

E-COM MULTI LIMITED

ACN: 008 877 745

Securities Trading Policies

Adopted in December 2010 and effective 1 January 2011

Introduction

Further to recent changes to ASX Listing Rules and in particular Listing Rules 12.9 to 12.12, the Company has adopted a Securities Dealing Policy which recognises and enforces legal and ethical restrictions on trading in its securities by Key Persons and other Relevant Persons which include the Company's directors, senior executives and those employees and consultants that may from time to time have access to material and sensitive information about the Company and the associates of any such persons ("Key Persons").

Whilst the Company has previously detailed in its Corporate Governance Statement in Annual Accounts the adoption of ethical behaviour by its Board and Senior Management, which included policies and expectations in respect to dealings in the Company's securities, such policies have now been formalised and strengthened further and are to be applied strictly from the 1st of January 2011 as detailed below.

1. INTRODUCTION

- 1.1 E-Com Multi Limited ("ECE" or "the Company") is an ASX listed entity whose shares are quoted on the ASX and its Board is committed to the highest possible standards of corporate conduct and governance.
- 1.2 ECE also has on issue Options which are unlisted options with an entitlement to acquire ordinary shares in the Company.
- 1.3 Currently ordinary shares and options together are the only securities on issue by ECE. However, in future it is possible that other types of securities such as, but not limited to, convertibles and preference shares may be issued which would also be subject to the Securities Trading Policies of the Company.
- 1.4 The main purpose of these Policies is to set out the restrictions on dealing in ECE's securities which are applicable to Key Persons as listed above; and to ensure compliance with the ASX Listing Rules and establish a best practice procedure for "**dealing**" in ECE's "**securities**".
- 1.5 The Policies are also intended to provide protection, to both ECE and the Key Persons, against the misuse of unpublished price-sensitive information which could result in material criminal and/or civil penalties.
- 1.6 A copy of the policies shall be distributed to all Key Persons and it is the responsibility of each Key Person to comply with the policies. Any non-compliance will be considered as serious misconduct and dealt with accordingly.
- 1.7 The trading restrictions set out in this policy are additional to any provisions governing or restricting the trading of securities set out in any agreement between ECE and a Key Person or any provisions in any future employee share plans introduced by ECE. Where a provision of an agreement between ECE and a Key Person conflicts with the provisions of these policies, the most restrictive provisions will prevail.

2. SCOPE

- 2.1 These policies extend to dealing in the securities of ECE by Key Persons of ECE, any "**associate**" or "**related party**" of any such Key Persons and any company, trust or other entity in which any Key Person has a relevant interest. Accordingly, references to dealings in securities by a Key Person in these trading policies apply equally to dealings by any associate or related

party of that Key Person and any company, trust or other entity in which any Key Persons have a relevant interest.

2.2 This Policies do not apply to the following trading:

- (a) Participation in, or purchases made on behalf of individuals under, any ECE sponsored security plan. ECE will ensure that purchases carried out under such plans are undertaken in accordance with those plans which may occur inside or outside of Closed Periods. However, any subsequent sale of ECE securities acquired under those plans by a Key Person is subject to these Policies;
- (b) Undertakings to accept, or the acceptance of, a takeover offer;
- (c) Off Market Transfers of ECE securities resulting in no change in beneficial interests in those securities (e.g. the transfer from one personal security holding to another);
- (d) Participation in, acceptance of, or trading under an offer or invitation made to all or most of the security holders, such as, a rights issue, a share purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the “**Board**”. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
- (e) A disposal of securities of ECE that is the result of a secured lender exercising their rights under a loan agreement;
- (f) Where a Key Person is a trustee, trading in the securities of ECE by that trust provided the Key Person 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 Key Person,
- (g) Trading under a non-discretionary trading plan or employee share plan of ECE for which prior written clearance has been provided in accordance with procedures set out in the trading policy and where:
 - (i) the Key Person did not enter into the plan or amend the plan during a Prohibited Period; and
 - (ii) the trading plan does not permit the Key Person to exercise any influence or discretion over how, when or whether to trade.

