

Share Trading Policy

ABN/ 61 003 184 932
ASX CODE/ DGH

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1. Introduction

The purpose of this policy is to:

- explain the restrictions on Desane Group Holdings Limited (Desane or Company) directors, and employees dealing in Desane securities; and
- establish best practice procedure for the buying and selling of securities that protects the company, the directors and employees against the misuse of unpublished information which could materially affect the value of securities.

Any non-compliance with this policy will be regarded as serious misconduct which may entitle the Company to take corrective disciplinary action.

2. Insider Trading Provisions

2.1 'Insider trading' generally refers to dealing in any securities while you hold 'inside information', or communicating 'inside information' to others who may use that information to deal in securities. While working for, or contracting to, Desane, a director or employee may become aware of information not generally available that, if made generally available, would have a material effect on the price or value of securities on the market. This information is 'inside information'. Inside information may relate to Desane, one of our subsidiaries, a corporate customer or any other company. It does not matter how the director or employee knows the information or the source of such information. Information will no longer be regarded as inside information when it becomes generally available, through reasons other than inappropriate disclosure by that director.

2.2 Accordingly, a director or employee who has inside information cannot:

- (a) deal in Desane securities;
- (b) advise, procure or encourage another person to deal in Desane securities (eg. a family member, relative, friend, family company, trust or nominee);
- (c) pass on inside information directly or indirectly to any other person if they know or ought reasonably to know that the person may use the information to deal in Desane securities.

2.3 Potentially serious civil and criminal liability arises for breaches of insider trading laws. These laws also apply to individuals outside Desane, such as family of the director or employee, should they become aware of information to which this policy applies. Breaches of this policy are also a breach of conditions of employment and may lead to disciplinary action, including dismissal.

3. Rules for Dealing in Desane Securities

3.1 Directors and employees with access to confidential information and their associates, are not to trade in Desane's securities from:

- 1 July to the close of business on the day on which the Company announces its annual result.
- 1 January to the close of business on the day on which the Company announces its half year result.
- Other restricted periods as may be communicated to employees from time to time, where Desane is involved in a corporate transaction that may have material impact on its securities.

3.2 Notwithstanding the foregoing, directors and employees with access to confidential information are prohibited from trading in Desane securities at any time while in possession of confidential information.

3.3 Dealings in Desane securities during specified prohibited periods may be permitted in instances where it is established that the restricted person is in severe financial hardship or there are other exceptional circumstances that warrant such dealing. Prior written consent should be obtained for such dealings and the person seeking clearance to trade must provide adequate reasons as to why the proposed sale of Desane securities is the only reasonable course of action available. If dealings are to occur during a prohibited period:

- (a) The Chairman must first obtain the consent of the other directors in writing;
- (b) Other directors must first obtain the consent of the Chairman in writing;
- (c) Senior executives must first obtain the consent of the Managing Director in writing; and
- (d) Employees, other than senior executives, must first obtain the consent of the Managing Director or Company Secretary in writing;

prior to dealing in Desane securities.

3.4 If consent is given, such consent must be communicated to the restricted person in writing and trading in Desane securities must be completed within five business days. The Company Secretary will keep a written record of all consents granted.

3.5 These restrictions do not restrict:

- (a) acquisition of Desane securities through a dividend reinvestment plan;
- (b) acquisition of Desane securities through a share purchase plan available to all retail shareholders;
- (c) acquisition of Desane securities through a bonus or rights issue;

- (d) the disposal of Desane securities through the acceptance of a takeover offer;
 - (e) the disposal of Desane securities through an equal access buy-back;
 - (f) the transfer of Desane securities already held into a superannuation fund or other saving scheme where the restricted person is a beneficiary;
 - (g) an investment in, or trading of units of, a fund or other scheme (other than a scheme only investing in the securities of Desane) where the assets of the fund or other scheme are invested at the discretion of a third party;
 - (h) a disposal of Desane securities that is the result of a secured lender exercising its rights, (eg. under a margin lending arrangement);
 - (i) the acquisition or agreement to acquire or exercise options under a Company share option plan; or
 - (j) the acquisition of ordinary shares in the Company as a result of exercising options held under an employee option scheme.
- 3.6 Directors and executives must notify the Company Secretary (or in his absence, the Managing Director) in writing forthwith after any dealings in Desane securities.

4. Information About Securities in Other Companies

- 4.1 Desane directors and employees must not deal in securities in a company with which Desane is transacting, or may transact, where the director or employee in the course of their service or employment with Desane, possesses inside information about that company or trust.

5. Breach of Law or Policy

- 5.1 A breach of the insider trading prohibition by any Desane employee may expose them to criminal and civil liability.
- 5.2 Any breach of this Desane policy will always be regarded as serious misconduct by Desane and may result in dismissal of an employee.

6. Queries and Clarification Regarding this Policy

As examples set out in this policy are not exhaustive, in order to avoid breaching the policy, Desane employees are encouraged to seek clarification from the Company Secretary regarding application of this policy to their respective circumstances, prior to undertaking any dealings in Desane securities.

7. Definitions

- **Desane** means Desane Group Holdings Limited.
- **Desane employee** includes a director or employee.
- **Desane securities** means ordinary shares issued by Desane Group Holdings Limited that are listed on the Australian Securities Exchange and any other securities that may be issued by Desane Group Holdings Limited.
- **Dealing** includes buying or selling, agreeing to buy or sell, procuring another person to buy or sell or communicating (directly or indirectly) information that would be likely to cause another person to buy or sell Desane securities and includes dealings in financial products issued or created over or in respect of Desane securities.
- **Exceptional circumstances** means instances where the restricted person is required by a court order, or there are court enforceable undertakings (eg. in a bona fide family settlement) to transfer or sell Desane securities or there is some other overriding legal or regulatory requirement for him or her to do so.
- **Inside information** or **confidential information** is information about Desane that is not generally publicly available and which a reasonable person would expect to have a material effect on the price or value of any Desane securities (examples include a proposed dividend payment, a proposed share issue, over/under subscription of a share issue, a change in Desane's financial forecast or expectation, etc.).
- **In writing** means communications by letter, facsimile, or other electronic means.
- **Prohibited periods** – periods in which directors or employees are prohibited from trading in Desane securities as set out in paragraph 3.1 or as specified by Desane from time to time.
- **Restricted person** means a person who is restricted from dealing in Desane securities under this policy.
- **Severe financial hardship** means a pressing financial commitment that cannot be satisfied other than by selling Desane securities.