

Cabcharge Australia Limited

Last Updated: February 2012

**SHARE TRADING
POLICY**

1. PURPOSE

This Policy raises awareness of the prohibition on insider trading and other Corporations Act requirements limiting the use of information or position to gain an improper advantage.

From time to time directors and employees of Cabcharge become aware of sensitive commercial information, resulting in them having an advantage over other shareholders or potential shareholders in circumstances in which the information they hold might materially affect the value of Cabcharge shares. The purpose of this Policy is to uphold shareholder, investment community, and public confidence in the integrity of Cabcharge and in the integrity of the market for Cabcharge shares.

This Share Trading Policy sets out the rules that apply (in addition to the Corporations Act) to Cabcharge Directors, executive staff, and other Cabcharge staff members who become privy to sensitive commercial information.

2. INFORMATION

There are a broad range of circumstances that can lead to a person being in possession of “inside information”. Once you are in possession of inside information you are at risk of breaching the law if you do not act carefully and with restraint.

Information includes matters that are concrete and matters that are speculative and matters that relate to intentions or likely intentions of a person or persons.

For the purposes of S1043A it is irrelevant how the information came to the notice of the person. It is also irrelevant whether or not the information is published. Essentially, any information that a reasonable person might consider to have a material impact on the price of Cabcharge shares or a material impact on a person’s decision to buy or sell Cabcharge shares is likely to be “inside information”.

Types of information likely to be “inside information” include:

- information relating to accounts or financial results;
- proposed dividends;
- an acquisition or merger or other material investment;
- divestment or realisation of material assets;
- changes to the CEO or Board of Directors;
- loss or gain of a new client whose business is expected to have a material impact;
- proposed changes in the nature of the business of Cabcharge;
- notification of a change in a substantial shareholding; and
- any information to be released pursuant to Listing Rule 3.1.

3. INSIDER TRADING PROHIBITION

Section 1043A of the Corporations Act prohibits the following three activities with respect to inside information:

- Buying/acquiring or selling/disposing of shares (and other financial products) using inside information whether directly or indirectly or agreeing to do the same;
- Procuring someone else to buy/acquire or sell/dispose of shares (or other financial products) using inside information;
- Communicating inside information to someone else for the purpose of them buying/acquiring or selling/disposing of shares (or other financial products).

Section 1043A reads as follows:

Prohibited conduct by person in possession of inside information

(1) Subject to this Subdivision, if:

- (a) a person (the **insider**) possesses inside information; and
- (b) the insider knows, or ought reasonably to know, that the matters specified in paragraphs (a) and (b) of the definition of **inside information** in section 1042A are satisfied in relation to the information;

the insider must not (whether as principal or agent):

- (c) apply for, acquire, or dispose of, relevant Division 3 financial products, or enter into an agreement to apply for, acquire, or dispose of, relevant Division 3 financial products; or
- (d) procure another person to apply for, acquire, or dispose of, relevant Division 3 financial products, or enter into an agreement to apply for, acquire, or dispose of, relevant Division 3 financial products.

Note 1: Failure to comply with this subsection is an offence (see subsection 1311(1)). For defences to a prosecution based on this subsection, see section 1043M.

Note 2: This subsection is also a civil penalty provision (see section 1317E). For relief from liability to a civil penalty relating to this subsection, see sections 1043N and 1317S.

(2) Subject to this Subdivision, if:

- (a) a person (the **insider**) possesses inside information; and
- (b) the insider knows, or ought reasonably to know, that the matters specified in paragraphs (a) and (b) of the definition of **inside information** in section 1042A are satisfied in relation to the information; and
- (c) relevant Division 3 financial products are able to be traded on a financial market operated in this jurisdiction;

the insider must not, directly or indirectly, communicate the information, or cause the information to be communicated, to another person if the insider knows, or ought reasonably to know, that the other person would or would be likely to:

- (d) apply for, acquire, or dispose of, relevant Division 3 financial products, or enter into an agreement to apply for, acquire, or dispose of, relevant Division 3 financial products; or

- (e) procure another person to apply for, acquire, or dispose of, relevant Division 3 financial products, or enter into an agreement to apply for, acquire, or dispose of, relevant Division 3 financial products.

Note 1: Failure to comply with this subsection is an offence (see subsection 1311(1)). For defences to a prosecution based on this subsection, see section 1043M.

Note 2: This subsection is also a civil penalty provision (see section 1317E). For relief from liability to a civil penalty relating to this subsection, see sections 1043N and 1317S.

4. OTHER STATUTORY PROVISIONS

The Corporations Act prohibits directors and employees from improperly using their position to gain an advantage for themselves or someone else (section 182).

Use of information is dealt with specifically in section 183 of the Corporations Act which states:

“A person who obtains information because they are, or have been, a director or other officer or employee of a corporation must not improperly use the information to gain an advantage for themselves or someone else...”.

Section 184 of the Corporations Act criminalises both intentional and reckless breaches of the above prohibition.

5. TRADING PERIODS

Always subject to compliance with Listing Rules and the Corporations Act and unless there are unusual circumstances, trades in Cabcharge shares by Directors and Senior Executives are limited to the following periods (Trading Periods):

- (a) one month commencing on the trading day following the release of Cabcharge's Half Year Results to the Australian Stock Exchange (ASX);
- (b) one month commencing on the trading day following the release of Cabcharge's Annual Results to the ASX; and
- (c) from the trading day following lodgement of Cabcharge's Annual Report with the ASX until one month after the Annual General Meeting of the Company.

