

Announcement - Share Trading Policy

The following Share Trading Policy has been adopted by the Company in compliance with ASX Listing Rule 12.9 which takes effect on 1 January 2011:

13. DSQ PERSONNEL SHARE TRADING POLICY (INSIDER TRADING)

13.1 Introduction

The *Corporations Act*, *Companies Act* and the laws of other countries in which the DSQ operates, contains provisions which prohibit a person in possession of material, non-public information relating to a company from dealing in any way with shares, options or other securities issued by that company or issued or created over the company's securities by third parties (Securities).

The DSQ Personnel Share Trading Policy (the Insider Trading Policy or Policy) sets guidelines designed to protect DSQ and Personnel from intentionally or unintentionally breaching these Laws.

This Policy applies to all Directors, senior executives, key management personnel, employees, contractors and consultants (collectively, **Personnel**) of DSQ.

13.2 The Law

DSQ is listed on the Australian Securities Exchange and the trading in its securities is subject to the insider trading prohibition under Australian law contained in section 1043A of the *Corporations Act*.

Section 1043A prohibits a person (an Insider) who is in possession of information relating to DSQ that is not generally available but, if the information was generally available (see paragraph 13.3), a reasonable person would expect that information to have a material effect (see paragraph 13.4) on the price or value of DSQ Securities (Material Non-Public Information) from:

- i. applying for, acquiring, disposing of or entering into an agreement to apply for, acquire or dispose of DSQ Securities;
- ii. procuring another person to apply for, acquire, dispose of or enter into an agreement to apply for, acquire or dispose of DSQ Securities; or
- iii. directly or indirectly communicating the Material Non-Public Information to another person when the Insider knows, or ought reasonably to know, that the other person would or would be likely to:
 - a. apply for, acquire, dispose of or enter into an agreement to apply for, acquire or dispose of DSQ Securities; or
 - b. procure another person to apply for, acquire, dispose of or enter into an agreement to apply for, acquire or dispose of DSQ Securities.

13.3 Available Information

Information relating to DSQ would be considered to be generally available after it has been released to the Australian Securities Exchange (ASX) and the ASX has fully disseminated that information to the market.

13.4 Information having a Material Effect on DSQ Securities

A reasonable person would be taken to expect information to have a material effect on the price of DSQ Securities if that information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to acquire or dispose of DSQ Securities.

13.5 Determining Material Non-Public Information

Determining what is Material Non-Public Information is subjective. It would, as an indication, most likely include (but not be restricted to) the following types of information:

- material (more than 5%) changes in DSQ's financial forecasts or expectations;
- a declaration of a dividend or a decision that a dividend not be declared;
- the making of a share, option or debt issue and the under or over subscription of that issue;
- proposed acquisitions, mergers, sales, joint ventures or takeovers;
- information about DSQ's business plans, investment proposals or asset purchases or sales;
- regulatory decisions or industrial actions that may affect DSQ's operations;
- the occurrence of an environmentally related incident;
- the threat, commencement or settlement of any material litigation or claim;
- an agreement between DSQ (or a related party or subsidiary) and a Director (or related party of the Director);
- a change in accounting policy adopted by DSQ;
- a proposal to change DSQ's auditors; and
- the health or capacity of any Director.

13.6 Insider Trading Policy

The confidentiality of Material Non-Public Information must be strictly maintained within DSQ by all persons who have access to that information, regardless of title or position. No Personnel shall disclose such information, except on a need-to-know basis, inside or outside of DSQ.

13.7 Personnel in Possession of Material Non-Public Information

Personnel must not purchase or sell DSQ Securities while in possession of Material Non-Public Information.

Personnel in possession of Material Non-Public Information must not cause or procure a third party to deal in the Securities of DSQ.

13.8 Directors' Notice of Intent to Deal in DSQ Securities

Directors are routinely in possession of Material Non-Public Information (which, if generally available would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell DSQ Securities). As such, they (or any family member or associate over whom they have influence) are prohibited from dealing in DSQ Securities without providing the Chairman (and the Managing Director in the case of the Chairman) with prior written notice of their intent to deal in DSQ Securities, or by advising the Board as

statement that they do not believe they are in possession of any Material Non-Public Information. A copy of the notice will be sent to the CFO for the official file.

