

 <b>Service Stream Limited</b>	Service Stream Limited	Version: 1
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# Securities Trading Policy

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**Service Stream Limited**  
**ABN 46 072 369 870**

**Securities trading policy**

## **1. Preliminary**

### **1.1 Policy objectives**

- (a) This policy was established by the directors of Service Stream Limited (**Service Stream**) to satisfy rule 12.9 of the ASX Listing Rules, and to ensure that the company and its people continue to adhere to high standards of corporate conduct and governance.
- (b) The objectives of the policy are:
  - (1) to facilitate compliance with the insider trading prohibitions contained in the Corporations Act by explaining the type of securities trading conduct that is prohibited;
  - (2) to establish best practice procedures for dealing in securities that provides protection to both Service Stream and its people against inadvertently breaching the law; and
  - (3) to manage reputational risk associated with insider trading.

### **1.2 Application**

- (a) Section 2 of this policy outlines the prohibitions under the Corporations Act on dealing in securities when in possession of price sensitive information and on communicating price sensitive information to others. This section applies to:
  - (1) each director or company secretary (**Officer**) of Service Stream or any of its subsidiaries; and
  - (2) each full-time, part-time or casual employee (**Employee**) of Service Stream or any of its subsidiaries.
- (b) The prohibitions apply in relation to securities of external entities, as well as those of Service Stream.
- (c) If you are:
  - (1) an Officer;
  - (2) the Chief Executive Officer or an Employee who reports directly to the Chief Executive Officer; or

- (3) Employees who, as a consequence of their role in the company, permanently have access to confidential or price sensitive information regarding the company's outlook and/or prospects.

**(Designated Person)** the additional restrictions on dealing in shares and other securities of Service Stream set out in section 3 also apply to you and your associates.

- (d) This policy will be distributed to all Officer and Employees. ***It is their responsibility to read, and comply with, this policy.*** Any non-compliance will be regarded as serious misconduct which may result in the termination of your employment or other engagement.

### **1.3 Who to contact**

**If you are in any doubt regarding your proposed dealing in securities you should contact the Company Secretary on (03) 9677 8892.**

### **1.4 Application of the Corporations Act**

This policy is subject to the Corporations Act. In this policy, unless the context otherwise requires:

- (a) a term in a clause about a matter dealt with by a provision of the Corporations Act has the same meaning as in that provision of the Corporations Act; and
- (b) a term in a clause that is defined in section 9 of the Corporations Act has the same meaning as in that section.

### **1.5 Amendment**

The Board may amend this policy at any time and in any manner, subject to complying with any requirements of the Corporations Act and the ASX Listing Rules which may apply in relation to the amendment.

## **2. The insider trading prohibitions**

### **2.1 Persons to whom this section applies**

This section 2 applies to all Officers and Employees, and reflects the insider trading prohibitions set out in the Corporations Act. If you are not a Designated Person, you may deal in securities provided that you are not prohibited from doing so as outlined in this section 2. If you are a Designated Person, you must also comply with the additional restrictions in section 3.

### **2.2 Prohibited conduct**

- (a) The Corporations Act prohibits insider trading. That is, if you are aware of any price sensitive information:

- (1) you must not deal in any securities which are affected by the price sensitive information; and
  - (2) you must not procure another person to deal in those securities.
- (b) Additionally, the *communication* of price sensitive information for the purpose of someone else dealing in securities is prohibited. You must not communicate price sensitive information, or cause it to be communicated, to someone else, if you know, or ought reasonably to know, that that person would be likely to deal in the relevant securities or to procure another person to do so.
  - (c) Price sensitive information need not relate to Service Stream. It could relate to any entity, e.g. a customer, a joint venture party or someone with whom Service Stream is discussing future opportunities. Therefore, if you become aware that Service Stream is about to sign a major agreement with another company, you should not buy shares in either company.
  - (d) The insider trading prohibitions apply even where you would not make a profit from the dealing. If you are in possession of price sensitive information about particular securities (good or bad) you must not deal, or tell anyone else about the information knowing he or she is likely to deal, in those securities, whether or not you would benefit financially. Your purpose or motive is irrelevant in determining liability for insider trading or communicating price sensitive information. It is also irrelevant that you may have been planning to deal for some time before becoming aware of the price sensitive information.
  - (e) A breach of the insider trading laws would have serious consequences for you personally and for Service Stream. You could be subject to criminal liability such as a fine or imprisonment or civil liability including a pecuniary penalty or an order to compensate any person who suffers loss or damage because of the conduct. It may also give rise to adverse public scrutiny and media comment.
  - (f) No permission from anyone in Service Stream can absolve you of these prohibitions.