3. **INSIDER TRADING**

3.1 The Corporations Act prohibits insider trading and imposes substantial penalties for breaching this prohibition. It is therefore important for Key Persons to understand what constitutes insider trading and the types of conduct which are prohibited.

3.2 A person engages in insider trading if that person deals in securities of a relevant entity while possessing information that:

- (a) is not “**generally available**”; and
- (b) if it were available, may have a material effect on the price or value of the relevant entity’s securities, 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 or value of the entity’s securities.

3.3 Information is considered 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. This type of information is commonly referred to as “**price sensitive information**”.

3.4 The prohibition against insider trading applies to:

- (a) direct trading in ECE’s securities;
- (b) procuring another person to trade in ECE’s securities; or
- (c) communicating price sensitive information to another person who is likely to trade in ECE’s securities.

3.5 Insider trading is a criminal offence, punishable by substantial fines and/or imprisonment. ECE may in certain circumstances also be liable if a Key Person or their associates engages in insider trading. Insider trading may also attract civil liability, including liability to pay compensation to those who suffer loss or damage as a result of the insider trading.

4. CLOSED PERIODS

4.1 Key Persons must not, except in exceptional circumstances or with the prior approval of the Chairman, deal in ECE securities during the following periods:

- (a) during the period commencing six weeks prior and ending 24 hours after the release of:
 - (i) the announcement to the ASX of ECE’s half-yearly results;
 - (ii) the announcement to the ASX of ECE’s full year results; and
 - (iii) any other period determined by the Board from time to time.
- (b) Notwithstanding the above, no dealing will be permitted at any time if that Key Person possesses (or is deemed to possess) any price sensitive information which is not generally available.

5. PROHIBITED DEALINGS

5.1 A Key Person must not buy and sell ECE’s securities on a short term basis (that is, within a three month period) except in exceptional circumstances and provided prior approval is sought and granted (Section 9).

5.2 A Key Person must not obtain margin loans using ECE securities (either solely or as part of a portfolio) as security for loans without prior approval being sought and granted.

6. PRE-DEALING CHECKLIST – TRADING OUTSIDE CLOSED PERIODS

6.1 For all periods during which dealing is permitted, the following procedure (Clause 6.2) must be complied with before any dealing is undertaken.

6.2 Is the Key Person aware of any information that is not generally available but, if the information was generally available, a reasonable person would expect to have a material effect on the price or value of securities of ECE?

- If NO - that Key Person may apply to the Company Secretary in writing, on behalf of the “**Designated Officer**” for permission to deal in ECE’s securities.
- If YES - has the information been disclosed to the ASX?

- If YES - that Key Person may apply to the Company Secretary in writing on behalf of the Designated Officer for permission to deal in ECE's securities.
- If NO - that Key Person may not deal in ECE's securities.

7. PRE-DEALING PROCEDURE – TRADING OUTSIDE CLOSED PERIODS

- 7.1 For all periods during which dealing is permitted, Key Persons must seek written approval of the Chairman (or in his absence the Managing Director) of ECE (obtained via the Company Secretary using the application form set out in **Schedule 1**), or if the proposed dealing is by the Chairman, with the prior written approval of the Board of ECE.
- 7.2 No dealing may be undertaken before the Key Person receives the written approval of the Company Secretary, signed for and on behalf of the Chairman or a designated officer of the Board.
- 7.3 The dealing must be completed within 30 days from the date that the Key Person receives written approval, provided such 30 days do not fall within any Closed Period or extension thereof, in which case it has to be disclosed and dealt with as per Section 9, and confirmation and details of such trading must be given to the Company Secretary.

8. DISCRETION TO PROHIBIT TRADING

- 8.1 In addition to the Closed Periods, the Board has the discretion to prohibit trading by any Key Person during any additional periods, which are imposed by the Board when it is considering matters which are subject to the exceptions to the continuous disclosure requirements set out in Listing Rule 3.1A (together with the Closed Periods, the "**Prohibited Period**").

