

## **SHARE TRADING POLICY**

24<sup>th</sup> June 2015

### **1. Introduction**

Fatfish Internet Group Limited (Fatfish) is committed to best practice corporate governance in relation to the buying and selling of its own shares. This requires that Fatfish actively promote ethical and responsible decision making in relation to trading in its shares. To achieve this, the Board recognises the need, and the ASX obligation under the ASX Listing Rules, to have a policy concerning the trading of shares in the Company and other companies.

### **2. Purpose of the Trading Policy**

The Board has adopted this policy to:

- set out the restrictions on dealing in Shares by people who work for or are associated with Fatfish;
- provide a brief and high level summary of the law on insider trading; and
- assist in maintaining market confidence and integrity of dealing in Fatfish Shares.

### **3. Key terms of this Policy**

This policy:

- prohibits Directors and Employees from Dealing in Fatfish Shares in a Closed Period;
- prohibits Directors and Employees from Dealing in Fatfish Shares at anytime they
- are in possession of Price Sensitive Information or Inside Information;
- prohibits Insider Trading in Fatfish Shares or any other Shares;
- prohibits short term or speculative trading in Fatfish Shares;
- requires all Directors and Employees to obtain clearance in accordance with this policy before Dealing in Fatfish Shares; and
- excludes certain types of Dealings from operation of this policy.



#### **4. Who does this Share Trading Policy apply to?**

This policy applies to:

- executive and non executive directors ("Directors") of Fatfish and all its subsidiaries;
- all full time, part time and casual employees of Fatfish as well as contractors, consultants and advisers of Fatfish (collectively called "Employees").

#### **5. What Shares are covered by this Share Trading Policy?**

In this policy a reference to a "Share" includes a reference to an ordinary share in a company or any other security issued by that company such as an option and any derivatives to that share (such as exchange traded options and warrants) and other financial products issued by third parties in relation to that share.

This policy applies to Fatfish Shares and Shares in any other company or entity that may be affected by Inside Information such as an Fatfish joint venture participant.

#### **6. What is Price Sensitive or Inside Information?**

"Price Sensitive" or "Inside Information" is information that:

- is not generally available to people who commonly invest in Shares; and
- if it were generally available, would (or would be likely to) have a material effect on the price or value of Fatfish Shares or Shares of another entity or influence people who commonly invest in Shares in deciding whether or not to subscribe for, or buy or sell Fatfish Shares or Shares of another entity.

Some examples of Price Sensitive or Inside Information include:

- the financial or operational performance of Fatfish or any other listed entity;
- entry into or termination of a material contract (such as a major joint venture);
- a material acquisition or sale of assets; an actual or proposed takeover or merger;
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- an actual or proposed change to a company's capital structure; an event which could have impact ( either positive or negative) on profits ( for example an operational incident or successful drilling result);
- a proposed dividend or a change in dividend policy; and
- a material claim or other unexpected liability.

It does of employment, overheard in a corridor or passed on at a social event. If it is not generally available and it could affect the price of Fatfish Shares or Shares in any other entity it should be regarded as Price Sensitive and Inside Information.

no matter how the information is obtained. It could be learnt during the course

## **7. What is Dealing?**

For the purposes of this policy "Dealing" includes:

- trading in Shares (i.e. subscribing for, buying, selling or entering into an agreement to do any of those things);
- mortgaging, charging, pledging or granting a lien over Shares;
- entering into an agreement to apply for, acquire, dispose of, mortgage, charge, pledge or grant a lien over Shares;
- procuring another person to apply for, acquire, dispose of, mortgage, charge,
- pledge or grant a lien over securities or to enter into an agreement to apply for, acquire, dispose of, mortgage, charge, pledge or grant a lien over Shares;
- hedging or acquiring options over unvested Shares; and
- advising, procuring or encouraging another person (such as a family member, friend, associate, colleague, broker, financial planner, investment adviser, family company or family trust) to Deal in Shares.

## **8. Insider Trading Prohibition**

All Directors and Employees in possession of Price Sensitive or Inside Information are prohibited from:



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- Dealing in Fatfish Shares or Shares in an entity affected by the Price Sensitive or Inside Information; and
- communicating the Price Sensitive or Inside Information to anyone else including passing it on to another person such as a family member, friend, colleague, broker, investment adviser family company or family trust. In general the prohibited activity outlined in this clause is criminal conduct under the Corporations Act.

### **9. Prohibition from Trading in Closed Periods**

All Directors and Employees are prohibited from Dealing in Fatfish Shares during a Closed Period.

### **10. What is a Closed Period?**

Closed Periods occur each year during:

- the period between the end of Fatfish's financial year (30 June) and the trading day following the announcement of Fatfish's annual results to the ASX;
- the period between the end of Fatfish's half year (31 December) and the trading day following the announcement of Fatfish's half year results to the ASX; and
- the period between the end of Fatfish's quarters (31 March and 30 September) and the trading day following the announcement of the Fatfish's quarterly results to the ASX.

In addition, the Company Secretary may, at the direction of the Board or the CEO, designate any other period to be a Closed Period.