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### **Key terms**

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**Price sensitive information** is information which is confidential or otherwise not generally available to investors and, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of the relevant securities.

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.

Information will be 'generally available' if it has been released to ASX, published in an annual report or a prospectus, included in meeting materials despatched to shareholders or otherwise made known in a manner likely to bring it to the attention of investors, and since it was made known a reasonable period for the information to be

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**Key terms**

disseminated among investors has elapsed. Information will also be generally available if it consists of deductions, conclusions or inferences made or drawn from 'generally available' information.

Information will be considered to be likely to have a material effect on the price or value of particular securities if the information would be likely to influence persons who commonly acquire securities in deciding whether or not to acquire or dispose of those securities.

You may at times come across price sensitive information through your work or contacts. Your status does not necessarily depend on this. For example, an assistant typing a document containing such information will be just as much in possession of that information as the executive concerned.

It is not possible to provide an exhaustive list of potentially price sensitive information, however, the following are some examples:

- (a) Information about a material change in financial performance from previous results or guidance.
- (b) A proposed acquisition, disposal, merger or takeover.
- (c) The launch of a material new business.
- (d) A significant new contract, new venture or new development.
- (e) The commencement or threat of a material legal proceeding.
- (f) A proposed new share issue or other capital raising.
- (g) A material change in finance arrangements.
- (h) A proposed share buy-back or other capital reduction.
- (i) The imminent announcement of a dividend.

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**Dealing** in securities is a broad concept and covers more than simply buying or selling securities on ASX. It extends to applying for, acquiring, or disposing of, securities or entering into an agreement to do any of those things. For example:

- (a) an off-market transfer of securities;
- (b) an exercise of options or performance rights over shares;
- (c) entering into a put option arrangement over shares;
- (d) accepting an offer or invitation to acquire shares, options or rights under a share purchase plan or employee share ownership plan; or
- (e) making an election to participate, or to cease participation, in a dividend reinvestment plan;

would constitute a dealing in securities for the purpose of the insider trading prohibitions.

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**Securities** include shares, debentures, options, convertible notes, derivatives, interests in a managed investment scheme and any other financial products that are able to be traded on a financial market.

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### 2.3 Relationship to the continuous disclosure regime

- (a) The continuous disclosure regime under the ASX Listing Rules requires Service Stream to tell the ASX about any price sensitive information

concerning Service Stream immediately Service Stream becomes aware of the information, subject to limited exceptions.

- (b) Specifically, the ASX Listing Rules do not require disclosure of particular information while any of the following are satisfied:
- (1) A reasonable person would not expect the information to be disclosed.
  - (2) The information is confidential and the ASX has not formed the view that the information has ceased to be confidential.
  - (3) One or more of the following applies:
    - It would be a breach of law to disclose the information.
    - The information concerns an incomplete proposal or negotiation.
    - The information comprises matters of supposition or is insufficiently definite to warrant disclosure.
    - The information is generated for internal management purposes.
    - The information is a trade secret.
- (c) As a result, there are circumstances in which disclosure of price sensitive information concerning Service Stream will not be required, and people who are aware of the information would breach the insider trading prohibition if they dealt in the shares before the information had been released to ASX.

### **3. Additional restrictions that apply to Designated Persons**

#### **3.1 Persons to whom this section applies**

- (a) If you are a Designated Person, you must comply with the specific restrictions set out in this section 3, as well as section 2.
- (b) Designated Persons are described in section 1.2(c). If you are unsure whether you are a Designated Person, please contact the Company Secretary on (03) 9677 8892 to clarify this.

#### **3.2 Closed Periods and Trading Windows**

- (a) There are certain fixed periods (**Closed Periods**) when information about the financial position or performance of Service Stream is being finalised for release to ASX, during which dealing in shares in Service Stream and other securities over or relating to those shares (**Service Stream Securities**) by Designated Persons will generally be prohibited. Each period starting on 31 December or 30 June and ending on the day the financial results of Service Stream for the half-year or full-year (as the

case may be) ending on that date are released to ASX will be a Closed Period for the purposes of this policy.

- (b) There are also times (**Trading Windows**) when the public has very current information about Service Stream, and dealing in Service Stream Securities by Designated Persons will generally (but not necessarily) be permitted during these Trading Windows. The following Trading Windows apply for the purposes of this policy:

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#### **Trading Windows**

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30 days starting on the next day after the half-year results of Service Stream are released to ASX.

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30 days starting on the next day after the full-year results of Service Stream are released to ASX.

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30 days starting on the next day after Service Stream has held its Annual General Meeting.

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A period notified to Designated Persons and determined by the Board as an additional trading window period during which Designated Persons and their associates may deal in Service Stream Securities because Service Stream is not withholding any price sensitive information from disclosure to ASX under rule 3.1A of the ASX Listing Rules, but excluding any part of the period that is within a Closed Period.

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### **3.3 Prohibited Periods**

Subject to this section 3, Designated Persons and their associates are prohibited from dealing in Service Stream Securities during the following periods (**Prohibited Periods**):

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#### **Prohibited Periods**

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A Closed Period

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Any other period not within a Trading Window

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A period within a Trading Window notified to Designated Persons and determined by the Board as an additional prohibited period during which Designated Persons and their associates must not deal in Service Stream Securities because Service Stream is considering matters which are subject to rule 3.1A of the ASX Listing Rules

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### **3.4 Associates**

Designated Persons must take all reasonable steps to ensure that their associates do not deal in any Service Stream Securities when they are prohibited from doing so. Your associates include:

- (a) immediate family members who live with you (e.g. spouse or partner, children, parents); and
- (b) companies, trusts, superannuation funds and other entities you control.

### 3.5 Margin loans

Designated Persons are prohibited from entering into or maintaining margin loan arrangements over Service Stream Securities due to the risk of forced sale of those securities, in breach of this policy. A clearance to permit the sale will not necessarily be granted in such circumstances.

### 3.6 No speculative trading, short selling, stock lending or hedging

- (a) Designated Persons must not engage in speculative trading or buy and sell shares on a short term basis.
- (b) Subject to this section 3, Designated Persons are prohibited from entering into agreements or other arrangements:
  - (1) to short sell Service Stream Securities;
  - (2) for stock lending in relation to Service Stream Securities; or
  - (3) to hedge their existing holdings of or entitlements to Service Stream Securities.

### 3.7 Exempt transactions

The following transactions are not prohibited under this section 3 even if they occur during a Prohibited Period:

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#### **Exempt transactions**

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A transfer of Service Stream Securities by a Designated Person or his or her associate which results in no change in the beneficial interests in the transferred securities or which is to a company, trust or other scheme in which the transferor has a substantial interest

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A dealing by a Designated Person or his or her associate in interests in a trust or other scheme (other than one only investing in Service Stream Securities) the assets of which are managed at the discretion of another person independently of any influence from the Designated Person

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A dealing in Service Stream Securities for or on behalf of a trust or scheme (other than one only investing in Service Stream Securities) in which a Designated Person or an associate of the Designated Person is interested, where the decision to deal is made by another person independently of any influence from the Designated Person

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A dealing in Service Stream Securities due to the acceptance of an offer made under a takeover bid, under an agreement to accept such an offer or under any other agreement with the bidder

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A dealing in Service Stream Securities due to the acceptance of, or otherwise in accordance with, an offer or invitation relating to Service Stream Securities made to all or most shareholders of Service Stream (e.g. a rights offer, an offer or invitation under a share purchase plan or dividend reinvestment plan or an equal access buy-back offer) where the terms of the offer or invitation have been approved by the Board, or a dealing in Service Stream Securities under an agreement to underwrite or sub-underwrite such an offer or invitation. This includes, without limitation, making an

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**Exempt transactions**

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election to participate, or to cease participation in, a dividend reinvestment plan and selling or otherwise disposing of rights granted under a renounceable rights offer.

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An application for, or acquisition of, Service Stream Securities due to the acceptance of an offer or invitation relating to Service Stream Securities made under a prospectus or other disclosure document where the terms of the offer or invitation have been approved by the Board, or a dealing in Service Stream Securities under an agreement to underwrite or sub-underwrite such an offer or invitation

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An acquisition of shares in Service Stream due to the exercise of options or rights or the conversion of convertible securities, during a Prohibited Period where the last day for exercise or conversion falls during the Prohibited Period

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A dealing by a Designated Person or his or her associate in Service Stream Securities due to the acceptance of, or otherwise in accordance with, an offer or invitation relating to Service Stream Securities made under an employee share ownership plan to the Designated Person where the terms of the offer or invitation have been approved by the Board

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A disposal by a Designated Person or his or her associate of Service Stream Securities acquired due to the exercise of options or rights or the conversion of convertible securities which were acquired under an employee share ownership plan, where the Service Stream Securities are disposed of within 14 days after having been acquired and the proceeds of the disposal are applied to repay bridging finance or other short-term funding obtained for the acquisition or to meet a personal income tax liability.