9. DEALING DURING PROHIBITED PERIODS IN EXCEPTIONAL CIRCUMSTANCES

- 9.1 Key Persons may apply to the Chairman or Board for approval to trade during a Prohibited Period, provided that the "**Applicant**" is not in possession of price sensitive information.
- 9.2 The Chairman or Board may grant the Key Person written permission to deal in ECE's securities during a Prohibited Period if the Chairman is satisfied that the person's circumstances amount to exceptional circumstances due to:
- (a) the person suffering severe and unforeseen financial hardship;
 - (b) the person suffering severe and unforeseen health issues;
 - (c) the person being bound by a court order, enforceable undertaking or legal obligation or other legal or regulatory requirement to transfer or sell securities of ECE; or
 - (d) the person's circumstances being otherwise exceptional and the proposed dealing is the only reasonable course of action available.
- 9.3 An application under Clause 9.1 must be completed in a form as required by the Board from time to time and submitted to the Company Secretary, who shall forward the application to the Chairman or Board. If approval is granted by the Chairman or Board, the Company Secretary will provide the written approval to the applicant.
- 9.4 The dealing must be completed within 30 days from the date that the Key Person receives written approval, and confirmation and details of such trading must be given to the Company Secretary.

10. DEALING BY OTHERS

- 10.1 If a Key Person is prohibited from dealing in ECE's securities, that Key Person must (so far as is consistent with his or her duties of confidentiality to ECE) prohibit any dealing in ECE's securities by any associate or related party of that Key Person.

11. SECURITIES IN OTHER COMPANIES

- 11.1 Insider trading also applies to dealings in securities of another company if a Key Person possesses price sensitive information in relation to that other company.

12. FURTHER ASSISTANCE

- 12.1 Any Key Person who is unsure of the nature of the information that they have in their possession and whether they may deal in ECE's securities, should contact the Chairman or the Company Secretary.
- 12.2 The Company Secretary will be responsible for the distribution of these policies to Key Persons initially, on commencement of their employment and whenever there are changes made to the policies.

13. DEFINITIONS

"Applicant" means a Key Person applying to deal securities during a Prohibited Period in accordance with Clause 9.1.

"Associate" includes:

- (a) a related body corporate; and
- (b) a Director or Secretary of a related body corporate.

"ASX" means the Australian Securities Exchange.

"Board" means the board of directors of E-Com Multi Limited.

"Closed Period" has the meaning given to that term in Clause 4.1.

"Dealing" includes:

- (a) any application for acquisition or disposal of any securities;
- (b) entering into an agreement to apply for, acquire or dispose of any securities; and
- (c) the grant, acceptance, acquisition, disposal, exercise or discharge of any option or other right or obligation to acquire or dispose of securities.

"Designated Officer" means:

- (a) in the case that the Chairman is applying to deal in securities, the Board; or
- (b) in the case of all other Key Persons, the Chairman or in his absence the Managing Director and in his absence the Company Secretary.

"Generally Available", in relation to information, means any such information which:

- (a) is readily observable;

- (b) has been made known in a manner which is likely to bring it to the attention of persons who commonly invest in securities provided that a reasonable period for that information to be disseminated has elapsed since it was made known; or
- (c) consists of deductions, conclusions or inferences made or drawn from information falling under either paragraphs (a) or (b) above.

“Key Persons” (singular use **“Key Person”**) means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly, including, without limitation, directors of ECE and the members of ECE’s senior management team and external persons who have influence over the Company’s operations or have access to sensitive Company information.

“Prohibited Period” has the meaning given to that term in Clause 8.1.

“Related Party” includes:

- (a) a spouse or de facto spouse of a Key Person;
- (b) a parent, son or daughter of a Key Person;
- (c) an entity over which a person referred to above has control; or
- (d) two or more persons referred to above together have control.

“Securities” includes:

- (a) ordinary shares;
- (b) preference shares;
- (c) options; and
- (d) Convertible Notes