



## SECURITIES TRADING POLICY

### 1. INTRODUCTION

- Directors, officers and staff of a listed entity may have inside information about the entity that is not generally available to the market.
- The Corporations Act requires (in general terms) that a person who has inside information concerning an entity **must not** trade in the securities of that entity, either personally or through another person, or advise, procure or encourage another person to trade in the securities of that entity.
- This policy sets out clear restrictions in relation to dealings in the securities of Prime Media Group Limited (Prime) so that Restricted Persons and other Prime Employees do not trade in Prime Securities in a way that breaches the insider trading laws or compromises confidence in Prime's investor practices.
- Every Prime officer and staff member has a personal responsibility to ensure they comply with the law and this policy. A breach of the law relating to insider trading can have serious consequences, including criminal and civil liability, for the company and for an individual. A breach of this policy may lead to disciplinary action, which may include termination of employment.
- This policy should be read together with the Prime Continuous Disclosure Policy, which provides examples of the types of information that might have a material effect on the price or value of Prime Securities.

### 2. APPLICATION OF THIS POLICY AND DEFINITIONS

#### 2.1 Application

- This policy applies to each person who is a Restricted Person and to all other Employees of Prime and its subsidiaries.
- The following people are Restricted Persons for the purposes of this policy:
  - the non-executive directors of Prime (including alternate directors)
  - Chief Executive Officer;
  - all members of the Prime Executive Leadership Team (including the Company Secretary);
  - the Assistant Company Secretary;
  - Key Management Personnel (who do not fall within any of the categories defined within this section of the policy);
  - Prime Employees who have regular access to confidential communication (including but not limited to Prime business unit or consolidated monthly management reports and forecasts); and direct reports of those persons described in this clause;
  - participants in the Prime Executive share option scheme.

### 2.2 Definitions

For the purposes of this policy:

- "Associate" means:
  - an immediate family member such as a spouse (including a de facto or same sex partner), child, sibling, parent, parent-in-law or relative that resides with, and is financially supported by, the relevant Restricted Person or Prime Employee; and
  - any other person or entity whose investment decisions the relevant Restricted Person or Prime Employee has control or influence over.
- "Key Management Personnel" means those persons having authority and responsibility for planning, directing and controlling the activities of Prime, directly or indirectly, including any director (whether executive or otherwise) of Prime.
- "Employee" includes permanent or regular employees (full time or part time), fixed term employees (full time or part time) and casual employees.
- "Prime Securities" includes ordinary shares of Prime and any structured financial product, swap, futures contract, option, warrant, or other derivative over an ordinary share of Prime, whether issued by Prime or a third party, and any other interest in an ordinary share of Prime.
- "inside information" means information that is not generally available and which a reasonable person would expect, if it was generally available, to have a material effect on the price or value of a company's securities; inside information may come from the entity itself or someone other than the entity. The definition of information is broad enough to include rumours, matters of supposition, intentions of a person and information which is insufficiently definite to warrant disclosure to the public.
- "trade" includes subscribing for, buying, selling or otherwise transferring the beneficial or legal interest in a Prime Security.

### 3. TRADING IN PRIME MEDIA GROUP LIMITED SECURITIES

#### 3.1 Insider Trading

- A Restricted Person or Prime Employee who has inside information (and their Associates) **must not**:
  - trade in Prime Securities;
  - advise, procure or encourage another person to trade in Prime Securities; or
  - pass on information to any other person if they know, or ought reasonably to know, that the person may use the information to trade in (or procure another person to trade in) Prime Securities,

irrespective of whether this policy provides that trading may occur or that the trading is excluded from the operation of this policy.

- The prohibition on insider trading applies not only to information concerning Prime Securities – if a person has inside information in relation to securities of another company, that person must not deal in those securities.

### 3.2 Closed Periods

- Restricted Persons and their Associates are not permitted to trade in Prime Securities during the specific Closed Periods detailed below.
- The Closed Periods are:
  - the period from 31 December to the day half year results are announced (including each of these days);
  - the period from 30 June to the day full year results are announced (including each of these days); and
  - the period of 28 days immediately leading up to and including the day of the Annual General Meeting.
- The board may also declare a Closed Period for a specified period at other times (such as prior to the announcement to ASX of a significant event).
- A Restricted Person and their Associates may trade in Prime Securities outside of these Closed Periods **only if** they do not have inside information.
- All other Prime Employees and their Associates may trade in Prime Securities at any time but **only if** they do not have inside information.

### 3.3 Excluded trading

- The following trading in Prime Securities is excluded from the operation of this policy:
  - transfers of Prime Securities that are already held by a superannuation fund or other savings scheme in which a Restricted Person or an Associate is a beneficiary but has no decision making capacity in relation to the operation of the superannuation fund or savings scheme;
  - an investment in or trading in units of, a fund or other scheme (other than a scheme investing only in Prime Securities) where the assets of the fund or scheme are invested at the discretion of a third party;
  - where a Restricted Person or an Associate is a trustee, trading in the Prime Securities by that trust provided that the Restricted Person or Associate is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by other trustees or by the investment managers independently of the Restricted Person or Associate;
  - undertakings to accept, or the acceptance of, a takeover offer;
  - trading under an offer or invitation made to all or most Prime Security holders, such as, a rights issue, a security purchase plan, a dividend or distribution re-investment plan and an equal access buy-back, where the plan has been approved by the Board;
  - a disposal of Prime Securities that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement (refer clause 5);

## 4. NOTICE OF TRADING IN PRIME MEDIA GROUP SECURITIES

### 4.1 Directors

- If a director intends to trade in Prime Securities, the director must give prior notice of any proposed trade to the Board Chairman. If the Board Chairman intends to trade in Prime Securities, prior notice must be given to the Audit and Risk Committee Chairman. A notice must include a statement that the director does not have inside information.
- For each trade in Prime Securities, the director must subsequently advise the Board Chairman (or, in the case of the Board Chairman, the Audit and Risk Committee Chairman) of the number of Prime Securities bought or sold and the date of the trade within three days.
- Directors have also agreed to give details of transactions in Prime Securities to the Company Secretary within three business days for the purpose of Prime providing information about a change of a director's interest to the market.

