

Policy for dealing in securities

Ten Network Holdings Limited

ACN 081 327 068

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Freehills



1 Introduction

The purpose of this Policy is to:

- explain the types of conduct in dealing in securities that are prohibited under the *Corporations Act 2001* (Cth) (**Corporations Act**). Such prohibitions apply to all directors and certain employees of Ten Network Holdings Limited (the **Company**) and its related bodies corporate as defined in the Corporations Act (collectively the **Group** and individually a **Group Company**); and
- establish a best practice procedure for buying and selling securities that protects the Company and directors and employees against the misuse of unpublished information which could materially affect the value of securities.

The Company aims to achieve the highest possible standards of corporate conduct and governance. The Board considers that compliance with this Policy is essential to ensure that the highest standards of conduct are being met by all directors and employees.

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

Attachment 1 describes how the insider trading rules apply and contains definitions of the key terms used in this Policy.

2 Persons to whom this Policy applies

This Policy applies to:

- all directors of the Company and each Group Company (**directors**);
 - certain officers of the Group (including the Chief Executive Officers of each of the Company, Network Ten Pty Limited and Eye Corp Pty Limited (each a **CEO**)) (**officers**);
 - all direct reports to each of the CEO's and any other key management personnel (as defined in Accounting Standard AASB 124) of the Group (**senior executives**);
- and
- their Associates.

In this Policy, the persons listed above will be collectively referred to as **Relevant Persons**.

3 Restrictions on dealing in securities

3.1 No trading where in possession of inside information

A Relevant Person **must not** deal in the Group's securities where:

- they are in possession of price sensitive or "inside" information; or
- the Company is in possession of price sensitive or "inside" information and has notified Relevant Persons that they must not deal in securities (either for a specified period, or until the Company gives further notice).

Attachment 1 sets out further guidance as to what constitutes "inside" or price sensitive information.

3.2 Other prohibited dealings

(a) Blackout periods

Relevant Persons **must not** deal in the Company's securities during the following periods:

- the period from the close of trading on 31 August each year until the day following the announcement to ASX of the preliminary final statement or full year results;
- the period from the close of trading on the last day of February each year until the day following the announcement to ASX of half-yearly results; and
- any other period that the Company specifies from time to time.

For the avoidance of doubt, during the above periods Relevant Persons **must not** deal in financial products issued or created over or in respect of the Company's securities.

(b) Exceptional circumstances

In exceptional circumstances, the Chairman of the Board may waive compliance with the provisions of paragraph 3.2(a).

Relevant Persons seeking a waiver under this clause must apply in writing to the Chairman of the Board setting out the circumstances of the proposed dealing and the reason the waiver is requested. The application must be accompanied by sufficient evidence, in the opinion of the Chairman of the Board, that the dealing in the relevant securities is the only reasonable course of action available in the circumstances.

Exceptional circumstances for these purposes include financial hardship, compulsion by court order or any other circumstance that is deemed exceptional by the Chairman of the Board.

Unless and until the Board has confirmed in writing to the Relevant Person that the waiver is granted, the Relevant Person should not initiate or implement the dealing in respect of which they have sought a waiver.

Unless otherwise specified in the notice, any dealing permitted under this paragraph 3.2(b) must comply with the other sections of this Policy (to the extent applicable).

(c) **No short-term dealing – buying and selling within 3 month period**

Relevant Persons must not deal in the Company's securities on a short-term trading basis. Short-term trading includes buying and selling securities within a 3 month period, and entering into other short-term dealings (for example, forward contracts).

3.3 Hedging of company securities

- (a) Hedging includes entering into transactions in financial products that operate to limit the economic risk associated with holding Company securities.
- (b) Consistently with the Corporations Act, hedging of Company securities by a Relevant Person is subject to the following overriding prohibitions:
- (1) a hedge transaction must not be entered into, renewed, altered or closed out when the Relevant Person is in possession of inside information;
 - (2) Company securities must never be hedged prior to the vesting of those Company securities. In particular, Relevant Persons are prohibited from entering into any hedge transaction involving unvested equity held pursuant to any employee, executive or director equity plan operated by the Company; and
 - (3) Company securities must never be hedged while they are subject to a holding lock or restriction on dealing under the terms of any employee, executive or director equity plan operated by the Company.
- (c) Relevant Persons are permitted to hedge their vested and unrestricted Company securities on the condition that the hedge transaction is treated as a dealing in Company securities for the purposes of this policy, and the requirements of this policy are complied with in relation to any hedge transaction.

