



SECURITIES TRADING POLICY

Korvest Ltd
ABN 20 007 698 106

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Securities Trading Policy

1 Overview

1.1 Purpose and objectives

This document (**Policy**) sets out the policy of Korvest Ltd (**Korvest**) regarding:

- (a) buying and selling shares (**Securities**); or
- (b) complying with the law on insider trading.

1.2 Application

This Policy applies to all directors, officers and employees of any entity within the Korvest Group (**Korvest Employees**). Although this Policy only applies to Korvest Employees, the insider trading provisions of the Corporations Act 2001 (*Cwllth*) (**Corporations Act**), apply to all persons including immediate family members of Korvest Employees, and to companies, trusts and entities controlled by them.

1.3 Responsibility and Accountability

Every Korvest Employee has an individual responsibility to ensure that they comply with the law relating to insider trading and this Policy.

A breach of the law relating to insider trading can have serious consequences, including individual criminal and civil liability. A breach of this Policy will be treated by Korvest as serious misconduct, and may lead to disciplinary action, including termination of employment with Korvest.

2 Dealing in Korvest Securities

2.1 Prohibition against Insider Trading

A Korvest Employee who possesses Inside Information in relation to Korvest Securities or any other entity (including non-Korvest Group entities) must not do any of the following things:

- (a) apply for, acquire (other than pursuant to the Korvest Employee Share Plan, Korvest Dividend Investment Plan and any other offer made to all Korvest shareholders to acquire Korvest Securities, as set out in section 2.5) or dispose of Korvest Securities or enter into an agreement to do so;
- (b) procure any other person to apply for, acquire or dispose of Korvest Securities or enter into an agreement to do so; or
- (c) directly or indirectly communicate the Inside Information, or cause the Inside Information to be communicated to any other person who would be likely to use the Inside Information to engage in the activities specified in paragraphs (a) and (b).

It does not matter how or in what capacity the Korvest Employee becomes aware of the Inside Information. It does not have to be obtained from Korvest to constitute Inside Information.

2.2 What is Inside Information?

Inside Information is information relating to Korvest that is:

- (a) not generally available; and
- (b) if it were generally available, a reasonable person would expect it to have a material effect on the price or value of the Korvest Securities.

Information is generally available if:

- (a) it consists of readily observable matter; or
- (b) it has been made known in a manner that would, or would be likely to, bring it 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;
- (c) it consists of deductions, conclusions or inferences made or drawn from other generally available information.

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

Examples of information that might have a material effect on price or value include information relating to:

- (a) the financial performance of Korvest (including the reaching or failure to reach consensus or stated forecast earnings targets);
- (b) a major acquisition or sale of assets by Korvest;
- (c) an actual or proposed takeover or mergers by Korvest;
- (d) an actual or proposed change to Korvest's capital structure;
- (e) the entering into or terminating a material contract; or
- (f) a material claim against/by any entity within the Korvest Group or other unexpected liability.

2.3 Black-out Periods

There are certain times during the year which the Directors, Company Secretary, all members of the Korvest Executive Management Group, all direct reports to the Korvest executive management group and any other Korvest Employee as the Managing Director nominates (each a **Korvest Designated Person**) must not trade in Korvest Securities, irrespective of whether or not they are in possession of Inside Information.

These periods, called Black-out Periods commence at:

- (a) midnight (ACST) on 31 December and continue until midnight (Adelaide local time) on the next ASX trading day after the day on which the Korvest half-year results are released to the ASX;

- (b) midnight (ACST) on 30 June and continue until midnight (Adelaide local time) on the next ASX trading day after the day on which the Korvest full year results are released to the ASX;
- (c) on such other dates and shall continue for such periods as the Board from time to time shall determine.

The Managing Director or the Company Secretary is to notify all Korvest Designated Persons of the existence of any Black-out Period.

2.4 Short-term dealing not permitted

Korvest Employees may not deal in Korvest Securities on a short-term basis. Speculating in short-term fluctuations in Korvest Securities does not promote shareholder and market confidence in the integrity of Korvest or Korvest Employees.

Subject to the trading restrictions set out in this Policy and the law, any acquisition of Korvest Securities, other than the vesting of Performance Rights, Options or similar and the sale of the underlying Korvest Shares, triggers a 30 day period where that type of Korvest Security cannot be sold.

2.5 Participation in Share Plans

The Black-out Periods do not restrict Korvest Employees participating in the Korvest Employee Share Plan, Korvest Dividend Investment Plan and any other offer made to all Korvest shareholders to acquire Korvest Securities, but do apply in respect of any subsequent trading of Korvest Securities to which Korvest Employees become entitled under those plans.

2.6 Notification of Intended Dealing

Before any Korvest Designated Person trades in Korvest Securities they must, in order to deal, first complete a Notification of Intended Dealing form (Appendix 1) and submit it to the Company Secretary (or, in the case of the Company Secretary, to the Managing Director). Any trade must occur within 7 days of the Notification of Intended Dealing form being submitted.

2.7 Hedging and Margin Loans not Permitted

Any employee who is a direct report to the Managing Director must not engage in hedging instruments, deal in derivatives or enter into arrangements which limit the economic risk related to Korvest Securities (including, for example, the use of put and call options, contracts for difference and other contracts intended to secure a profit or avoid a loss based on fluctuations in the price of Korvest Securities).

This prohibition includes, without exception, engaging in hedging or other arrangements which limit the economic risk or taking out margin loans in connection with unvested Securities issued pursuant to any Korvest Employee Share Plan or rights arising from any Korvest Long Term Incentive Plan.

3 Exemption Process

In exceptional circumstances (such as severe financial hardship), and subject always to compliance with the law, the Chairman of the Board of Directors (or, in the case of the Chairman, the Chair of the Audit and Compliance Committee) may grant a written

exemption for a Korvest Designated Person to trade Korvest Securities during a Black-out Period. Any trade must occur within 7 days of such written exemption being granted.

Any approval or exemption obtained under this Policy is subject to the Korvest Designated Person requirement to comply with the law.

4 Breach of Policy

Korvest will take any breach of this Policy seriously. Matters raised will be investigated and Korvest will take appropriate action in respect of any breach of this Policy. This may result in disciplinary action and, in some cases, termination of employment or legal action.

5 Who to contact

If a Korvest Employee is in any doubt regarding a proposed dealing in Korvest Securities, the Korvest Employee should contact the Company Secretary.

Approved by the Board 21 December 2010

Appendix 1 – Notification of Intended Dealing

For completion by Korvest Designated Person

Name of employee	
Description of Securities (ie number of Securities)	
Nature of agreement/dealing (sale/purchase/subscription)	
Proposed date of transaction (ie completion dated)	

I confirm that:

- (a) I am not in possession of any unpublished information which, if generally available, might materially affect the price or value of Korvest Securities; and
- (b) The transaction in Korvest Securities described above does not contravene the current share Korvest Security Trading Policy.

Signed:

Dated: