



Transmetro Corporation Ltd
ABN 45 001 809 043
Suite 53, Level 3, 330 Wattle Street
Ultimo Sydney NSW 2007

31 December 2010

The Manager

Company Announcements Office
Australian Securities Exchange Limited
20 Bridge St
Sydney NSW 2000

Dear Sir/Madam,

Transmetro's Securities Trading Policy

Pursuant to ASX Listing Rule 12.9, which takes effect on 1 January 2011, please find attached a copy of Transmetro's Securities Trading Policy.

Yours sincerely

Jakin Agus
Company Secretary
Transmetro Corporation Ltd



Transmetro Corporation Limited (TCO)

Securities Trading Policy

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Securities Trading Policy

1. Introduction

Transmetro Corporation Limited (TCO) is a public company, listed on the ASX. Transmetro is committed to responsible corporate governance, including ensuring that the appropriate processes are in place to promote compliance with insider trading laws. This policy regarding insider trading and when directors and employees may deal in TCO's securities.

This policy aims to:

- protect shareholders' interests at all times
- ensure that directors and employees do not use inside information they possess for their personal advantage or to TCO's detriment,
- ensure that directors and employees comply with the inside trader provisions of the Corporation Act 2001 (Cth) (**Corporation Act**)

The policy applies to all executive and non-executive directors and employees (including contractors and consultants) of TCO and any of its subsidiaries. It also extends to their immediate family member of directors and employees and to companies, trust and entities controlled by the director or their immediate family member.

Every director and employees of TCO has an individual responsibility to ensure that they comply with the law relating to insider trading and this policy. A breach of the law relating to insider trading can have serious consequences, including individual criminal and civil liability and is also a breach of the conditions of employment at TCO.

The policy is not intended to be a substitute for directors and employees obtaining their own legal advice, if any director or employee has any particular concerns on insider trading or dealing in TCO securities, they should contract the Company Secretary.

2. General Prohibition against Insider Trading

During the course of their duties, employees of TCO may become aware of information that could have an impact on the price of the shares and other financial products in the market. This information could be an “**Inside Information**”

The information is usually confidential and subject to the employee’s general duties of confidence to TCO. The insider trading rules in the Corporation Act also affect how employees can use this information.

Where an employee is in possession of price sensitive information about any company’s financial products which is not generally available to others, under the Corporation Act, they can not:

- apply for, acquire or dispose of those financial products, or enter into an agreement to do any of those things, or
- procure that another person does any of those things in relation to those financial products.

Where the price sensitive information relates to a company’s financial products that are listed on a financial market, then employees must not, directly or indirectly, communicate that information to a person if they know, or they ought reasonably to know, that the person is likely to deal or trade in those financial products.

These rules not only prevent TCO employees from trading, but also prevent employees of TCO from encouraging other people to trade or giving that information to someone else who is likely to trade or encourage others to trade.

This policy applies equally to financial products issued or made available by TCO or its subsidiaries and to financial products issued or made available by customers or other corporate entities with which employees may deal in the course of their duties (e.g. suppliers, sub-contractors or entities in which TCO has an interest).

2.1 Who is an Insider?

You are an insider:

- if you have **information** that is not **generally available** but if it were, a reasonable person would expect it to have a **material effect** on the price or value of **financial products** ('**inside information**'), and
- you know, or ought reasonably to know, that the information is inside information.

2.2 What is a Financial Product?

Financial product has a very wide meaning in the Corporations Act. Not all financial products are subject to the insider trading rules. For the purpose of this policy, a reference to a financial product is only to those products which are subject to the insider trading rules.

The insider trading rules apply to the following financial products:

- securities - including a company's shares,
- derivatives - including exchange traded options, equity swaps, futures or options, equity futures or other futures which relate to any financial products of a company,
- managed investment products,
- any other financial product that can be traded on a financial market (that is, tradeable on a stock exchange or futures exchange or other type of licensed financial market).

2.3 What Constitutes Information?

Information means any fact, matter or circumstance and includes:

- matters of supposition (e.g. rumours or innuendo) or which are otherwise insufficiently definite to warrant being made known to the public, and
- matters relating to the intentions, or likely intentions, of a person. The information can be in any form (e.g. written or verbal).

Information is **generally available** if:

- it consists of readily observable matter, or
- it has been made known to people who commonly invest in the type of financial product involved and a reasonable period has elapsed for it to be disseminated to those people, or
- it consists of deductions, conclusions or inferences made or drawn from readily observable matter or information that has been disseminated.

Information has a **material effect** on the price or value of financial products if the information would, or would be likely to, influence people who commonly acquire financial products in deciding whether or not to acquire or dispose of the particular financial products.

Employees may come into possession of inside information if they become aware of any of the following when it is not generally available:

- actual profit results,
- internal forecasts of profit results,
- changes of strategic direction of the business,
- details of a new product or substantial new business contract or project,
- the appointment or resignation of a chief executive officer, executive director or chairman,
- an actual or proposed major acquisition or disposal of assets,

- a float or other share issue, capital raising, takeover, merger, purchase, sale or partial sale of business,
- actual or proposed major litigation,
- any plans involving securities or securities futures or other financial products.

The information may relate to TCO, one of its subsidiaries, a corporate customer or any other company.

2.4 When do you stop being an Insider?

An employee will no longer be an insider once the inside information becomes generally available (as described above - see **What Constitutes Information?**).

3. Specific Insider Trading Rules

All employees must follow the rules below if they are considered an insider:

- you must not apply for, acquire, or dispose of, financial products of TCO to which the inside information relates, either for yourself or for another person,
- you must not get another person (whether a family member, friend, associate, colleague or your company or trust) to apply for, acquire or dispose of, the financial products for you or for another person or for themselves,
- if the financial products are also listed on a financial market (such as the Australian Securities Exchange) you must not, either directly or indirectly, give the inside information, or allow it to be given, to another person who you know, or should know, would be likely to do any of the prohibited things described above,
- with regard to financial products of a company which is a customer or another person with whom you do business, you must not apply for, acquire or dispose of or offer or agree to acquire or dispose of those financial products or attempt to influence others (including family, associates, colleagues, private company or trustee) to do so,

- you must not give any inside information to any person who is an employee or contractor of TCO and/or its subsidiaries who is a trader in, or distributor of, financial products or get them to buy or sell for you or another person while you remain an insider,

- if you liaise with industry analysts or business journalists working on the business activities of TCO, you must not give them any inside information about TCO, or confirm with them any suspicions or hunches which they may have, even if these hunches are based on their own research and analysis.

This policy applies to all directors and employees regardless of the capacity in which they are acting. For example, a director or employee must not trade through their family or through a trust or company in which they have influence or control in circumstances where they would have been prohibited in trading in their own name.

It is also important to note that information does not need to be obtained from TCO to be inside information. It does not matter how the inside information is obtained, just that the director or employee possess it.

4. Trading in TCO Securities

The above general policy applies to all financial products to which the insider trading rules in the Corporations Act apply.

This part of the policy applies to directors and employees in respect of their dealings with TCO's securities or any other securities or financial products which may be issued by TCO or its subsidiaries, including all securities issued to employees under an TCO incentive scheme or plan.

Employees of TCO will have different access to price sensitive information depending on their position in the Group. **Designated Employees** are those officers deemed most likely to have access to inside information and these employees are therefore subject to additional restrictions in relation to trading in TCO securities.

4.1 Designated Employees

The following employees are considered Designated Employees of TCO for the purposes of this policy:

- key management personnel including members of the Executive Committee;
- directors, company secretaries and senior executives of principal subsidiaries;
- senior Finance, Communication and Investor Relations employees;
- corporate and divisional officers reporting directly to any of the above employees;
- confidential secretaries and assistants reporting to any of the above positions;
- employees of the Legal and Company Secretarial division;
- corporate staff who have access to the Group's financial results; and
- any other TCO employee designated by the Company Secretary from time to time for the purposes of this policy.

4.2 Prohibited Trading

The following policy applies to all employees (including directors and Designated Employees):

- no director or employee can trade in or get someone else to trade in financial products of TCO in breach of insider trading rules,
- at no time can directors or employees engage in short term speculative trading in TCO's financial products. For the avoidance of doubt, the purchase and subsequent sale of TCO's financial products by directors or employees within a six month period will, in the absence of compelling evidence to the contrary, be deemed to be short term speculative trading. This rule is designed to encourage support for TCO's long term objectives and discourage short term actions which could affect the security price or lead to market speculation. This rule does not prevent a director or employee disposing of securities issued on the exercise of employee options (subject to the other terms of this policy), and
- any director or employee who trades in financial products of TCO on a financial market should use only one or two brokers, and preferably only one.

