

31 January 2011

Company Announcements Office
Australian Securities Exchange
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sirs

POLICY ON TRADING IN EVEREST FINANCIAL GROUP'S (EFG) SHARES

The Board recently revised its Policy on trading in EFG's shares by Directors and Management to ensure that the Policy is compliant with the new Listing Rules that are in force from January 2011.

A copy of the revised Policy is attached and will also be posted on EFG's website.

Yours sincerely



Michael Sutherland
General Counsel & Company Secretary

POLICY ON TRADING EVEREST FINANCIAL GROUP SHARES

Background

The board has adopted the following revised Policy in relation to the buying, selling and dealing (**trading**) of Everest Financial Group (**EFG** or **Company**) shares (**Policy**). The increased focus on corporate governance, business ethics and recent changes to ASX Listing Rules have resulted in the need to issue a revised policy to meet the Corporations Act and the Listing Rules of the Australian Securities Exchange.

Application

The Policy applies to EFG's Directors and Management who are likely to receive price sensitive non-public information in the course of their positions of employment.

Failure to comply with the Policy will be regarded as a breach of the EFG Code of Conduct, with the appropriate disciplinary action applying as detailed in the Code.

1. Restrictions on Dealing in Securities

1.1 General Prohibition on Insider Trading

Insider Trading is prohibited under the Corporations Act. Essentially insider trading involves trading in securities by a person who has information about those securities which is not generally available but which, if it was generally available, would be likely to have a material effect on the price or value of the securities.

What constitutes "Information" is widely defined by the Corporations Act and includes matters of supposition and other matters that are insufficiently definite to warrant being made known to the public and matters relating to the intentions, or likely intentions, of a person.

If a person has price sensitive inside information the person is prohibited by law from buying, selling or trading in the Company's securities until after the relevant information has become available to persons who ordinarily invest in securities.

Not only must persons who possess such inside information not trade in the Company's securities until that information becomes generally available, but they must not pass on or communicate that information to other persons, including family members and friends. If they do then the person who passes on the information and the person who uses it in share trading both commit offences under the Corporations Act.

1.2 No Speculative Trading

Under no circumstances should Directors or Management engage in short-term or speculative trading in EFG shares. To avoid short-term or speculative trading, at the time of purchase the person should not intend to resell the shares within 6 months with the aim of realising a capital gain.

The prohibition of short-term or speculative trading includes direct dealings in EFG shares and transactions in the derivative markets involving exchange traded options, share warrants and similar instruments.

The entering into of all types of “protection arrangements” for any EFG shares that are held directly or indirectly by Directors or Management (including both in respect of vested and unvested shares in any employee share plan) are prohibited at any time, irrespective of whether such protection arrangements are entered into during trading windows or otherwise.

For the avoidance of doubt and without limiting the generality of the Policy, entering into protection arrangements includes entering into transactions which:

- a. amount to “short selling” of shares beyond the Director’s or Manager’s holding of shares;
- b. operate to limit the economic risk of any Director’s or Manager’s shareholding; or
- c. otherwise enable a Director or Manager to profit from a decrease in the market price of shares

1.3 Blackout Period

Relevant persons **must not** deal in the Company’s securities during any of the following blackout periods:

- a. the period from the close of trading on 31 December each year until the trading day following the announcements to ASX of the Company’s preliminary final statement of full year results (usually in the third week of February);
- b. the period from the close of trading on 30 June each year until the trading day following the announcement of the Company’s half-yearly results (usually in the third week of August); and
- c. any other period that the Company specifies from time to time.

Exceptional Circumstances

It is recognised that individual circumstances may require a person to dispose of shares outside the specified periods. In exceptional circumstances, and subject always to compliance with the law, Directors and Management are required to seek the prior written approval of the relevant Designated Authorising Officer.

Designated Authorising Officers

- i. **General Counsel:** Management are required to obtain the written approval of the General Counsel who may approve the transaction or, in certain circumstances, will seek approval from the Chairman of the Board.
- ii. **Chairman of the Board:** Directors must obtain the written approval of the Chairman of the Board, who will subsequently notify approvals to the Board.
- iii. **Chairman of the Audit & Risk Committee:** In the case of the Chairman of the Board, he or she must obtain the written approval of the Chairman of the Audit & Risk Committee, who will subsequently notify approvals to the Board.

Exceptional circumstances will be assessed on a case by case basis, and may include –

- a) severe financial hardship where the person has a pressing financial commitment that cannot reasonably be satisfied otherwise than by selling the relevant securities
- b) a requirement by a court order or court enforceable undertaking, for example a bona fide family settlement

2. Permitted Dealings

Where paragraph 1 does not apply, Relevant Persons may deal in the Company's securities subject to the clearance requirements that apply to Directors and Management as set out below.

The restriction in sub-paragraph 1.1 applies to all dealings in the Group's securities despite any clearance granted to a Relevant Person by the Company and the Relevant Person is responsible for ensuring that the dealing does not breach this restriction.

2.1 Clearance to trade

During any period that is not a blackout period, Directors and Management must inform the Company Secretariat and receive prior written clearance for any proposed dealing in the Company's securities.

2.2 Dealing must occur within 5 business days of clearance

Directors and Management must undertake the proposed dealing within 5 business days of the clearance being granted or such other period specified in the notice of clearance. If the dealing is not undertaken within this time, the notification or clearance will no longer have effect and a new notification or clearance will be required before the proposed dealing may be undertaken by the Director or Management.

2.3 Clearance may be withdrawn or the duration may change

Despite any period of clearance specified in a noticed of clearance granted to a Director or Management, the Delegated Authorising Officer may notify the Director or Management that the clearance has been withdrawn or the period for which clearance is granted is shortened or lengthened.

3. Margin Lending Arrangements

- a. Any dealing in the Company's securities by Relevant Persons pursuant to a margin lending arrangement must be conducted in accordance with this Policy (including not being conducted during a blackout period). Such dealings would include:
 - (i) Entering into a margin lending arrangement in respect to the Company's securities;
 - (ii) Transferring securities in the Company into an existing margin loan account; and
 - (iii) Selling securities in the Company to satisfy a call pursuant to a margin call.
- b. Directors and Management are prohibited from entering into any dealing in the Company's securities in connection with a margin lending arrangement, unless they obtain prior clearance with the procedure set out in paragraph 2.
- c. The Company may, at its discretion, grant clearance in accordance with paragraph 3(a). Any clearance granted will be conditional upon such terms and conditions as the Company sees fit (for example, with regard to the circumstances in which the Company's securities may be sold to satisfy a margin call).

4. Trading Excluded from this Policy

This policy does not preclude Directors or Management from –

- i. receiving shares under any Employee Share Plan or through the exercise of options under the Option Plan. However, any dealing in those shares remains subject to the Policy and the provisions of the Corporations Act;

- ii. trading shares where the trading results in no change in beneficial interest in the securities; or
- iii. transferring securities already held into a self-managed superannuation fund in which the restricted person is a beneficiary

Directors and Management are required to advise the relevant Designated Authorising Officer of a transaction of the kind referred to in paragraph (iii) above.

5. Disclosure of changes in EFG Directors' Interest

Directors and EFG have an obligation to notify the ASX of any change in a Director's notifiable interests, which includes trading in EFG shares.

In order to comply with this requirement, Directors are required to notify the ASX in accordance with the ASX Listing Rules. The Directors must notify the General Counsel/Company Secretary immediately of details of trading in EFG shares, including trading which is excluded from this Policy.

January 2011