Where a Relevant Person enters into a hedging arrangement in respect of Company securities, the Company may, where appropriate, disclose the fact and nature of the hedge (eg in the annual report or to ASX).

3.4 Exclusions

Paragraph 3.2 of this Policy does not apply to:

- participation in an employee, executive or director equity plans operated by the Company (eg applying for an allocation of securities under an employee equity plan offer). However, where securities in the Company granted under an employee, executive or director equity plan cease to be held under the terms of that plan, any dealings in those securities must only occur in accordance with this Policy;
- passive trades, such as the acquisition of Company securities through a dividend reinvestment plan, share purchase plan, or rights issue, or the disposal of Company securities through the acceptance of a takeover offer;
- dealings that result in no effective change to the beneficial interest in the securities (for example, transfers of Company securities already held into a superannuation fund or trust of which the Relevant Person is a beneficiary);
- trading under a pre-approved non-discretionary trading plan, where the Relevant Person did not enter into the plan or amend the plan during a blackout period, the plan does not permit the Relevant Person to exercise any influence or discretion in relation to trading under the plan and the plan cannot be cancelled during a blackout period, other than in exceptional circumstances; and

- a disposal of Company securities as a result of a secured lender exercising their rights.

However, such dealings are still subject to paragraph 3.1 of this Policy where applicable.

4 Securities in other companies

While in general, employees are free to deal in securities in other listed companies, the prohibited conduct under the Corporations Act includes dealings not only in the Company's securities but also in those of other listed companies with which the Company may be dealing (including the Group's customers, contractors or business partners) where an employee possesses "inside information" in relation to that other company.

If a Relevant Person is aware of information that is not generally available but which, if it were generally available, a reasonable person would expect to have a material effect on the price or value of a security, the Relevant Person should not deal in the securities of the companies that it affects.

Relevant Persons may come into possession of "inside information" where they are directly involved in client relationship management or negotiating contracts. For example, where the Relevant Person is aware that the Group is about to sign a major agreement with another company, the Relevant Person should not buy securities in either the Company or the other company.

5 Breach

Breaches of the insider trading laws have serious consequences for both the Relevant Person concerned and the Company. See also Attachment 1.

Breaches of this Policy are regarded as serious and will be subject to appropriate sanctions.

Any person who is suspected of breaching this Policy may be suspended from attending the workplace on full pay pending the outcome of investigations into the alleged breach.

Any person who is proven to have breached this Policy could face disciplinary action (including forfeiture of securities and/or suspension or termination of employment).

6 Who to contact

Any Relevant Person who has queries about this Policy should contact the Company Secretary.

1 How the insider trading rules apply

1.1 Summary of prohibited conduct

The Corporations Act prohibits “insider trading”.

Under the Corporations Act, a person is prohibited from dealing in securities where:

- (a) the person possesses information which is not generally available to the public;
- (b) that information may have a material effect on the price of securities of the relevant entity; and
- (c) the person knows or ought reasonably to know that the information is not generally available and, if it were, it might have a material effect on the price of securities.

In addition, a person with inside information must not procure another person to deal in the Company’s securities or communicate the information (directly or indirectly) to another person whom the person believes may deal (or procure someone else to deal) in the Company’s securities.

The key concepts are discussed in more detail in paragraph 1.2 of this Attachment 1.

1.2 Relevant terms

(a) **Securities**

The definition of securities in the Corporations Act is very broad.

Securities include:

- ordinary shares;
- preference shares;
- options;
- debentures; and
- convertible notes.

It also extends to financial products issued or created over or in respect of securities issued by the Company (for example, warrants and other derivative products), whether or not the financial products are created by the Company or by third parties.

(b) **Dealing in securities**

Dealing in securities is a broad concept and covers more than simply buying or selling securities. It extends to exercising options over securities and entering agreements to buy or sell securities.

