

**TASSAL GROUP LIMITED**

ABN 15 106 067 270

**Securities Trading Policy**

**Rules for buying or selling of securities**

**Approved by the Board 17 December 2009**

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## 1 Introduction and Purpose

The purpose of this policy is to:

- establish a best practice procedure relating to buying and selling Tassal Securities that provides protection to the Company and to Restricted Persons to ensure that they do not abuse, and do not place themselves under suspicion of abusing, Inside Information that they have or may be thought to have, especially in periods leading up to an announcement of Tassal's results; and
- explain the type of conduct that is prohibited under the Corporations Act.

This policy:

- includes a brief summary of the laws that govern dealings in Tassal's Securities when Restricted Persons have Inside Information about the Company (called insider trading);
- gives guidance to Restricted Persons who may contemplate dealing in the Company's Securities; and
- states the Company's position on Restricted Persons dealing in securities of other companies where they are in possession of Inside Information because of their position in Tassal.

Failure to comply with these Rules will subject a Restricted Person to internal disciplinary procedures (Designated Tassal Employees only) and could lead to civil or criminal investigation or penalties.

Accordingly, if you do not understand the Policy, or if you are not sure whether the law applies to you, please contact the Company Secretary. You may also wish to seek your own professional legal advice prior to buying or selling Tassal Securities.

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## 2 Definitions

In this policy the following definitions apply:

- a) **"ASX"** means Australian Securities Exchange.
- b) **"Black-out Period"** means:
  - From midnight, 31 December until midday Hobart Local Time (HLT) on the next ASX trading day after the day on which Tassal's half-year results are released to ASX; and
  - From midnight, 30 June until midday HLT on the next ASX trading day after the day on which Tassal's full year results are released to ASX.

- c) **"Clearance Officer"** means the Company Secretary or,
- in the case where the Company Secretary wishes to deal in Tassal Securities in accordance with this Policy, the Chairman of the Board; or
  - if neither are available, another Director or officer of Tassal as nominated for the purpose of providing clearance to deal in Tassal securities.
- d) **"Company"** means Tassal Group Limited or Tassal.
- e) **"Director"** means a director of Tassal Group Limited.
- f) **"DRP"** means the Company's dividend reinvestment plan.
- g) **"Derivatives"** has the meaning given in s761D of the Corporations Act and includes options, forward contracts, futures, warrants, swaps, caps and collars.
- h) Information is **"Generally Available"** if it:
- consists of a readily observable matter; or
  - has been made known in a manner likely to bring it to the attention of investors in securities of corporations of that kind and a reasonable period for dissemination of that information has elapsed. That is, it has been released to the ASX, published in an Annual Report or prospectus or otherwise been made Generally Available to the investing public and a reasonable period of time has elapsed after the information has been disseminated in one of these ways; or
  - it may be deduced, inferred or concluded from the above.
- i) **"Immediate Family Members"** means a family member of a Restricted Person who may be expected to influence, or be influenced by, the Restricted Person in his or her dealings with Tassal Securities. An Immediate Family Member may include:
- the Restricted Person's partner; and
  - dependants of the Restricted Person or the Restricted Person's partner.
- j) **"Inside Information"** means information which is:
- not Generally Available; and
  - if it were Generally Available, a reasonable person would expect it to have a Material Effect on the price or value of the relevant securities.
- k) Information is considered by the Corporations Act to be likely 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. (see clause 8.2)
- l) **"Procure a Trade"** in relation to Securities means:

- procuring, encouraging inciting or inducing any other person to deal in those securities; or
- directly or indirectly communicating the information to another person who you believe is likely to deal in, or procure another to deal in, those securities.

m) **“Restricted Person”** means:

- Tassal Directors;
- Designated Tassal Employees:
  - Chief Executive Officer (“CEO”)
  - Company Secretary
  - All members of Tassal Executive
  - All direct reports to members of Tassal Executive
  - All Tassal employees employed or engaged in the Information Services Centre (Administration and Finance) Department
  - All Tassal employees employed or engaged in the Information Technology Department
  - Any other Tassal employee(s) designated as a Restricted Person by the Company Secretary from time to time for the purposes of this Policy;
- All Immediate Family Members of Tassal Directors and Designated Tassal Employees. (Refer clause 8.3);

and companies, trusts and entities controlled by any of the above.

n) **“Securities”** means:

- ordinary shares listed on ASX;
- preference shares\*;
- derivatives;
- performance rights issued under the Company’s Long Term Incentive Plan, which are not listed on ASX;
- options\*;
- and other financial products covered by s1042A of the Corporations Act.