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**3.8 Clearance**

- (a) A Designated Person may request a clearance to allow the Designated Person (or his or her associate) to deal in Service Stream Securities when he or she would otherwise be prohibited from doing so under this section 3.
- (b) A clearance will only be granted where the person considering the request is satisfied that:
  - (1) the Designated Person is experiencing severe personal hardship or there is another exceptional circumstance affecting the Designated Person and the proposed dealing is the only reasonable course of action available; and
  - (2) the Designated Person is not in possession of any price sensitive information affecting the relevant Service Stream Securities.
- (c) A request for clearance to permit a Designated Person (or his or her associate) deal in Service Stream Securities must:
  - (1) be in writing signed by the Designated Person;
  - (2) set out details of the severe personal hardship or other exceptional circumstance warranting the clearance;

- (3) set out details of the proposed dealing in Service Stream Securities, including its type (e.g. whether sale or purchase), the number and class of Service Stream Securities the subject of the proposed dealing, the circumstances of the proposed dealing (e.g. whether by the Designated Person on ASX or between associates) and the likely date or dates of the proposed dealing; and
  - (4) confirm that the Designated Person does not possess any price sensitive information affecting the relevant securities.
- (d) The written request for clearance must be submitted to the Chairman, unless the Chairman is seeking the clearance in which case it must be submitted to the Chief Executive Officer, through the Company Secretary. After receiving the request for clearance, further relevant information may be sought. Once all relevant information has been received, the request will be considered and the clearance may be granted (with or without conditions) or refused in the absolute discretion of the person considering it.
- (e) If a clearance is granted:
- (1) the clearance and any conditions must be recorded in writing, signed by or on behalf of the person granting it and provided to the Designated Person by hand delivery, post, facsimile transmission or email; and
  - (2) the Designated Person (or his or her associate) may deal in Service Stream Securities in accordance with the written clearance so provided.
- (f) A clearance only lasts 30 days from the date it is granted which means that if the dealing permitted under the clearance has not been undertaken within that period, a fresh request will need to be made.

### 3.9 Notification by directors

- a) Directors must notify the Chairman, and the Chairman must notify the Managing Director before dealing in any Service Stream Securities.
- b) Directors of Service Stream must notify the Company Secretary promptly after dealing in any Service Stream Securities, even during a Trading Window.

## 4. Glossary

In this policy, unless the context otherwise requires:

<b>ASX</b>	ASX Limited or the Australian Securities Exchange operated by ASX Limited, as the context requires
<b>ASX Listing Rules</b>	the listing rules of ASX

<b>Board</b>	the board of directors of Service Stream
<b>Chairman</b>	the chairman of the Board
<b>Chief Executive Officer</b>	the chief executive officer or managing director of Service Stream
<b>Closed Period</b>	a fixed period set out in section 3.2(a) during which Designated Persons and their associates may be prohibited from dealing in Service Stream Securities
<b>Company Secretary</b>	the company secretary of Service Stream
<b>Corporations Act</b>	the Corporations Act 2001 (Cth)
<b>Designated Person</b>	an Officer, the Chief Executive Officer or an Employee who reports directly to the Chief Executive Officer, or an Employee having authority and responsibility for planning, directing and controlling the activities of Service Stream, directly or indirectly
<b>Employee</b>	a full-time, part-time or casual employee of Service Stream or any of its subsidiaries
<b>Officer</b>	a director or company secretary of Service Stream or any of its subsidiaries
<b>Prohibited Period</b>	a Closed Period, and other period not within a Trading Period or a period within a Trading Window notified to Designated Persons and determined by the Board as an additional prohibited period during which Designated Persons and their associates must not deal in Service Stream Securities because Service Stream is considering matters which are subject to rule 3.1A of the ASX Listing Rules
<b>Service Stream</b>	Service Stream Limited ABN 46 072 369 870
<b>Service Stream Securities</b>	shares in Service Stream and other securities over or relating to those shares
<b>Trading Window</b>	a period set out in section 3.2(b) during which Designated Persons and their associates may be permitted to deal in Service Stream Securities

**Effective date:** 23 December 2010