Under this Policy and the law, the prohibition on dealing means that Relevant Persons are not permitted to:

- buy or sell; or
- enter into an agreement to subscribe for, buy or sell securities,

where they possess information that is not generally available and which a reasonable person would expect to have a material effect on the price or value of those securities.

If a Relevant Person possesses price sensitive information that is not generally available, the Relevant Person is also prohibited from:

- procuring any other person to deal in those securities; or
- directly or indirectly communicating the information to another person whom the Relevant Person believes is likely to deal in, or procure another person to deal in, those securities.

Procuring means enticing, encouraging, persuading, causing or securing another person to do or not to do something. Procuring also includes inciting, inducing or encouraging an act or omission.

For example, a Relevant Person cannot ask or encourage anyone, including family members, friends, associates or others, to deal in securities when the Relevant Person possesses price sensitive information, and Relevant Persons should not communicate price sensitive information.

If a Relevant Person accidentally gives somebody “inside information” when he or she should not have, the Relevant Person must immediately tell that person that it is “inside information” and warn them against trading in the Company’s securities, getting others to trade in the Company’s securities, or communicating the information to others.

(c) **Price sensitive or “Inside” Information**

Information is “inside” or “price sensitive” if it is not generally available, but which, if it were generally available, a reasonable person would expect to have a material effect (upwards or downwards) on the price or value of a security.

For the purposes of the insider trading provisions of the Corporations Act, 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.

(d) **Information that is generally available**

Information is “generally available” if it:

- (1) consists of readily observable matter;
- (2) 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 any of the classes of securities issued by the Company and since it was made known, a reasonable period for it to be disseminated among those persons has elapsed. That is, information will be “generally available” if it has been released to ASX or published in an annual report or prospectus or similar document and a reasonable period of time has elapsed after the information has been disseminated in one of these ways; or
- (3) consists of deductions, conclusions or inferences made or drawn from information referred to in paragraph 1.2(d)(1) of this Attachment 1 or information made known as mentioned in paragraph 1.2(d)(2) of this Attachment 1, or both.

(e) **Material effect on the price of securities**

Under the Corporations Act, information is likely to have a material effect on the price or value of securities of a company if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell those securities.

It is not possible to list all information that may be material. However, the following types of information would be likely to be considered to have a material effect on the price of the Company's securities:

- ratings;
- sales;
- profit forecasts;
- unpublished announcements or knowledge of possible regulatory investigation;
- liquidity and cashflow;
- proposed changes in the Company's capital structure, including issues of securities, rights issues and buy-backs;
- borrowings;
- major asset purchases and sales;
- impending mergers, acquisitions, reconstructions, takeovers, etc;
- significant litigation;
- significant changes in operations;
- significant changes in industry;
- new products/services and technology;
- proposed dividends;
- management restructuring or Board changes; and
- new contracts or customers.

(f) **Associates**

Associate means:

- a spouse or child, other than an adult child, of a director, CEO, officer or senior executive;
- a child, other than an adult child, of a director, CEO, officer or senior executive's spouse;
- a dependent of a director, CEO, officer or senior executive or of a director, CEO, officer or senior executive's spouse;
- anyone else, including an adult child, who is one of a director, CEO, officer or senior executive's family and may be expected to influence, or be influenced by a director, CEO, officer or senior executive, in the a director, CEO, officer or senior executive's dealings with the Company; and
- any company or trust of which a director, CEO, officer or senior executive has control, as defined for the purposes of the Corporations Act.

2 Consequences of breach

Breaches of the insider trading laws have serious consequences for both the Relevant Person concerned and the Company.

A person who commits a breach of the insider trading provisions could be subject to criminal liability (substantial fines or imprisonment or both may be imposed) or civil

liability (substantial fines may be imposed) under Australian law. A person who contravenes or is involved in a contravention of these provisions may also be liable to compensate any person who suffers loss or damage resulting from the conduct. In addition, an actual or suspected breach of the insider trading laws may also give rise to adverse public scrutiny and media comment.

It is therefore important that Relevant Persons adhere to this Policy at all times.

Any person who is suspected of breaching this Policy may be suspended from attending the workplace on full pay pending the outcome of investigations into the alleged breach.

Any person who is proven to have breached this Policy could face disciplinary action (including forfeiture of securities and/or suspension or termination of employment).