(\* Not on issue currently but will be captured by this Policy should the Company issue these types of securities).

o) **“Tassal”** means Tassal Group Limited or Company.

p) **“Trade”** in relation to Securities, means to:

- buy or sell;
- subscribe for (e.g. in a float)
- enter into an agreement to subscribe for, buy or sell, or
- create a derivative over those Securities

or agree to do so.

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### 3 Who Does this Policy Apply to?

This policy applies to all Restricted Persons.

Tassal will advise employees whether or not he or she is a Designated Tassal Employee for purposes of this Policy.

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### 4 Dealing in Tassal Securities

#### 4.1 You can deal in Tassal Securities provided you are **not in possession of Inside Information**

Restricted Persons are able to deal in Tassal Securities provided they are not in possession of Inside Information.

Under the Corporations Act, a person is prohibited from dealing in *securities* where:

- the person possesses information which is not Generally Available; and
- that information may have a Material Effect on the price of Tassal shares; and
- 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 share price.

Every Restricted Person is expected to and required to comply with the laws on insider trading.

Restricted Persons should note that they also have obligations with respect to ongoing compliance with the Insider Trading Prohibition laws after they have ceased to be an employee or Director of the Company.

Breach of the law can have serious consequences including:

- criminal prosecution – penalties include heavy fines and imprisonment;
- civil liability – you can be sued by another party or Tassal for any loss suffered as a result of illegal trading activities.

Breach of the law or of this policy will also be regarded by Tassal as serious misconduct which may lead to disciplinary action including Designated Tassal Employee's dismissal.

**4.2 You can deal in Tassal Securities provided Tassal is not in a “Black-out Period”**

Provided they are not in possession of Inside Information, Restricted Persons are able to deal in Tassal Securities outside of Black-out Periods.

**In addition to** the specific Insider Trading prohibition set out in clause 4.1, there are certain times (Black-out Periods) during the year, given the proximity to the release of Tassal’s half-year and full-year financial reporting results, that no Restricted Person should trade, or procure to trade, Tassal Securities, irrespective of whether or not they are in possession of Inside Information.

**4.3 Short-term dealing is not permitted**

Restricted Persons may not deal in Tassal Securities on a short-term basis.

Speculating in short-term fluctuations in Tassal’s Securities does not promote shareholder and market confidence in the integrity of Tassal or its employees.

Accordingly, selling Tassal Securities within 12 months of purchase is prohibited.

This does not restrict the vesting of Performance Rights and the sale of underlying Tassal shares within the same 12-month period. This also does not restrict the sale of Tassal shares at the end of a restriction period.

**4.4 Hedging is not permitted**

A Restricted Person must not engage in hedging instruments, deal in Derivatives or enter into arrangements which limit the economic risk related to Tassal Securities (including, for example, the use of put and call options, contracts for difference and other contracts intended to secure a profit or avoid a loss based on fluctuations in the price of Tassal Securities).

This prohibition includes, without exception, engaging in hedging or other arrangements which limit the economic risk in connection with unvested Securities issued pursuant to any Employee Long Term Incentive Plan or Security Plan.

**4.5 Participation in Tassal Employee Long Term Incentive Plan or other Security Plans**

The Black-out Periods do not restrict participation in the Tassal Employee Long Term Incentive Plan or other Security Plans, but do apply in respect of any subsequent trading of Tassal Securities to which Restricted Persons become entitled to under those plans.

Performance rights should only be exercised outside of Black-out periods.

