

15 December 2010

Company Announcements Office
Australian Securities Exchange Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

Emeco Holdings Limited (the Company) (ASX:EHL) Share Trading Policy

Attached is the Company's Share Trading Policy, lodged in compliance with ASX Listing Rule 12.9, which comes into effect on 1 January 2011.

Sincerely



Michael Kirkpatrick
Company Secretary
Enc



Share Trading Policy

Emeco Holdings Limited

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1 Reasons for having a policy

- 1.1 Emeco Holdings Limited (**Company**) has adopted this Share Trading Policy (**Policy**) for the purposes of:
- (a) ensuring the Company meets the best practices established by the Australian Stock Exchange Corporate Governance Council;
 - (b) maintaining investor confidence in the integrity of the Company's internal controls and procedures; and
 - (c) providing guidance on avoiding any breach of the insider trading laws.
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2 The trading window policy

Who does this Policy apply to?

- 2.1 This Policy applies to all executive and non-executive directors, officers, employees, consultants, advisors and contractors (collectively, **Employees**) of the Company and its subsidiaries.
- 2.2 This Policy applies to all shares, options, debentures, bonds, notes and other traded securities in the Company (**Securities**) in which an Employee has either a direct or indirect interest (for example, under a trust or which are held by a company that the Employee controls).

Trading prohibited except during window

- 2.3 Employees are prohibited from trading in Securities, except during a trading window of 6 weeks as notified by the Company Secretary following the public release by the Company to the ASX of:
- (a) preliminary full year results;
 - (b) its Annual Report;
 - (c) half year results;
 - (d) a prospectus (such as for a rights issue); or
 - (e) the Managing Director's address to the Company's annual general meeting.
- 2.4 Employees are also prohibited from procuring others to deal in Securities when the Employee is precluded from trading.
- 2.5 A trading window will not automatically be opened at the times described above. The Company Secretary will notify Employees by email when a trading window is opened and closed. Further, the Company may declare a trading window closed at any time in its absolute discretion and without prior notice to Employees.
- 2.6 During the trading window, the laws prohibiting insider trading continue to apply to Employees. Refer to Section 3 of this Policy for further details.

Notification of trading during the trading window

- 2.7 **Directors** are required to notify the Chairman in writing (which can be by email) in advance of their intention to buy or sell Securities. In addition, any changes in a director's direct or indirect interest

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in Securities must be immediately reported to the Company Secretary so that appropriate disclosure can be submitted to the ASX within five (5) business days.

- 2.8 **Other Employees** must notify the Company Secretary in advance of an intention to buy or sell Securities during a trading window.

Exceptions

- 2.9 The prohibition against trading outside of the permitted trading window does not apply in the following circumstances:
- (a) if the Employee can satisfy the Chairman that there are exceptional circumstances, such as financial hardship;
 - (b) dealings in a managed securities portfolio where the Employee is not in a position to influence choices in the portfolio; or
 - (c) dealings under a dividend reinvestment plan where the Employee has given ongoing instructions to reinvest dividends.

3 Insider trading laws

- 3.1 Under the *Corporations Act 2001* (Cth), inside information is any information which is both **price sensitive** and **not generally available**.
- 3.2 Even if the trading window is open, an Employee may be in possession of price sensitive non-public information. In that case, insider trading laws would still prohibit the Employee from buying or selling Securities during the trading window.

What is inside information?

- 3.3 Information does not have to originate within the Company to be inside information, so long as it affects or would (if made public) affect the Company or the Company's share price.
- 3.4 Information is **price sensitive** if it would have a material effect on the price or value of Securities. Information will also be price sensitive if it is likely to influence people who follow the market in deciding whether to deal in Securities.
- 3.5 Examples of price sensitive information include:
- (a) the Company considering making a major acquisition;
 - (b) a significant business development;
 - (c) a proposed new share issue;
 - (d) a proposed change in dividend policy; and
 - (e) a major change in senior management.
- 3.6 Information is not **generally available** until it has been released to the market with enough time to circulate among investors. In most cases, price sensitive information is not generally available until it has been formally released by the ASX.

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What are the consequences of insider trading?

- 3.7 Criminal penalties may be imposed for a breach of the insider trading prohibitions, including a fine of up to \$220,000 and a jail term of up to five years for an individual.
- 3.8 Further, an insider trader and any other persons involved in the contravention may also be held liable to compensate third parties for any resulting loss.

4 Takeovers and schemes of arrangement

- 4.1 The restrictions in this Policy do not prevent an Employee from accepting a takeover bid or from selling Securities under a scheme of arrangement in respect of the Company.

5 Prohibition on directors' margin loans

- 5.1 Directors must not fund the purchase of Securities with margin loans or otherwise enter into any arrangement pursuant to which they grant a security interest over their Securities which could result in the disposal of their Securities without their consent.

6 Derivatives

- 6.1 Emeco directors and all other senior officers must not enter into a transaction that is intended to hedge the officer's exposure to Securities which have been issued to the officer as part of the officer's remuneration by the Company or its subsidiaries.

7 Review of policy

- 7.1 This Policy will be reviewed regularly by the board of directors of the Company having regard to the changing circumstances of the Company and any changes to this Policy will be notified to Employees in writing. If Employees have any comments or views concerning the operation or effectiveness of this Policy, they should also be communicated to the Company Secretary.

8 Breaches

- 8.1 It is incumbent upon all Employees to comply with this Policy and uphold the law. It is not only important that the Company and its Employees do not participate in any insider trading activities, but also avoid any appearance of insider trading.
- 8.2 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 dismissal. In some circumstances, the Company may be obliged to notify regulatory and/or criminal authorities of a serious breach of this Policy. Any Employee who becomes aware of a violation of this Policy should immediately report the violation to the Company Secretary.

9 Questions

- 9.1 For questions about the operation of this Policy, please contact the Company Secretary.

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10 Previous Policy

- 10.1 This Policy replaces all previous policies in relation to the matters contained in this Policy, including the notes trading policy adopted by Emeco Limited on and from the date this Policy is adopted by the Board.

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