It is essential to remember that you cannot trade in Cabcharge shares even during a Trading Period if you are in possession of “inside information”.

6. REQUIREMENT TO NOTIFY BEFORE DEALING

To ensure that Directors and Senior Executives conduct transactions in Cabcharge shares in an appropriate manner Directors are required to discuss any proposed trade in Cabcharge shares with the Chairman and Senior Executives are required to discuss any proposed trade in Cabcharge shares with either the Chairman or CEO.

7. DEALING PROHIBITION

Directors and Senior Executives are prohibited from dealing in Cabcharge shares in the trading period if at any time throughout that period they are aware of any information which, if known, might materially affect the price or value of Cabcharge shares.

8. CLOSED PERIODS

Trading by Directors and Senior Executives is prohibited during Closed Periods (sometimes referred to as black-out periods). A Closed Period is any time outside a Trading Period as set out in this Policy.

Cabcharge may declare a period of time to be a Closed Period even if that period of time otherwise falls within a Trading Period. This would be most likely to occur to protect the reputation of Cabcharge and its people during times when Directors and Senior Executives may be at risk of breaching insider trading laws.

9. EXCEPTIONAL CIRCUMSTANCES

If there are exceptional circumstances and a Director or Senior Executive wishes to trade in Cabcharge shares during a Closed Period then approval may be given by the Chairman if the Chairman is satisfied that the circumstances are such that the Director or Senior Executive should be permitted to deal in Cabcharge shares. The approval needs to be given prior to the trade and the approval needs to be in writing (email is sufficient).

Examples of exceptional circumstances that may give rise to the Chairman granting a Director or Senior Executive approval to trade during a Closed Period include:

- To prevent the foreclosure or sale of the person's principle place of residence;
- To pay costs associated with palliative care, medical treatment or medical transport for the person or a close associate or family member;
- To pay costs associated with accommodating special needs relating to a severe disability of the person (or a dependant);
- To pay costs associated with a dependant's death, funeral, or burial;
- To pay costs associated with defending proceedings in court against the person or a dependant;
- To comply with a court order or court enforceable undertaking;
- To satisfy a pressing financial commitment that cannot be satisfied by the person other than by the sale of his or her Cabcharge shares;
- To pay costs to facilitate the continuance of a course of study or education of the person or a dependant.

Even where prior written approval is sought and granted in accordance with this Policy, the receipt of prior written approval for the trade will not absolve a person from liability for breach of insider trading laws.

10. PROCEDURE FOR OBTAINING PRIOR WRITTEN CLEARANCE

Prior written approval for a proposed trade should be sought from the Chairman. If the Chairman is not available (or if it is the Chairman seeking approval), approval should be sought from the Deputy Chairman. If the Chairman and Deputy Chairman are not available to consider the request for approval, approval can be sought from the Chairman of the Audit Committee.

Written approval for a proposed trade should be expressed to be valid for a short period – typically one week. Written approval should not be granted for a period exceeding 2 weeks.

Written approval can be expressed by email or any other form determined by the person granting it as long as physical evidence of the approval can be provided to the Company Secretary. A copy of the written approval for the proposed trade should be given to the Company Secretary as soon as is reasonably practical.

11. EXCLUDED TRADING

Some trading is not subject to the restrictions set out in this Policy. Directors and Senior Executives must however keep in mind that their responsibility to comply with insider trading laws overrides this Policy and must keep in mind that the types of trading not subject to the restrictions set out in this Policy are still subject to the prohibition on insider trading.

Trading excluded from the operation of this Policy:

- Indirect and incidental trading that occurs as a consequence of a Director or Senior Executive dealing in units or shares of a managed investment scheme, listed investment company, exchange-traded fund or similar investment vehicle that is managed by a third party and that happens to acquire or dispose of Cabcharge shares;
- An acquisition of Cabcharge shares under a pro rata issue;
- A transfer of Cabcharge shares between a Director or Senior Executive and somebody to whom they are closely related (eg spouse, child, family company or family trust) or to his or her superannuation fund;
- A disposal of Cabcharge shares arising from the acceptance of a takeover offer, scheme of arrangement or equal access buy-back;
- A disposal of Cabcharge shares that is the result of a secured lender or financier exercising its rights under a margin lending or other secured financing arrangement;
- An acquisition or disposal of Cabcharge shares under a pre-determined investment or divestment plan for which clearance has been provided in accordance with the procedures set out in this Policy (provided that the plan was not entered into or amended during a Closed Period).

12. LISTING RULE 3.19A

All dealings in Cabcharge shares by Directors and Senior Executives are to be reported to the Company Secretary.

A Director who acquires or disposes of Cabcharge shares must provide the necessary detail of all changes of holdings (direct and indirect) within 3 business days so that the necessary notification can be lodged with the ASX.

13. RELATED PARTIES

The restrictions on Directors and employees dealing with Cabcharge shares are equally applicable to any dealings:

- (a) by their spouses or defacto partners;
- (b) by any dependent under 18 years of age; or
- (c) by any entity related to the director or employee (eg a Company of which the Director or employee is a director).

14. COMPLIANCE

The Audit Committee is responsible for monitoring adherence to this policy. The policy must be accessible for each Cabcharge staff member.