Directors must confirm with the Chairman (or the Managing Director, as appropriate) that the trading has occurred and notify the CFO within two business days of the transaction in order to enable the Company to notify the ASX within five business days. A copy of the confirmation will be sent to the CFO for the official file

The CFO will notify the Board of all trades by Directors as soon as reasonably practicable.

13.9 Breach of Insider Trading Policy

Notwithstanding the provisions of disciplinary action contained in General Principles, failure to comply with this Insider Trading Policy by any DSQ Personnel constitutes cause for immediate dismissal/termination of engagement by DSQ.

13.10 Share Trading Blackout Periods

The Blackout Period for the purposes of the ASX Listing Rules is a “Closed Period”.

Company policy precludes its Personnel from trading in Company shares during blackout periods which operate:

- i. from the end of the company’s financial half-year, until the release of the results for that period; and
- ii. from the end of the Company’s financial year, until the release of the results for that period.

The Board may, on the giving of reasonable notice, impose additional trading blackouts, or vary a trading blackout at its discretion.

Personnel are at all times required to monitor their compliance with insider trading laws, and should contact the CFO should they be unsure of their obligations under this policy.

13.11 Exceptional Circumstances

Personnel who are not in possession of Material Non Public Information may be given prior written approval to sell or otherwise dispose of Securities during a Blackout Period where there are exceptional circumstances. Exceptional Circumstances may include:

- severe financial hardship being a pressing financial commitment that cannot be satisfied otherwise than by selling the Securities;
- if there is a court order or court enforceable undertaking to transfer or sell Securities or there is some other overriding legal or regulatory requirement to do so;
- a situation determined by the Chairman to be an exceptional circumstance, or in the case of the Chairman requesting prior written approval, a situation determined by the non-executive directors to be an exceptional circumstance, where the sale or disposal of Securities is the only reasonable course of action.

When requesting prior written approval to sell or otherwise dispose of Securities during a Blackout Period, Personnel must submit an application in writing (which can be by email) to the Chairman generally through the CFO, (or in the case of a request by the Chairman, to the Managing Director), including the reasons for requesting approval and confirming that that Personnel is not in possession of Material Non-Public Information. The matter must be reported to the Board no later than the next following Board Meeting.

If approval is granted, it must be in writing (which can be by email) and must specify a time period to which the approval applies.

13.12 Excluded Trading

Trading that may occur during a Blackout Period include:

- transfers of securities of the entity already held into a superannuation fund or other saving scheme in which the relevant Personnel is a beneficiary;
- an investment in, or trading units of, a fund or other scheme (other than a scheme only investing in DSQ's Securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
- where the relevant Personnel is a trustee, trading in Securities by that trust provided the relevant Personnel is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by the other trustees or by the investment managers independently of the relevant Personnel;
- undertakings to accept, or the acceptance of, a takeover offer;
- 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 investment plan (*DRP*) and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board. In the case of a *DRP*, the relevant Personnel must only elect to participate in the *DRP* when they are not in possession of Material Non-Public Information and may not change that election until they are again not in possession of Material Non-Public Information;
- a disposal of securities of the entity that is the result of a secured lender exercising their rights, for example, under a margin lending; and
- 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 within a Blackout Period and where the relevant Personnel could not reasonably have been able to exercise at a time when free to do so.
- trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this Policy and where:
 - the relevant Personnel did not enter into the plan or amend the plan during a Blackout Period; and
 - the trading plan does not permit the relevant Personnel to exercise any influence or discretion over how, when, or whether to trade.



13.13 Anti-hedging Policy

Personnel are not permitted to enter into transactions with Securities (or any derivative thereof) in associated products which limit the economic risk of any unvested entitlements under any equity-based remuneration schemes offered by DSQ.

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About Datasquirt

Datasquirt (ASX: DSQ) supplies CONTACT™, an award-winning, enterprise grade, multi-channel (email, SMS, fax and web-chat) communication solution. Businesses use CONTACT™ to acquire, retain and service customers to achieve revenue growth in a cost-effective and efficient manner. Datasquirt is headquartered in Auckland, New Zealand, with offices in London, Sydney and Düsseldorf. Datasquirt™ and CONTACT™ are trademarks of Datasquirt Limited. All other brand or product names are trademarks or registered trademarks of their respective holder(s). For more information see www.datasquirt.com, visit the Datasquirt blog at <http://blog.datasquirt.com>, follow Datasquirt on Twitter at <http://twitter.com/datasquirt>, call +64-9-358-5878 or +1-888-433-9882, or email info@datasquirt.com.