

HFA Holdings Limited
ACN 101 585 737



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ASX ANNOUNCEMENT

HFA Holdings Limited Update

Securities Trading Policy

In accordance with ASX Listing Rule 12.9 please find attached for release to the market the Securities Trading Policy for HFA Holdings Limited.

ENDS

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HFA HOLDINGS LIMITED

TRADING POLICY



Introduction

HFA Holdings Limited (the "Company") is listed on the Australian Securities Exchange ("ASX"). The Board of Directors (the "Board") has adopted the following policy regarding trading in the Company's securities.

The policy seeks to ensure compliance with the Corporations Act (2001), Corporations Regulations 2001 and Australian Securities Exchange Listing Rules (Listing Rules)¹.

This policy applies to any Director, Key Management Personnel², Officer, Compliance Committee Member and Employee of the Company and its subsidiary entities (the "Group") or a Contractor whose contract with the Company or a subsidiary entity is exclusive or of more than three months in duration ("Designated Officer").

The Company aims to achieve the highest possible standards of corporate conduct and governance. Accordingly, the Board considers that compliance with this policy is essential, not only to comply with the Listing Rules but also to ensure that the highest standards of conduct are being met by all employees of the Company. The Company also wishes to ensure that any perception of executives or employees dealing in shares when they should not do so is avoided.

Any contraventions of this policy will be regarded as serious misconduct and will be noted by the Company Secretary and reported to the Chief Executive Officer ("CEO"). A contravention will also result in notice on the employee's personnel file and be dealt with in a manner deemed appropriate by the CEO which may involve disciplinary action and could result in dismissal. The CEO will advise the Board of contraventions of the policy and action taken. A contravention of this policy by a Director or Key Management Personnel will be reportable to the Chairperson.

Nothing in this policy shall authorise any person to act in contravention of the insider trading provisions of the Act.

All queries regarding the policy, including its content, are to be addressed to the Company Secretary.

Trading Windows

Any Designated Officer to whom this policy applies, or a related party, or entity controlled by the Designated Officer, wishing to:-

- (a) trade in the Company's securities; or
- (b) procure on behalf of that person, another person to trade in the Company's securities; or
- (c) trade in products issued or created over the Company's securities by third parties;

may do so during the four (4) week period commencing the first business day after:

- the announcement of half-yearly results;
- the announcement of annual results;
- the holding of the Annual General Meeting; or
- any additional period as determined by the Board,

EXCEPT where the Designated Officer is in possession of price sensitive information.

¹ Reflects the amended Listing Rules effective 1 January 2011.

² Key Management Personnel as defined in Accounting Standard AASB 124 Related Party Disclosure.

The Board may during the “window” set out above, notify any Designated Officer that they may not buy or sell shares during all or part of any such period.

Notwithstanding the above:

- a Director or Key Management Personnel or related party of a Director or Key Management Personnel may not sell the Company's securities or enter into an arrangement to limit the economic risk of their security holdings in the Company without first giving the Chairperson one clear days notice of his or her intention to do so; and
- Designated Officers are prohibited from entering into a transaction or arrangement designed to limit the economic risk of security holdings in the Company over unvested entitlements.

For the purposes of this policy, “**Related Party**” when used in reference to a Designated Officer, means “(1) Any person who is or may be acting for or on behalf of or at the direction of a person to whom this policy applies, including a family member of a Designated Officer who may be expected to be influenced by that Designated Officer (this may include that Designated Officer's partner, children and other dependents); and (2) Any entity which is or may be acting for or on behalf of or at the direction of, or which otherwise may be controlled by, a person to whom this policy applies.

If a director or employee is not sure whether their dealing would contravene this policy, they should consult with the Company Secretary.

Any period outside a trading window shall be classified as a ‘Closed Period’ and special permission will be required to trade during these times.

Trading during Closed Periods

No dealing in the Company's securities may occur during a Closed Period unless authorisation is obtained, as set out below. Authorisation will ordinarily only be granted in exceptional circumstances, and only if the Designated Officer is not in possession of price sensitive information at that time.

Any Designated Officer to whom this policy applies or their Related Parties wishing to trade in the Company's securities during a Closed Period **MUST** first obtain written authorisation, via the Company Secretary, as follows:

- a Director or Key Management Personnel of the Company and the CEO must inform and receive acknowledgment from the Chairperson prior to undertaking a transaction during a Closed Period;
- the Chairperson must obtain approval from the Board (or their delegate, as determined by the Board), prior to undertaking a transaction during a Closed Period; and

all Designated Officers (excluding Directors and Key Management Personnel of the Company) must inform and receive acknowledgment from the CEO prior to undertaking a transaction during a Closed Period. Exceptional circumstances for these purposes include severe financial hardship, compulsion by court order or any other circumstance that is deemed exceptional by the authoriser noted above.

