



Topic: **Share Trading**  
Date: June 2007  
Applies to: All directors, officers and employees

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**What is the purpose of this policy statement?**

The purpose of this document is to describe to all employees API's policy regarding Share Trading and to provide guidance in how to apply the policy.

This policy is important in that it:

- describes the legal restrictions that apply to all API employees under the Corporations Act 2001 (Cth). It is illegal for a person to trade shares, or arrange for another person to trade shares for them, when they possess non-public price sensitive information; and
  - puts in place procedures to protect API's reputation, by restricting the times when API directors and employees can trade API shares. People external to API can trust that API directors and employees are not misusing price sensitive information to trade in API shares.
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Directors and employees of API may, and in many cases do, own securities (shares) of API.

Directors and employees of API must advise the Company Secretary, or in their absence the Chief Financial Officer, of their intention to trade API shares prior to any transaction. Directors and employees must not trade until the Company Secretary has given written approval. This will help to ensure that Directors and employees are protected from trading API shares at times when they (or others within API) may be in possession of non-public price sensitive information.

**Trading windows**

At all times the above policy applies, however as a matter of practice the following periods will generally be the most appropriate times for Directors, officers and employees of API to deal in API securities:

- in the period of fourteen days after the annual general meeting;
- in the period of 60 days following the issue of the annual and half-yearly results; and
- following the release of a prospectus by API relating to the issue of shares in API for a period of 60 days.

Directors & Executives should also be mindful of the foregoing provisions when considering dealing in the securities of listed associated companies of API and securities of other companies with which API may have potential or existing relationships. Security dealings of this nature may give rise to a need for a declaration of interest by the Director or Executive concerned.

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It is desirable that all API Directors and employees also have regard to the above in the case of dealings in API securities by their private companies, personal superannuation funds or by members of their immediate family, in order to avoid any inference of “tipping”. Again, if a Director or employee is in doubt regarding a particular dealing in API securities by a person connected with the Director or employee then contact must be made with the Company Secretary, in advance of the proposed transaction.

**Post trading notifications**

If you are a Director or Executive and you have been granted approval to trade in API shares, you must notify the Company Secretary within 5 business days of the outcome of your trading.

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**Summary of the General Prohibition**

The Australian Corporations Act prohibits persons in possession of inside information from participating in certain activities in relation to shares.

The prohibition in the Australian Corporations Act applies to an “insider”. An “insider” is a person who:

- 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 securities of the body corporate; and
- knows, or ought reasonably to know, that:
- the information is not generally available; and
- if it were generally available it might have a material effect on the price or value of those securities.

Information has a “material effect” on the price or value of securities of a body corporate if a person would expect that information to, or to be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell the securities.

Information is “generally available” if it has been made known in a manner that would, or would be likely to, bring to the attention of person’s who commonly invest in securities of bodies of a kind whose price or value might be affected by the information and a reasonable time for it to be disseminated amongst such persons has elapsed since it was made known.

Insiders are prohibited from two activities:

- subscribing for, selling or purchasing securities, or procuring someone else to do so; and
- where the securities are listed on a stock market (e.g. ASX) – tipping (that is passing on price sensitive information to another where the insider knows, or ought reasonable to know that the other person would, or would be likely to either deal in securities or to procure a third person to do so).

Penalties for breach of the prohibition include fines, imprisonment and civil liability.

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**Relevant Exceptions**

Under the Australian Corporations Act, there are some exceptions to the insider trading prohibition. The application of these exceptions can be complex and you should contact the Company Secretary if you would like to find out more information.

However, it is prudent to remember the general prohibition: that you cannot buy or sell shares if you possess inside information.

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**Defence to prosecution under Australian Corporations Act**

There is a defence if the other party to the relevant transaction or agreement knew, or ought reasonably to have known, of the information before entering into the transaction or agreement and that information is of the same quality as the information known to the insider.

The defence would enable for instance, a Director or employee to transfer shares already owned by them in API to a private family company or a private superannuation fund controlled by them.

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**Other restrictions**

In addition to the restrictions set out above, API directors and employees are prohibited from entering into financial products (such as hedges or derivatives) which have the effect of reducing or eliminating the risk associated with any equity incentives that API may offer from time to time.

For example, a person may be granted an equity incentive award that vests at a time in the future subject to achieving certain performance goals. Certain financial institutions offer products which act as an insurance policy if the performance goals are not met, thereby reducing the "at-risk" element of the person's incentive arrangements. Such arrangements are prohibited by this policy.

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**Further information**

If you would like any further information or have a question concerning the application of the insider trading laws or this policy, you should contact the Company Secretary. The Company Secretary can be contacted by calling 02 8844 2000.

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