Any sale of Tassal Securities issued pursuant to the vesting of Performance Rights must only occur in compliance with clause 4 of this Policy.

**4.6 Participation in the Company’s Dividend Reinvestment Plan (“DRP”)**

A Restricted Person must only elect to participate in the DRP when they are not in possession of Inside Information.

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## 5 What to do When You Propose to Deal in Securities

### 5.1 Pre-dealing Notification of Intent to Trade and No Objection Notice

**Provided they are not in possession of price sensitive information;**

**When outside of Black-out Periods;**

and

**BEFORE**

any Restricted Person deals in Tassal Securities they must, in order to deal:

- complete a Notification of Intent to Trade \*;
- lodge the Notification of Intent to Trade with the Clearance Officer; and
- receive a No Objection Notice dated and signed by the Clearance Officer.

\* A form for this purpose is available from the Company Secretary and is attached as an appendix (Form A) to this Policy.

The Notification of Intent to Trade is a confirmation from that Restricted Person that he or she does not possess any Inside Information, and states that the proposed purchase or disposal of Tassal Securities is not as a result of access to, or the receipt of, price-sensitive information or in contravention of this Policy.

Restricted Persons should also submit a Notification of Intent to Trade if they are aware that an Immediate Family Member, or a trust or entity controlled by them proposes to deal in Tassal Securities. They should also take all reasonable steps to prevent the deal occurring unless the Notification of Intent to Trade has been accepted by Tassal.

Receipt or acknowledgement of the Notification of Intent to Trade by Tassal (via the provision of a No Objection Notice signed by the Clearance Officer) is intended as a compliance monitoring function only, and is not an endorsement of the proposed transaction – individuals remain responsible for their own investment decisions and their compliance with the Law.

A response to a Notification of Intent to Trade (effected via the Clearance Officer completing the "No Objection / Objection" section of the Notification of Intent to Trade form) must be given to the relevant Restricted Person within two business days of the request being made.

The Company Secretary maintains a record of the response to any Notification of Intent to Trade forms lodged by Restricted Persons.



A Notification of Intent to Trade is not required in respect of the acquisition of new Tassal Securities by Restricted Persons by virtue of the routine operation of the DRP.

## 5.2 Circumstances for refusal

A Restricted Person must not be given clearance to deal in any Tassal Securities:

- during any period when there exist any matter which constitutes Inside Information in relation to Tassal (refer clause 4.1);
- any Black-out period (refer clause 4.2);
- on considerations of a short-term nature (refer clause 4.3)
- during any period where the Clearance Officer has reason to believe that the proposed dealing is in breach of this Policy.

Since clearance may be withheld by reason of Inside Information not known to the Restricted Person personally, reasons for refusal of clearance may not be given.

## 5.3 Notification of dealing

A Restricted Person who is given clearance to deal in accordance with clause 5.1 must:

- deal as soon as possible and in any event within five business days of clearance being received; and
- submit a "Notification of Dealing \*" form to the Clearance Officer as soon as the transaction has taken place and no later than two days after the transaction has taken place.

\* A form for this purpose is available from the Company Secretary and is attached as an appendix (Form B) to this Policy.

A Restricted Person must also notify the Clearance Officer if the proposed trading referred to above does not occur.

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## 6 Dealing in Securities in Other Companies

As a result of the job you perform for, or your association with Tassal you may obtain price-sensitive information relating to other companies which is not Generally Available.

For example, you may obtain information relating to:

- a major customer or supplier contract;
- a proposed acquisition by Tassal of assets or shares in another company; or

- a proposed joint venture or partnership by Tassal with another company.

The prohibited conduct under the Corporations Act outlined in clause 4.1 applies to buying or selling securities of that other Company. This is so if the information is price-sensitive to the other company (and not Generally Available), even though it may not be price-sensitive information to Tassal.

It is important for you to note that our Code of Conduct and Business Ethics requires that you maintain confidentiality of all customers, Tassal or other parties' information gained through your work and ensure that your personal business, financial and other outside interests do not conflict with your duty to Tassal.