Designated Officers seeking authorisation must apply in writing setting out the circumstances of the proposed dealing (including an explanation of the exceptional circumstances and the reason authorisation is requested. Authorisation will only be granted if the application is accompanied by sufficient evidence (in the opinion of the authoriser) that the dealing of the relevant securities is the only reasonable course of action available in the circumstances. It is intended that the request will be answered within 48 hours. If authorisation is granted the

Designated Officer will be notified in writing (which may include notification via email), and in each circumstance the duration of the authorisation will be 2 business days.

Designated Officers must notify the Company Secretary immediately upon acquiring/disposing of the Company's securities.

In addition, during Closed Periods, Directors and Key Management Personnel are prohibited from trading in financial products issued or created over or in respect of the Company's securities.

Short Term Dealing

Designated Officers may not deal in the Company's securities on a "short-swing" basis without permission from the CEO (via the Company Secretary). That is, Designated Officers may not buy and sell securities nor enter into any other short term dealings (eg forward contracts) within a three month period without permission from the CEO.

Directors of the Company may not deal in the Company's securities on a "short-swing" basis.

Permitted Acquisitions

Subject to the insider trading prohibitions of the Corporations Act, Designated Officers may at any time:

- subscribe for securities offered under a disclosure document (eg, a prospectus);
- acquire new shares issued in the Company on conversion of financial instruments giving rights to conversion to shares (eg, options), but may not deal with the shares issued other than in accordance with this policy and normal insider trading provisions;
- acquire securities in the Company under a bonus issue or rights issue made to all holders of securities of the same class;
- acquire securities in the Company under a share purchase plan available to all holders of securities of the same class;
- acquire securities in the Company under a dividend reinvestment plan that is applicable to all holders of securities of the same class; and
- dispose of securities through the acceptance of a takeover offer; or
- deal in securities of the Company where such dealing will not and does not result in an effective change in the beneficial interest in the securities (for example, a transfer to a family trust or self managed superannuation fund).

Employee Share Plans

Subject to any insider trading prohibitions, Designated Officers may at any time:

- acquire or apply for Company securities under an employee share plan; or
- exercise options acquired under an employee share plan to acquire new shares issued by the Company, but may not deal with the shares issued other than in accordance with this policy and normal insider trading provisions.

Approval / Notification Process

Trading Window Open

Designated Officers and their Related Parties (excluding Directors and Key Management Personnel of the Company and their Related Parties):

- no prior authorisation is required where trading occurs within a trading window; and
- upon the acquisition / disposal of the Company's securities, advise the Company Secretary (via submission of the relevant form).

Directors and Key Management Personnel of the Company and their related parties must:

- notify the Chairperson one clear days prior to the intended trade of their intention to trade the Company's securities; and
- upon the acquisition / disposal of the Companies securities provide the Company Secretary with a copy of the contract to facilitate notification to the ASX.

No prior notification is required in relation to participation in dividend reinvestment plans and other corporate actions open to all shareholders.

Closed Periods

Designated Officers (excluding Directors of the Company) must:

- submit request to the Company Secretary (via submission of the relevant form) for authorisation;
- once authorised, the Designated Officer may then acquire/dispose of the Company's securities; and
- upon the acquisition / disposal of the Company's securities, the Company Secretary must be advised immediately.

HFA Holdings Limited Directors and Key Management Personnel and their Related Parties must:

- advise the Chairperson of desire to acquire / dispose of the Company's securities by either themselves or their Related Party;
- the Chairperson is to review the request and advise the Company Secretary where authorisation granted; and
- the Director or Key Management Personnel is to provide the Company Secretary with relevant details (including a copy of any contract) to facilitate notification to the ASX.

Director's Interest Register

The Company Secretary will maintain a register of Directors' Interests.

Review

The Board will regularly review the trading policy to determine its adequacy for current circumstances.

HFA HOLDINGS
APPLICATION TO ACQUIRE / DISPOSE OF SECURITIES³



Name	
Date	
Transaction Type	<input type="checkbox"/> BUY <input type="checkbox"/> SELL <input type="checkbox"/> EXERCISE <input type="checkbox"/> SUBSCRIBE (place "X" in relevant box)
Name of Proposed Purchaser / Seller	
Relationship	
No. of Securities	
Type of Security	<input type="checkbox"/> SHARES <input type="checkbox"/> OPTION <input type="checkbox"/> RIGHT <input type="checkbox"/> WARRANT (delete as applicable)
Representation	I confirm that I am not in possession of any information that would be deemed 'inside information' nor by my actions will I have contravened the requirements of the HFA Holdings Limited Trading Policy
Signature	
Name	Date
I confirm the request complies with the requirements of the HFA Holdings Limited Trading policy	
Signature	
Name	Date
HFA Holdings Limited Chairperson or their delegate	

³ **PRE APPROVAL** - Form to be submitted for approval prior to trading where trading occurs during a Closed Period.
NOTIFICATION ONLY - Form to be submitted where trading occurs within the trading window to notify HFA Holdings Limited Company Secretary of transaction

Appendix: Summary of Legal Requirements

Insider Trading - The Corporations Act 2001

Chapter 7, Part 7.10, Division 3 of Corporations Act 2001 (**Act**) prohibits insider trading. Pursuant to section 1043A of the Act, if an insider possesses information which they know or ought to reasonably know is *inside information*, then the insider must not:

- (a) apply for, acquire, or dispose of, relevant securities, or enter into an agreement to apply for, acquire, or dispose of, relevant securities; or,
- (b) procure another person to apply for, acquire, or dispose of, securities, or enter into an agreement to apply for, acquire, or dispose of, relevant securities; or
- (c) pass on inside information (**tipping**) relating to a Division 3 financial product to any other person, if you know or ought reasonably to know, that the person may use the information to buy or sell that financial product.