### 4.2 Other Restricted Persons

- If any Restricted Person (other than a director) or an Associate intends to trade in Prime Securities, the Restricted Person must give prior notice to the Chief Executive Officer. The notice must include a statement that the Restricted Person (or Associate) does not have inside information.
- For each trade in Prime Securities, the Restricted Person must subsequently advise the Company Secretary of the number of Prime Securities bought or sold and the date of the trade within 14 days.

### 4.3 Notification process is not an approval to trade

- The processes for notifying of an intended trade in Prime Securities, as set out in clauses 4.1 and 4.2 do not provide for the Chairman, Audit and Risk Committee Chairman or Chief Executive Officer (as applicable) to approve the proposed trade. The person intending to trade in Prime Securities is personally responsible for any decision to trade and compliance with the law and this policy.

## 5. DISCLOSURE OF MARGIN LOAN ARRANGEMENTS

- If a Restricted Person or an Associate proposes to put in place margin loan arrangements in relation to Prime Securities, the Restricted Person must immediately advise the Company Secretary of the details of the proposed arrangements. If a demand for payment is made under the margin loan arrangements, the Restricted Person must immediately advise the Company Secretary. The Restricted Person (or Associate) may only trade their Prime Securities in accordance with this policy, subject always to the insider trading laws.

## 6. HEDGING OF PRIME MEDIA GROUP SECURITIES

- A Restricted Person or Associate who holds unvested or vested Prime Securities under an incentive scheme must not enter into any transaction that is designed or intended to limit their exposure to those securities.

### 7. SHORT TERM HOLDINGS

- Prime encourages all directors, executives and staff to participate in the ownership of Prime Securities for the long term benefits of dividend income and capital growth. Prime prohibits Employees trading for short term speculation or gain. Short term speculation includes the use of derivatives and short selling

### 8. EXECUTIVE INCENTIVE SCHEMES AND SHARE PLANS

- A Restricted Person may only make application to exercise vested share options under the Prime Executive share option scheme outside of the Closed Periods but may not do so if they possess inside information about Prime.
- The board may approve the exercise (but not sale of Prime 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 Prime Security, falls during a prohibited period and the entity has been in an exceptionally long prohibited period or the entity has had of consecutive prohibited periods and the restricted person could not reasonably have been expected to exercise it at a time when free to do so.

### 9. PERSONAL FINANCIAL HARDSHIP AND OTHER EXCEPTIONAL CIRCUMSTANCES

- It is recognised that a Restricted Person or an Associate may need to sell Prime Securities, during a Closed Period, on account of personal financial hardship or other exceptional circumstances and where selling Prime Securities is the only practical method of overcoming the personal financial hardship or exceptional circumstances.
- Prime Securities may be sold by a Restricted Person or an Associate due to personal financial hardship or other exceptional circumstances, during a Closed Period, if (and only if):
  - the person does not have inside information;
  - an application is made in accordance with clause 9 of this policy; and
  - the Restricted Person has sought and obtained prior written clearance from either the Chairman or the Chief Executive Officer (as applicable) who has indicated that there is no known reason to preclude the trading of the Prime Securities.
- An application under clause 9 based on personal financial hardship or exceptional circumstances must be made in writing (email is acceptable), be accompanied by supporting documentation and include the following information:
  - the details of the personal financial hardship or exceptional circumstances;
  - the number of Prime Securities to be traded;
  - a request for clearance to trade those Prime Securities; and
  - confirmation that the person is not in possession of any inside information.
- Applications made under clause 9 will be considered on a case-by-case basis. The determination of whether the Restricted Person or their Associate is experiencing personal financial hardship or exceptional circumstances contemplated by this policy can only be made by the Chairman or the Chief Executive Officer (the Chief Executive Officer where the Chairman is involved and vice versa).

- The Restricted Person seeking clearance to trade must satisfy the decision maker that they are in severe financial hardship or that their circumstances are otherwise exceptional and that the proposed sale or disposal of the relevant Prime Securities is the only reasonable course of action available.
- All trades approved under clause 9 must take place within seven days of the approval being provided.
- Subsequent notice of all sales undertaken on account of personal financial hardship or other exceptional circumstances must be given in accordance with clauses 4.1 and 4.2 of this policy.
- A Restricted Person or an Associate must not trade in Prime Securities where prior written approval has been obtained if they possess inside information.

### 10. COMPLIANCE WITH THIS POLICY

- Any breach of this policy must be immediately advised to the Company Secretary, who, in turn, will report the breach to the Board.
- A breach of this policy may lead to disciplinary action, which may include termination of employment in serious cases.
- Additionally, a breach of the law relating to insider trading can have serious consequences, including criminal and civil liability, for the company and for an individual.
- Compliance with this policy does not absolve a person from complying with the law, which is the overriding consideration when trading in Prime Securities.

### 11. TRADING IN SECURITIES OF OTHER ENTITIES

- Restricted Persons and Prime Employees should ensure that they do not breach the insider trading provisions of the Corporations Act in relation to any other entity.

### 12. REVIEW OF POLICY

- The Board will endeavour to review this policy annually.

### 13. PUBLICATION

- This policy will be made available from the Prime Media Group website ([www.primemedia.com.au](http://www.primemedia.com.au)).

**Adopted** by the Board on 11 January 2011

**Last reviewed** on 24 August 2011