



31 December 2010

Companies Announcement Office  
Australian Securities Exchange  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

**SHARE TRADING POLICY**

In accordance with Listing Rule 12.9 (effective from 1 January 2011), I attach the company's updated share trading policy.

Yours faithfully

A handwritten signature in blue ink, appearing to read "Patrick McLean", with a horizontal line underneath.

Patrick McLean  
CEO and acting Chairman

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**GIACONDA LIMITED**

**ABN 68 108 088 517**

**("Giaconda")**

# SHARE TRADING POLICY

Approved by the Giaconda Limited Board on 23 December 2010.

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## 1. SHARE TRADING POLICY

### 1.1 Overview

This policy sets out the trading windows and other circumstances in which Designated Persons (being those persons identified in section 1.2 below) are restricted from trading in Giaconda shares that are quoted on the Australian Securities Exchange (“ASX”).

In addition to the requirements of this policy, all Designated Persons must also comply with the Insider Trading Policy set out in section 2 below.

### 1.2 Who are “Designated Persons”?

This policy applies to the following individuals:

- (a) the Directors;
- (b) the Chief Executive Officer (“CEO”);
- (c) the Company Secretary;
- (d) all persons who report to the CEO;
- (e) any person who is entitled to receive equity performance rights and/or options as part of any equity incentive based scheme of Giaconda; and
- (f) consultants, advisors and contractors.

Designated Persons are subject to restrictions on trading in Giaconda shares at certain times of the year which are identified in section 1.6 below and referred to in this policy as “Closed Periods”. Restrictions also apply if any Designated Person is exposed to “Inside Information” (as defined below) in the course of their duties. Those restrictions are set out in the Insider Trading Policy in section 2 below.

### 1.3 Who else does this policy apply to?

Each Designated Person has a personal responsibility to ensure that his or her Associated Parties (as defined below) complies with the same restrictions as applied to Designated Persons. An “Associated Party” includes immediate family members, such as a spouse or dependent child, family company, or trust which they control.

### 1.4 What type of securities are covered by this policy?

This policy applies to:

- (a) all shares, options, debentures, bonds, notes and other traded securities in Giaconda including derivatives or financial products issued or created over any of these (“Securities”) in which a Designated Person has either a direct or indirect interest; and
- (b) securities of other companies of which a Designated Person has “Inside Information” (see section 2) because of their position in Giaconda.

### 1.5 What type of trading is prohibited by this policy?

This policy applies to:

- (a) the acquisition and disposal of Securities (or any financial products issued or created over Giaconda Securities by third parties or trading in associated products) during a Closed Period (as defined in section 1.6 below); and
- (b) any transaction which in associated products which operate to limit the economic risk of security holdings in Giaconda during a Closed Period.

### 1.6 When are the Closed Periods?

The “**Closed Periods**” during which a Designated Person are prohibited from trading in Securities are:

- (a) in relation to any financial period ending 31 December, the period from 31 December until 24 hours after the release to the ASX of the half-year financial results for that period;
- (b) in relation to any financial period ending 30 June, the period from 30 June until 24 hours after the release to the ASX of the full-year financial results; and
- (c) any additional period designated by the Giaconda Board (or its delegate) from time to time, whether for a particular person or purpose.

Trading during these periods is subject to the overriding prohibition on trading while in the possession of “Inside Information” (as defined in section 2 below).

### 1.7 Will Giaconda give notice of the Closed Periods?

Yes. Giaconda will give advance notice of the commencement and end of each Closed Period. That notice will be provided to Designated Persons.

### 1.8 Are there any exceptional circumstances in which a Designated Person may trade during a Closed Period?

Yes. The following types of trading activities by a Designated Person during a Closed Period are excluding from the operation of this policy:

- (a) transfers of Securities already held into a superannuation fund or other saving scheme in which the restricted person is a beneficiary;
- (b) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the securities of Giaconda) where the assets of the fund or other scheme are invested at the discretion of the third party;
- (c) where a Designated Person is a trustee, trading in the securities of Giaconda by that trust provided the Designated Person is not a beneficiary of the trust and any decision to trade during a Closed Period is taken by the other trustees or by the investment managers independently of the Designated Person;
- (d) undertakings to accept, or the acceptance of, a takeover offer;
- (e) trading under an offer or invitation made to all or most of the security holders, such as a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy back, where the plan that determines the timing and structure of

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the offer has been approved by the Giaconda Board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;

- (f) a disposal of Giaconda Securities that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement;
- (g) the exercise (but not the sale of Securities following exercise) of an option or a right under an employee incentive scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a Closed Period and Giaconda has been in an exceptionally long Closed Period or Giaconda has had a number of consecutive Closed Periods and the Designated Person could not reasonably have been expected to exercise it at a time when free to do so;
- (h) trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with the procedures set out in section 1.9 and where:
  - (i) the Designated Person did not enter into the plan or amend the plan during a Closed Period;
  - (ii) the trading plan does not permit the Designated Person to exercise any influence or discretion over how, when, or whether to trade; and
  - (iii) that clearance does not allow the Designated Person to cancel the trading plan or cancel or otherwise vary the terms of their participation in the trading plan during a Closed Period other than in exceptional circumstances;
- (i) where there are exceptional circumstances, such as financial hardship, as determined by the CEO following application by the Designated Person in a manner consistent with ASX Guidance Note 27 paragraphs 10 to 15, provided the approval and duration of the clearance to trade is specified in writing (including email) before the trade occurs.

