



OAKS HOTELS & RESORTS

28 January 2011

The Manager
Company Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

Amended Securities Trading Policy

The Board of Oaks Hotels & Resorts Limited (**Oaks**) has amended clause 9 of Oaks' Securities Trading Policy.

In accordance with ASX Listing Rule 12.10, attached is a copy of the amended Securities Trading Policy for release to the market.

For, and on behalf of the Board,

Jennie Yuen
Company Secretary





Oaks Hotels & Resorts Limited Securities Trading Policy

1. Introduction

This document sets out Oaks Hotels & Resorts Limited (**Oaks**) policy on Dealing in Securities by its Employees.

2. Definitions

Dealing in Securities includes but is not limited to buying, selling and transferring Securities and trading in financial products issued or created over or in respect of Securities.

Employees means all executive and non-executive directors, Senior Executives, officers, employees, contractors and consultants of Oaks and its subsidiaries from time to time.

Price Sensitive Information means information which is not generally available and which, if it was generally available, a reasonable person would expect to have a material effect on the price or value of Securities. (Information relating to Oaks 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.)

Securities means shares, options or other securities issued by a company, or issued or created over the company's securities by third parties (including structured financial products, swaps, futures contracts, contracts for differences, spread bets, options, warrants, depositary receipts or other derivatives over or related to the performance of shares).

Senior Executives means the direct reports to the Chief Executive Officer and those persons' direct reports, and persons who fall within the definition of 'key management personnel' as that term is defined in Accounting Standard AASB 124 Related Party Disclosure.

3. Purpose

The purpose of this policy is to regulate Dealings in Securities by Employees while they are in possession of Price Sensitive Information.

Determining what is Price Sensitive Information is subjective. Price Sensitive Information would, as an indication, most likely include (but not be restricted to) the following types of information:

- material (more than 5%) changes in Oaks' 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 Oaks' business plans, investment proposals or asset purchases or sales;
- regulatory decisions or industrial actions that may affect Oaks' operations;
- the threat, commencement or settlement of any material litigation or claim;

- an agreement between Oaks (or a related party or subsidiary) and a Director (or related party of the Director);
- a change in accounting policy adopted by Oaks;
- a proposal to change Oaks' auditors; and
- the health or capacity of any Director.

Oaks' policy extends beyond the strict requirements of the Corporations Act because even the perception of an insider trading event can erode market confidence and detract from the reputation of Oaks and its Directors.

4. Scope of Policy

This policy applies to all Employees.

To the extent that it is within the Employee's power to do so, Employees should ensure that any trading in Oaks Securities which is prohibited by the policy is not undertaken by:

- their spouse, de-facto spouse or partner;
- their children under the age of 18 years;
- dependent children and parents living in the family home;
- companies, trusts and superannuation funds over which they or their family has influence or control (regardless of who is the beneficiary);
- estates of which they are a trustee or executor;
- a trust of which the Employee is a beneficiary (other than a trust over which the Employee exercises no control, i.e. a third person or entity exercises exclusive discretionary authority); and
- any other person over whom an Employee has investment control or influence.

5. What is the Policy

5.1 Prohibition on Insider Trading

The *Corporations Act 2001* contains provisions which prohibit a person who is in possession of Price Sensitive Information from:

- applying for, acquiring, disposing of or entering into an agreement to apply for, acquire or dispose of Securities;
- procuring another person to apply for, acquire, dispose of or enter into an agreement to apply for, acquire or dispose of Securities; or
- directly or indirectly communicating the Price Sensitive Information to another person when the person knows, or ought reasonably to know, that the other person would or would be likely to:
 - apply for, acquire, dispose of or enter into an agreement to apply for, acquire or dispose of Securities; or
 - procure another person to apply for, acquire, dispose of or enter into an agreement to apply for, acquire or dispose of Securities.

At all times, Employees are prohibited from trading Oaks Securities if they possess Price Sensitive Information about Oaks.

Insider trading is a criminal offence and in broad terms, a person will be guilty of insider trading if, while in possession of Price Sensitive Information about Oaks, they:

- buy or sell Oaks Securities;
- procure someone else to buy or sell Oaks Securities; or
- communicate that information to a third party where they know, or ought reasonably to know, that the third party would be likely to buy or sell Oaks Securities or procure someone else to buy or sell Oaks Securities.

5.2 **Trading Windows**

Senior Executives, the Company Secretary and Directors are routinely in possession of Price Sensitive Information. As such, they, any entity they control, their spouse, de-facto spouse, dependent children or parents, are prohibited from Dealing in Oaks Securities unless such trading occurs during a permitted "Trading Window", or unless clause 6 or clause 7 applies.

Provided that they are not in possession of any Price Sensitive Information about Oaks, Senior Executives, the Company Secretary and Directors may only Deal in Oaks Securities during the following Trading Windows:

- (a) For a period of up to 4 weeks after the release of the company's half-yearly and final results to the ASX, commencing on the second trading day after the release;
- (b) For a period of up to 4 weeks after the Annual General Meeting (AGM) has been held, commencing on the second trading day after the AGM;
- (c) At any other time that the Board declares trading to be permissible by general announcement to all Employees and the ASX.

Employees **in all circumstances** are prohibited from Dealing in Oaks Securities which:

- (a) amount to "short-selling" of Oaks Securities (or an interest in Oaks Securities);
- (b) operate to limit the economic risk of an Employee's holding of Oaks Securities (including options granted by Oaks, whether or not vested); or
- (c) otherwise enable an Employee to profit from or limit the economic risk of a decrease in the market price of Oaks Securities.

5.3 **Speculation**

Speculation in short term market fluctuations does not promote security holder and market confidence in the integrity of Oaks and its Employees. Employees must not deal in Oaks Securities for short term gain. Accordingly, trading in Oaks Securities within 6 months of acquisition is prohibited.

5.4 **Black Out Periods**

All periods outside of the trading windows are "Black Out Periods" during which Dealings in Oaks Securities by Senior Executives, the Company Secretary and Directors are prohibited unless prior written permission has been granted. Permission will ordinarily only be granted in exceptional circumstances (see clause 6).

Oaks may in its discretion and without prior notice nominate additional Closed Periods by general announcement. These may be required where disclosure documents are released offering Securities in Oaks, if Oaks is involved in corporate transactions which might have a material impact on the price of its Securities, or as a result of certain disclosures being lodged with the Australian Securities Exchange.

5.5 **Notice of Intention to Trade**

When permitted to trade in accordance with this policy, all Senior Executives wishing to Deal in Oaks Securities must give prior written notice (which can be by email) of any intention to trade to the Chief Executive Officer. In the case of a Director, prior written notice must be given to the Chairman, and in the case of the Chairman, prior written notice must be given to the non-executive directors.

The written notice must include a statement that they do not believe they are in possession of any Price Sensitive Information.

Senior Executives, the Company Secretary and Directors wishing to trade outside the permitted Trading Windows must obtain the written consent (which may be by email) of

the Chief Executive Officer and in the case of Directors, from the Chairman and in the case of the Chairman, from the majority of the Board.

5.6 Reporting of Completed Trades

Senior Executives and the Company Secretary must advise the Chief Executive Officer that the trade has occurred, within two days of the date of the trade.

When any Director completes a trade, they must advise the Company Secretary by email that the trade has occurred, within two days of the date of the trade.

6. Exceptional Circumstances

Senior Executives, the Company Secretary and Directors who are not in possession of Price Sensitive Information may be given prior written approval to sell or otherwise dispose of Oaks Securities outside the permitted Trading Windows 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 Oaks Securities;
- if there is a court order or court enforceable undertaking to transfer or sell Oaks 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 Oaks Securities is the only reasonable course of action.

When requesting prior written approval to sell or otherwise dispose of Oaks Securities outside the permitted Trading Windows, they must submit an application in writing (which can be by email) to the Chief Executive Officer generally through the Company Secretary, (or in the case of a request by a Director, to the Chairman, and in the case of a request by the Chairman, to the non-executive directors), including the reasons for requesting approval and confirming that they are not in possession of Price Sensitive Information.

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.

7. Excluded Trading

Trading that may occur outside the permitted Trading Windows and without approval under clause 6 are:

- transfers of Oaks Securities already held into a superannuation fund or other saving scheme in which the relevant person is a beneficiary;
- an investment in, or trading units of, a fund or other scheme (other than a scheme only investing in Oaks Securities) where the assets of the fund or scheme are invested at the discretion of a third party;
- where the person is a trustee, trading in Oaks Securities by that trust provided the relevant 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 relevant person;
- 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 person must only elect to participate in the **DRP** when

they are not in possession of Price Sensitive Information and may not change that election until they are again not in possession of Price Sensitive Information;

- 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 outside the permitted Trading Windows and where the person could not reasonably have been able to exercise at a time when free to do so; and
- 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 person did not enter into the plan or amend the plan outside the permitted Trading Windows; and
 - the trading plan does not permit the person to exercise any influence or discretion over how, when, or whether to trade.

8. Anti-hedging

Employees are not permitted to enter into transaction with Oaks 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 Oaks.

9. Security over Oaks Securities & Margin Lending

Employees are prohibited from entering into any agreement that provides lenders with rights over their interests in Oaks Securities (for example, margin lending agreements and agreements that provide Oaks Securities as security for financial facilities), other than with the prior written approval of the Chairman.

10. Breaches of this Policy

Breaches of this policy will be viewed seriously and may lead to disciplinary action being taken against the relevant Employee. In serious cases, such action may include immediate dismissal or termination of engagement. Any Employee who becomes aware of a violation of this policy should immediately report the violation to the Chief Executive Officer and the Company Secretary.

Oaks will notify the relevant regulatory and/or criminal authorities if it believes that insider trading or other breaches of law have been committed.

11. Questions

Any questions about the operation of this policy should be directed to the Company Secretary or if he/she is unavailable, to the Chief Executive Officer before Oaks Securities are bought or sold.

Document history

Date	Action	Purpose/Details
11 November 2005	Approved by the Board	Implementation of this policy for listing of Oaks on ASX on 3 January 2006.
7 December 2010	Draft amendments made by the Company Secretary (subject to Board approval)	To comply with ASX Listing Rule amendments (requirements for a trading policy) effective from 1 January 2010.
21 December 2010	Amendments approved by the Board	For release to ASX.
25 January 2011	Amendments to clause 9 approved by the Board	For release to ASX.