Definitions

(i) Division 3 financial products

Division 3 financial products include securities (including ordinary and preference shares, options, debentures and convertible notes), derivatives, managed investment products, superannuation products and any other financial products that are able to be traded on a financial market.

(ii) Insider

A person is an insider for the purposes of the insider trading prohibitions, if that person:

- (a) possesses information that is not generally available but, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of a particular Division 3 financial product; and,
- (b) knows, or might reasonably be expected to know, that:
 - (i) the information is not generally available; and
 - (ii) if it were generally available, it might have a material effect on the price or value of the particular Division 3 financial product.

(iii) Inside Information

"Inside information" means information in relation to which the following paragraphs are satisfied:

- (a) the information is not generally available;
- (b) if the information were generally available, a reasonable person would expect it to have a material effect on the price.

(iv) Generally Available

Information is generally available if:

- (a) it consists of readily observable matter; or,
- (b) both of the following subparagraphs apply:
 - (i) it has been known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in securities of a kind whose price might be affected by the information; and
 - (ii) since it was made known, a reasonable period for it to be disseminated among such persons has elapsed; or
- (c) it consists of deductions, conclusions or inferences made or drawn from either or both of the information referred to in paragraphs (1) and (2)(A) above.

(v) Material Effect

A reasonable person would be taken to expect information to have a material effect on the price or value of securities if (and only if) the information would, or would be likely to, influence people who commonly acquire securities in deciding whether or not to acquire or dispose of the securities.

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

- (a) information regarding a material increase or decrease in the Company's financial performance from previous results;
- (b) a proposed material business or asset acquisition or sale;
- (c) the damage or destruction of a material operation of the Group;
- (d) proposed material legal proceedings to be initiated by or against the Company;
- (e) regulatory action or investigations undertaken by a Government authority;
- (f) the launch of a new business or material new product;
- (g) a proposal to undertake a new issue of shares or major change in financing.

(vi) Dealing in Securities

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

That is, under this policy and the law, the prohibition on dealing means that a person is not permitted to:

- (a) buy or sell;
- (b) subscribe for new shares (eg in a float), or
- (c) enter into an agreement to subscribe for, buy or sell, securities,

where that person or the Company 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 person possesses price sensitive information that is not generally available, he/she is also prohibited from:

- (a) procuring any other person to deal in those securities; or
- (b) from directly or indirectly communicating the information to another person who you believe is likely to deal in, or procure another to deal in, those securities.

Procuring means enticing, encouraging, persuading, causing or securing another person to do something. For the purposes of these provisions procuring includes inciting, inducing or encouraging an act or omission.

Penalties

A person who commits a breach of the insider trading provisions could be subject to both civil and criminal penalties. The penalties are:

- (a) a criminal penalty, in the case of a natural person, a maximum fine of \$220,000 or imprisonment for up to 5 years, or both;
- (b) a criminal penalty, in the case of a body corporate, a maximum fine of \$1,100,000; or
- (c) a civil liability of up to \$200,000 for an individual or \$1,000,000 for a body corporate.

In addition, a person who contravenes or is involved in a contravention of these provisions may be liable to compensate any person who suffers loss or damage because of the conduct.

Defences

The Corporations Act sets out several defences to conduct which would otherwise breach the insider trading prohibition. These defences are complex and, in general, will not apply. On this basis, all employees should not deal in the Company's securities until they have received the required approval from the relevant person as outlined above.

Breaches of the insider trading laws have serious consequences for both the employee concerned and the Company. It may also give rise to adverse public scrutiny and media comment. It is therefore important that employees adhere to these guidelines at all times.

Relationship to Continuous Disclosure Regime

The Corporations Act and ASX Listing Rules require the Company to immediately release to the ASX any information concerning the Company which may reasonably be expected to have a material effect on the price or value of the Company's securities, subject to limited exceptions.

As a result of the operation of the continuous disclosure regime, usually all material price sensitive information will be generally available. However, there are limited circumstances in which disclosure is not required. In these situations there may be people with "inside information" who would breach the insider trading prohibition if they dealt in securities at that time.

Although information may not need to be disclosed under the Listing Rules, employees may possess "inside information". If a person deals in the Company's securities at a time when that person is aware of information which, but for a carve-out to the Listing Rules, would need to be disclosed to the market, that person will be in breach of the insider trading provisions.