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## 7 Dealing in Exceptional Circumstances

A Restricted Person who is not in the possession of Inside Information in relation to Tassal may be given clearance to deal outside of any Black-out Period, in situations where he or she would otherwise be prohibited by clause 4.3 of this Policy from doing so, if he or she is in severe financial difficulty or where there are other exceptional circumstances.

Clearance may be given for such a person to sell (but not to purchase) Tassal Securities.

The determination of whether the person in question is in severe financial difficulty or whether there are other exceptional circumstances can only be made by the Chairman of the Board, or in his absence, the Chairman of the Board Audit and Risk Committee.

A person may be in severe financial difficulty if he or she has a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant Tassal Securities. A liability of such a person to pay tax would not normally constitute severe financial difficulty unless the person has no other means of satisfying the liability. A circumstance will be considered exceptional if the person in question is required by a court order to transfer or sell the Tassal Securities or there is some other overriding legal requirement for him or her to do so.

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## 8 Further Explanatory Comments

### 8.1 Dealing in Securities (and Insider Trading Prohibition)

Dealing in securities is a broad concept and covers more than simply buying or selling shares. It extends to exercising options over shares and entering agreements to buy or sell securities.

You cannot Trade or Procure a Trade where you possess information that is not Generally Available and which a reasonable person would expect to have a Material Effect on the price or value of those securities.

For example you cannot ask or encourage Immediate Family Members to buy, sell or otherwise deal in Tassal shares when you possess price sensitive information and you should not communicate price sensitive information.

## 8.2 Material Effect of the price of securities

It is not possible to list all of the information that may be "Material", however, the following type of information would be likely to be considered to have a Material Effect on Tassal Group Limited's share price:

- information regarding a material increase or decrease in Tassal's financial performance from that anticipated by Tassal or from previous market guidance;
- actual material business or asset acquisition or sale;
- a proposed dividend or a change in dividend policy;
- actual or proposed takeover or merger;
- the damage or destruction of a material plant or operation of the Group;
- proposed material legal proceedings to be initiated by or against the Company;
- regulatory action or investigations undertaken by a Government authority;
- entering into or terminating a material contract;
- the launch of a new business or material new product;
- a proposal to undertake a new issue of shares or major change in financing; or
- a significant change in senior management.

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## 8.3 Immediate Family and Controlled entities

This Policy extends to the Immediate Family Members of Restricted Persons, and to companies, trusts and entities controlled by Restricted Persons.

Restricted Persons must take all reasonable steps to ensure that those people, companies, trusts and entities controlled by them comply with this Policy. This includes taking all reasonable steps to ensure that they do not trade during a Black-Out Period that applies to the Restricted Person, and that they complete Notification of Intent to Trade forms if required for dealing in Tassal Securities by the Restricted Person.

The requirements to complete a Notification of Intent to Trade applies only to the partner and dependent children of the Restricted Person (and not to other Immediate Family Members), and to companies and trusts and entities controlled by the Restricted Person.

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## 9 Penalties

A person who commits a breach of the insider trading provisions could be subject to a maximum fine of \$220,000 or imprisonment for up to 5 years, or both. In addition, a person who contravenes or is involved in a contravention of these provisions may be liable to compensate any person who suffers loss of damage because of the conduct.

## **10 Disclosure**

The Board will make appropriate disclosure to shareholders in Tassal's Annual Report of the key aspects of this Policy, including explaining any departure from the best practice recommendations set out in the Australian Stock Exchange Corporate Governance Council Principles of Good Corporate Governance and Best Practice Recommendations.

The Company's Guidelines for Dealing in Securities Policy is publicly available on the Company's website in a clearly marked Corporate Governance section.

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## **11 Who to contact**

If you are in any doubt regarding your proposed dealing in Tassal Securities you should contact the Company Secretary.