4.3 Permitted Trading Period

The following additional rules apply to directors and Designated Employees:

Trading in TCO's financial products on a financial market is restricted to a 30 day period immediately following two business days after:

- the release of TCO's half year results,
- the release of TCO's yearly results,
- the issue of a prospectus or other offer document in relation to the issue of securities in TCO, or
- the annual general meeting,

(Permitted Trading Periods).

Notwithstanding this rule, prior to trading in TCO's financial products within a Permitted Trading Period:

- (i) Designated Employees must obtain approval from the Managing Director or Company Secretary;
- (ii) Directors must obtain approval from the Chairman; and
- (iii) the Chairman must obtain approval from an independent non-executive director.

Directors and Designated Employees remain subject to the general policy rule that they must not deal in TCO securities if they are in possession of inside information during a Permitted Trading Period.

While it is not compulsory, TCO believes it would be prudent for all directors and Designated Employees affected by the additional rules to maintain a record or register of personal trading in TCO's financial products.

4.4 Special Circumstances for Trading outside Permitted Period

Trading may be permitted outside the Permitted Trading Period where special circumstances exist.

Approval must be obtained from the Managing Director or Company Secretary in the case of Designated Employees, from an independent non-executive director in the case of the Chairman or from the Chairman in the case of directors.

Whether special circumstances exist will be a matter for the relevant person to decide, but will generally only apply in limited circumstances such as:

- cases of financial or personal hardship or necessity, and
- legal duties and obligations (e.g., the administration of a deceased estate or transfers under Family Court orders).

The designated approval officer may only exercise discretion to authorise a trade outside the Permitted Trading Period in exceptional circumstances where they are satisfied that the proposed sale or disposal of the relevant securities is considered the only reasonable course of action and that there is no apparent breach of the insider trading laws.

Written clearance to trade (including by email or facsimile) will be provided by the designated approval officer and will be valid for a period of fourteen days unless further extended by agreement.

4.5 Excluded Trading

This policy does not prevent directors or employees from trading in TCO securities in certain situations where the trading occurs under an offer to all or most of the security holders of TCO, where no change in beneficial ownership results from the trade and situations where the director or employee has no control or influence with respect to the trading decision.

The following trading is excluded from the restrictions under this policy:

- the issue of securities under an employee incentive scheme approved by the Board;
- the exercise (but not the sale of securities following exercise) of an option under an employee incentive scheme or the conversion of a convertible security;
- trading under an offer or invitation made to all or most of TCO security holders including an issue of securities under a rights issue, security purchase plan, distribution reinvestment plan, equal access buy-back or other pro rata offer where the plan that determines the timing and structure of the offer has been approved by the Board;
- undertakings to accept, or the acceptance of, a takeover offer;
- transfers of securities already held into a superannuation fund, family trust or other savings scheme in which the director or employee is a beneficiary;
- the sale of securities in accordance with a margin call under the terms of a margin loan against the relevant TCO securities.

5. Margin Lending Arrangements

Directors and key management personnel (including members of the Executive Committee), must inform the Company Secretary if they have entered into margin loans (including by way of security lending) in respect of securities in TCO or in an associated entity or subsidiary.

The Company Secretary must in turn inform the Board of the existence of such loans. Directors and key management personnel may only sell all or part of the securities held that are subject to the margin loan to meet a margin call in accordance with the terms of the policy. Cases of hardship or special circumstances will also be dealt with in accordance with this policy.

6. Use of Derivatives or Hedging

The use of derivative or hedging arrangements by directors or key management personnel in relation to unvested TCO securities or vested TCO securities which are still subject to a TCO imposed holding lock is prohibited.

7. ASX Notification by Directors

The Corporations Act and the ASX Listing rules require director dealings in TCO securities to be disclosed to the ASX. In order to comply with the ASX Listing Rules, each director must inform the Company Secretary in writing of all director dealings as soon as reasonably possible after the date of the transaction and in any event, no later than 3 business days after the transaction.

8. Consequences of Breach of Policy

A breach of this policy by any person will be treated seriously and may lead to disciplinary action including dismissal. Any Employee who becomes aware of violation of this policy should immediately report the violation to the Chief Operating Officer and the Company Secretary.

Breaches of the insider trading provisions of the Corporations Act are a criminal offence.

TCO will involve the authorities if it believes insider trading or other breaches of the law have been committed

All queries regarding issues raised in this policy should be directed to the Company Secretary.