### **11. Exceptions to Closed Period Trading**

A Director or Employee, who is not in possession of Inside Information, may be given clearance to sell (but not buy) Fatfish Shares where otherwise restricted by this policy if the Director or Employee is:

- in severe financial difficulty;
- the disposal is required under a court order; or
- there are other exceptional circumstances.

A person is in severe financial difficulty if they have a pressing financial commitment that cannot be satisfied other than by selling Fatfish Shares. Severe financial difficulty would not normally include a liability to pay tax unless the person has no other means of satisfying the liability.

A Director or Employee must apply in writing or by email to the Company Secretary seeking clearance to sell Fatfish Shares in a Closed Period. The application must be accompanied by sufficient evidence that the sale is the only reasonable course of action in the circumstances. The Chairman and the CEO must receive clearance from the Board. Directors must receive clearance from the Chairman and Employees must receive clearance from the CEO.

All Dealings in accordance with this provision of the policy must be notified to the Company Secretary in accordance with this policy and a written record maintained of all Dealings in accordance with this policy.

## **12. Prohibition on Short Term Trading**

All Directors and Employees are prohibited from Dealing in Fatfish Shares on a short term trading or speculative basis. Short term trading includes buying and selling Fatfish Shares on market within a three month period and entering into any other short term Dealings such as forward contracts.

## **13. Prohibition on Hedging Unvested Entitlements**

Directors and Employees participating in an equity based incentive plan are prohibited from entering into any transaction which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of any unvested entitlement in Fatfish Shares.



#### **14. Permitted Dealings**

Directors and Employees are entitled to Deal in Fatfish Shares at any time outside a Closed Period provided that:

- They have obtained clearance to Deal in Fatfish Shares in accordance with this policy;
- are not in possession of Price Sensitive or Inside Information; and
- are not involved in short term or speculative dealing.

#### **15. Clearance to Deal**

Directors and Employees must not Deal in any Fatfish Shares without first submitting either an email or written request to the Company Secretary in advance of the Dealing and receiving clearance in writing from the Company Secretary that the Dealing is permitted at that time. The Chairman and the CEO must receive clearance from the Board. Directors must receive clearance from the Chairman.

Any clearance to Deal in accordance with this policy will remain valid for a period of five business days from when written or email notification of the clearance is given.

#### **16. Notification of Dealing**

Directors and Employees Dealing in Fatfish Shares in accordance with this policy must notify the Company Secretary of the details of the dealing within two business days of the Dealing. The Company Secretary is required to notify the ASX of all Dealings in Fatfish Shares by directors within five days of the Dealing.

#### **17. Margin Loans on FATFISH Shares**

Any Director or Employee wishing to enter into a margin lending arrangement in respect of Fatfish Shares must first obtain clearance for the margin lending arrangement as if it were a Dealing in Fatfish Shares in accordance with this policy.



A margin lending arrangement includes:

- entering a margin lending arrangement in respect of Fatfish Shares;
- transferring Fatfish Shares into an existing margin loan account; and
- selling Fatfish Shares to satisfy a call pursuant to a margin loan.

### **18. Excluded Dealings**

Subject to the insider trading prohibitions the following Dealings by a Director or Employee are excluded from the operation of this policy:

- undertakings or elections to take up entitlements under a rights issue or other pre-emptive offer (including an offer of shares in lieu of a cash dividend);
- the take up of entitlements under a rights issue or other pre-emptive offer (including an offer of shares in lieu of a cash dividend);
- allowing entitlements to lapse under a rights issue or other pre-emptive offer (including an offer of shares in lieu of a cash dividend);
- the sale of sufficient entitlements nil-paid to allow take up of the balance of the entitlements under a rights issue;
- undertakings to accept, or the acceptance of, a takeover offer; and
- exercise of rights under Fatfish's long term incentive plan.

### **19. Responsibilities under this Policy**

Copies of this policy are provided to all Directors and Employees or are accessible on the Fatfish website. Regular training sessions about this policy will also be provided to Employees to ensure that they are aware of their obligations and responsibilities.

Directors and Employees are responsible for ensuring that they:

- understand and comply with this policy;
- if they do not understand any part of this policy to contact the Company Secretary;



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- do not engage in Insider Trading;
- do not disclose any Price Sensitive or Inside Information to any unauthorised person
- where relevant, only Deal in Fatfish Shares if they have the appropriate clearance in accordance with this policy.

### **20. Breach of this Policy**

Fatfish considers a breach of this policy a serious matter and reports of any breach will be investigated fully by the Company.

Disciplinary action including termination for misconduct may be taken against a Director or Employee who breaches this policy.

A breach of this policy may constitute a breach of the law.

### **21. Reporting on the Share Trading Policy in the Annual Report**

The Board will make appropriate disclosure regarding this Trading Policy in Fatfish's Annual Report in accordance with the ASX Corporate Governance Principles and Recommendations and to the ASX in accordance with the ASX Listing Rules.

This Share Trading Policy is available on Fatfish's website [www.fatfish.co](http://www.fatfish.co)