## FORM A

# Notification of Intent to Trade Tassal Securities by Restricted Persons

In accordance with the procedures of Tassal Group Limited's ("Tassal") Securities Trading Policy (the "Policy"), **before** dealing in any Tassal Securities (as defined in the Policy), Restricted Persons are required to obtain clearance to deal by completing this form and forwarding it to the Clearance Officer (or, in his absence, another Director or officer of Tassal as nominated for the purpose of providing clearance to deal in Tassal Securities), whose details are listed below:

<b>Clearance Officer</b>			
Peter Jones	Company Secretary	Tel: 0362 449 035 Mob: 0414 494 987	<a href="mailto:peter.jones@tassal.com.au">peter.jones@tassal.com.au</a>

I request clearance to trade the following Tassal Securities, which are held, or proposed to be held, by\*:

- myself personally;
- my Immediate Family Member(s) as defined within the Policy
- to company(ies), trust(s) or entity(ies) controlled by me as follows:

(\*please delete which ever of the above is not applicable)

Securities to be dealt in name of:	Description of securities to be dealt: (ie: Ordinary Shares)	Number of securities to be dealt:	Nature of the transaction (e.g. acquisition, disposal, exercise): (Stipulate whether on-market or off-market)

- I understand that I will automatically be refused clearance to deal during a Black-out period and that in other periods I may be refused clearance to deal without explanation.
- I have read and fully understand my obligations pursuant to the Policy.
- I am not in possession of inside information (as defined in the Law and this Policy).
- I will not deal in the above Tassal securities until clearance is given.

\* There are exceptional circumstances that justify a sale as the only reasonable course of action and these are attached hereto. I understand that this information may have to be notified to the Australian Stock Exchange or any other relevant securities exchange.

Signed**	Date:
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- \* Please include a full explanation, using the reverse of this form if necessary, or delete this statement.
- \*\* If returning by mail, please scan.

This form is valid for a period of **FIVE business days from the date clearance is given**. After this time, clearance will lapse and further clearance will need to be obtained. This form will be returned to you with the period of validation completed if approval has been granted.

Copies of the Securities Trading Policy can be obtained from the Company Secretary.

**For completion by Clearance Officer** (Please delete as appropriate)

The Company has **NO OBJECTIONS** to the above dealings.

The requested dealing has been cleared for a period of **5** business days from the Response Date indicated below.

**OR**

The Company **OBJECTS TO** the above dealings and they have been refused.

Signed:	Response Date:
Clearance Officer Name:	

## FORM B

# Notification of Dealing in Tassal Securities by Restricted Persons

In accordance with the procedures of Tassal Group Limited's ("Tassal") Securities Trading Policy (the "Policy"), a Restricted Person who is given clearance to deal in accordance with clause 5.1 of the Policy must:

- deal as soon as possible and in any event within five business days of clearance being received; and
- submit a "Form B: Notification of Dealing in Tassal Securities" to the Clearance Officer as soon as the transaction has taken place and no later than two days after the transaction has taken place.

A Restricted Person **must** also notify the Clearance Officer (*or, in his absence, another Director or officer of Tassal as nominated for the purpose of providing clearance to deal in Tassal Securities*), if the proposed trading referred to above **does not occur**.

The Clearance Officer's details are listed below:

<b>Clearance Officer</b>			
Peter Jones	Company Secretary	Tel: 0362 449 035 Mob: 0414 494 987	<a href="mailto:peter.jones@tassal.com.au">peter.jones@tassal.com.au</a>

### To the Clearance Officer:

1.	<b>Name of Tassal Director, Tassal Designated Employee or other Restricted Person:</b>	
2.	<b>Description of shares (ie: Ordinary Shares) or derivatives or financial instruments relating to shares:</b>	
3.	<b>Nature of the transaction* (e.g. acquisition, disposal, exercise):</b>  (*Stipulate whether on-market or off-market)	
4.	<b>The date of the transaction:</b>	
5.	<b>Transaction price details:</b>  Price per security:  Total transaction price:	<b>The number of securities:</b>
6.	<b>The proposed dealing in Tassal Securities requested in the:</b>  Notification of Intent to Trade dated  has not been proceeded with.  (Only complete if applicable)	
<b>Signed:</b>  <b>Name:</b>		<b>Date:</b>

Approved by the Board – 17 December 2009