepaid financial card products and services in Australia. By using their proprietary payments software and processing platform, the Company provides its clients with innovative financial service payment solutions for reloadable and non-reloadable prepaid card programs. Emerchants payment solutions and products are active in Australia, in the United Kingdom and Europe, and in the United States of America and Canada through its wholly owned subsidiary, Store Financial Europe, and through the acquisition of Store Financial Services, LLC. Emerchants has offices in Brisbane, Australia, Kansas City, USA and Birmingham, UK.

For more information please visit: www.emerchants.com.au

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EMERCHANTS LIMITED SECURITIES TRADING POLICY

INTRODUCTION

Background

Emerchants Limited (**Emerchants** or **Company**) is a public company, listed on the Australian Securities Exchange (**ASX**). Emerchants is committed to responsible corporate governance, including ensuring that the appropriate processes are in place to promote compliance with insider trading laws. Accordingly, the Board has endorsed this Policy as part of Emerchants broader governance framework.

Purpose

The purpose of this Policy is to:

- provide a summary on the law on insider trading in Australia;
- outline the prohibitions on dealing in Emerchants Securities to prevent the misuse of unpublished information which could materially affect the value of such securities; and
- support market confidence in the integrity of dealings in Emerchants Securities.

Scope of Policy

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

DEFINED TERMS

For the purposes of this Policy:

Emerchants Securities include shares, options or other securities issued by Emerchants or issued or created over the company's securities by third parties.

Blackout Periods means a relevant period as defined by Emerchants when Nominated Persons may not Deal in Emerchants Securities.

Dealing includes:

- (a) applying for, acquiring or disposing of securities;
- (b) entering into an agreement to apply for, acquire or dispose of, securities; and
- (c) granting, accepting, acquiring, disposing, exercising or discharging an option or other right or obligation to acquire or dispose of securities.

Nominated Persons means:

- (a) the Non-executive Directors of Emerchants;
- (b) the Managing Director and CEO of Emerchants;

- (c) all members of the Group's Executive Leadership Team (ie. those who report directly to the Group CEO) and the direct reports of each subsidiary CEO;
- (d) any person who by their role or otherwise becomes aware of inside information by having access to confidential material which may contain potentially price sensitive information including, Emerchants board papers, periodic disclosure materials or any other relevant document;
- (e) in relation to those persons identified in paragraphs (a) to (d) above are also deemed to be Nominated Persons:
 - (i) their spouse or partner;
 - (ii) any of their children (including step children) under the age of 18;
 - (iii) a trust which they, any members of their family, or family controlled company are a trustee or beneficiary; and
 - (iv) a company which they or their family control.

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 the Group 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 a Group member 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.

Extra-territorial application

Under the Corporations Act 2001 the prohibition against insider trading applies to acts within Australia and acts outside of Australia that involve the securities of companies that are Australian or do business in Australia.

DEALINGS IN EMERCHANTS' SECURITIES

General Rule

Personnel must not Deal in Emerchants Securities when they are in possession of inside information in relation to Emerchants.

Blackout Periods

Nominated Persons 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, Nominated Persons **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.

EXCEPTIONS

Exceptional Circumstances

In certain exceptional circumstances a Nominated Person may seek written approval from the Company Secretary together with the CEO (or, in the case of Directors, CEO or Company Secretary, the Board Chair) to dispose of or transfer (but not acquire or otherwise Deal with) during a 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 and conditions applicable to the 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 Exceptions

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.

NOTICE OF DEALING IN EMERCHANTS SECURITIES

Directors

If a Director intends to Deal in Emerchants Securities, the Director must give prior notice to Company Secretary together with the Board Chair. If the Board Chair intends to Deal in Emerchants Securities,

prior notice must be given to the Company Secretary and Audit and Risk Committee Chair. A notice must include a statement that the Director is not in the possession of any inside information.

The Company is required to report any Dealings in Emerchants 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.

Executive Leadership Team

If a member of the Executive Leadership Team intends to Deal in Emerchants Securities, that member must give prior notice to the Company Secretary. A notice must include a statement that they are not in the possession of any inside information.

The Executive Leadership Team member must provide details of such Dealings to the Company Secretary within 14 calendar days of the notified Dealing.

Notification process not an approval

The processes for notification of an intention to Deal in Emerchants Securities, as set out in this section, do not provide for the Board Chair, Audit and Risk Committee Chair or the Company Secretary (as applicable) to approve of the proposed Dealing. The person intending to Deal in Emerchants Securities is personally responsible for any decision to Deal and compliance with this Policy and the law.

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.

Margin Loans

Nominated Persons may not:

- enter into a margin loan or similar funding arrangement to acquire any Emerchants Securities; or
- use Emerchants Securities as security for a margin loan or similar funding arrangement.

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 Dealing in 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

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- 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.

Approved by the Board of Emerchants Limited on 24 August 2016.