### **1.9 What must a Designated Person do before trading in Securities?**

All Designated Persons are required to give the Giaconda CEO prior written notification of any intended trades or dealings in Securities prior to undertaking those intended trades or dealings. That notification must be given for transactions or arrangements which operate to limit the economic risk of a Designated Person's security holdings in Giaconda for example by entering into cash settled equity swaps.

Any written notice given by a Designated Person to Giaconda must include:

- (a) name of the holder of the Securities;
- (b) type of proposed transaction (for example, a purchase or sale); and
- (c) number and type of Securities involved.

The CEO may, but is not required to, confer with the Giaconda Directors with respect to any proposed trades or dealing of Securities by a Designated Person and/or their Associated Parties.

### 1.10 What other security trading arrangements are Designated Persons prohibited from entering into?

All Designated Persons are prohibited from trading in financial products issued or created over Giaconda Securities by third parties, or trading in associated products and entering into transactions in associated products which operate to limit the economic risk of security holdings in Giaconda over unvested entitlements. Designated Persons must notify ASX of such shareholding.

Directors of Giaconda (including the CEO), direct reports to the CEO, and any other key member of the management team, are prohibited from entering into or maintaining any margin lending arrangement over or in respect of Giaconda.

Designated Persons are required to complete, or require that the CEO complete, either Appendix 3X, 3Y or 3Z (as applicable) and provide it to Giaconda to be filed with the ASX in respect of their holdings of Securities in Giaconda for the purposes of complying with section 205G of the Corporations Act and ASX Listing Rule 3.19A.

### 1.11 What are the consequences of breaching this policy?

Breaches of this policy will be treated seriously and may, in the case of an employee, lead to disciplinary action being taken.

Breaches of this policy may also involve a Designated Person breaching the insider trading laws.

## 2. INSIDER TRADING POLICY

### 2.1 Overview

Giaconda has established the following Insider Trading Policy to apply to trading in the Giaconda Securities on the ASX.

This policy applies to all Designated Persons and their respective Associated Parties who each must not trade or deal in Securities (or any financial products associated with Giaconda's Securities) while in possession of Inside Information.

**"Inside Information"** means information:

- which is not generally available (including information that Giaconda has not disclosed to the market in accordance with Giaconda's Continuous Disclosure Policy); and
- that information might have a material effect on the price or value of Giaconda shares if it was generally available.

Examples of Inside Information include:

- (a) information on matters that have not yet been finalised;
- (b) liquidity, cash flow or profit information;
- (c) proposed dividend announcements;
- (d) recruitment or resignation of personnel;
- (e) registration of Giaconda's products by a government agency;
- (f) anticipated or actual results of clinical trials;

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- (g) agreements that Giaconda is negotiating;
- (h) any potential acquisitions or disposals; or
- (i) any litigation that Giaconda might be involved in.

In addition, the Share Trading Policy (as set out in section 1 above) sets out additional restrictions which apply to Designated Persons.

The law imposes a number of significant restrictions on Giaconda employees and Designated Persons when they deal in Giaconda Securities. These persons must not utilise their position for their own gain or for the gain of any person other than Giaconda.

The Corporations Act imposes severe penalties (both criminal and civil) on persons who conduct insider trading activities.

Giaconda has established the policy set out in this document in an effort to prevent the occurrence of insider trading in Giaconda Securities. This policy provides a general summary of the law in Australia in relation to insider trading, and as such operates in addition to the legal requirements. It is the personal responsibility of each Designated Person to comply with this policy.

## **2.2 Summary of the insider trading provisions in the Corporations Act**

It is illegal for anybody to trade or deal in any Securities of a body corporate (including Giaconda), when in possession of Inside Information.

That prohibition extends to procuring another person to trade or deal, and, in the case of shares of listed corporations, extends to communicating the Inside Information to another person, if the person knows, or ought reasonably to know, that the other person would, or would be likely to, trade or deal in the shares in question or procure another person to do so. To communicate Inside Information to another person is also an offence which carries both civil and criminal penalties.

A person in possession of Inside Information about Giaconda has a duty to keep that information confidential and must not in any way disclose or communicate that information to any person.

## **2.3 Dealing with third parties such as security analysts, institutional investors and journalists**

It is important that all Designated Persons be aware that disclosure of non-public information may result in a breach of the insider trading rules, including disclosure to security analysts, institutional investors and journalists.

In this context, it should be noted that conveying subjective attitudes with respect to Giaconda may constitute a breach of the insider trading rules.

If Inside Information is conveyed to a third party, either inadvertently or otherwise, then:

- (a) the recipient of the Inside Information must be immediately advised of its confidential nature and directed not to disclose that information until that information has been fully disclosed to the public by Giaconda; and
- (b) the Giaconda CEO should be immediately advised of the disclosure.

Criminal penalties may be imposed for a breach of the insider trading prohibitions. Further, that person and any other persons involved in the contravention may also be held liable to compensate third parties for any resulting loss.

**3. REVIEW OF POLICY**

This policy will be reviewed regularly by the Giaconda Board having regard to the changing circumstances of Giaconda. Any material change will be promptly released to the ASX.

**4. DISCLOSURE OF POLICY**

A summary of this policy is disclosed in Giaconda's corporate governance policy summary.

**5. QUESTIONS**

If you have any questions in relation to this policy, please contact the CEO.

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