



# **Share Trading Policy**

**Updated DECEMBER 2010**

**IDT AUSTRALIA LIMITED**

**ACN 006 522 970**

## 1. INTRODUCTION

### 1.1 Purpose

In order to preserve the reputation and integrity of IDT Australia Limited ("the Company") and its subsidiaries it is essential that dealings in the Company's securities by staff and other people associated with the Company are not only fair, but also perceived to be fair.

### 1.2 Scope

This document summarises the law relating to insider trading and sets out the Company's Policy ("the Policy") for dealing in its securities (including shares and options). The Policy is effective from 1 January 2011 and is set out in Section 2 below. The Company recognises that Corporate Personnel may hold securities in the Company and that most investors are encouraged by these holdings. It is the responsibility of individual Corporate Personnel to ensure that any dealing by him/her complies with the Corporations Act 2001, the ASX Listing Rules and the Policy.

### 1.3 Definitions

"Corporate Personnel" includes a director, officer, employee or when appropriate, an independent contractor of the Company, their immediate family (includes a person or persons under the control or influence of the director, officer or employee or independent contractor) and related entities controlled by them, or associates.

"Trading" with respect to the Company's shares means buying or selling the Company's shares to take or seek to take advantage of an anticipated short term move in the price of the Company's shares, which may facilitate future buying or selling to advantage, and in a manner otherwise not consistent with buying or selling shares for personal reasons unrelated to short term fluctuations in price.

"The Company" means IDT Australia Limited.

### 1.4 Who does the Policy apply to?

The Policy applies to all Corporate Personnel (including those listed in the schedule attached hereto) and other persons specified from time to time by the Company's Board of Directors.

The Policy will be communicated to all independent contractors, consultants and external advisors of the Company so they understand their legal position in regard to insider trading.

### 1.5 Further advice

If you do not understand this trading policy or the summary of the law relating to insider trading, or if you are confused as to whether the law applies to you, please contact the Company Secretary. You may wish to seek your own professional legal advice prior to dealing in the Company's securities.

## 2. THE COMPANY'S POLICY

### 2.1 General prohibitions

Corporate Personnel may never "trade" (as defined in 1.3 above) in the Company's securities.

Corporate Personnel shall not deal in the Company's securities at any time if they are aware of any information that has not been released to the ASX and is likely to have an impact on the price of the Company's securities were the information to be released. Specifically, they must not, if they possess price sensitive information concerning the Company securities:

- (i) deal, or get someone else to deal, in the Company's securities; or
- (ii) directly or indirectly communicate, or cause to be communicated, that information to anyone who is not required to be so informed, or who may otherwise deal in the Company's securities.

As detailed in Sections 2.4 and 2.5 of this policy, Corporate Personnel are to advise the Chairman, through the Company Secretary, or in the absence of the Company Secretary, the Managing Director, at least one day prior to the sale of any securities in the Company held by them. Should the Chairman wish to sell securities in the Company he shall notify the Chairman of the Audit Committee at least one day prior to the sale.

Where Corporate Personnel wish to buy securities in the Company, they are to advise the Chairman, through the Company Secretary, or in the absence of the Company Secretary, the Managing Director prior to placing the buy order. Similarly, the Chairman is to advise the Chairman of the Audit Committee in advance of placing a buy order.

Corporate Personnel shall not trade securities in any other company where they become aware of non-public price sensitive information through their employment with the Company. These general prohibitions apply at all times despite all other terms of this trading policy.

## 2.2 Prohibited dealing "window"

Subject to the general prohibitions above, Corporate Personnel may not deal in the Company's securities during the following "window" periods:

- in the period from 1 July of the year to the release of the Company's annual results announcement to the ASX;
- in the period from 1 January of the year to the release of the Company's half yearly results announcement to the ASX; and
- at such other times as indicated by the Board of Directors of the Company.

## 2.3 Company share and option plans

If Corporate Personnel participate, or are eligible to participate, in a share or option scheme operated by the Company ("Scheme"), they may:

- apply to participate in the relevant Scheme;
- acquire relevant securities under the relevant Scheme; and
- vary their instructions relating to their level of participation in the relevant Scheme at any time without being restricted by the dealing prohibition periods under paragraph 2.2.

## 2.4 Prior notification

Notwithstanding the exceptions to the general prohibitions above, Corporate Personnel must notify the Chairman, through the Company Secretary, in writing of their own or their relatives' intentions to deal in the Company's securities before doing so. The notification must state that the proposed dealing in the Company's securities is not as a result of access to, or the receipt of, non-public price sensitive information. For the purpose of this rule, a relative is a spouse, de facto partner, child, parent, family trust, family company or associate of the Corporate Personnel.

## 2.5 Confirmation

In addition to providing prior notification, Corporate Personnel must confirm in writing to the Chairman, through the Company Secretary, when the dealing in the Company's securities has occurred, including the number of securities involved and the relevant parties to the dealing.

## 2.6 Dealing with permission

The Chairman of the Company may permit dealing in the Company's securities by another person

in circumstances where they would otherwise be prohibited under this trading policy:

- in exceptional circumstances; and
- if the person concerned declared that they do not possess any non-public price sensitive information.

### 2.7 Extension of policy

The Board of Directors of the Company may also from time to time extend this dealing policy to specify that Corporate Personnel are also restricted from dealing in the securities of other specified companies with which the Company may have a close relationship (for example, joint venture partners).

### 2.8 Safeguarding Confidential Information

Corporate Personnel should treat all sensitive, non-public information about the Company as confidential and proprietary to the Company and may not disclose such information to others (such as family members, relatives, business or social acquaintances) who do not have a legitimate need for such information for business reasons. Corporate Personnel must treat all such information carefully and avoid inadvertent or indirect disclosure of it. Even within the Company, confidential information should be distributed to or discussed with others only on a need-to-know basis, and those people should be told that the information is confidential. Corporate Personnel must be careful that conversations are not overheard on elevators, aeroplanes or other public places; that confidential documents are not left on conference tables, desks or otherwise unguarded; and that whatever steps are reasonably necessary to keep confidential information from being disclosed are taken.

## 3. THE CORPORATIONS ACT

### 3.1 The insider trading prohibitions

If you have price sensitive information relating to the Company, it is illegal for you to:

- a) apply for, buy, sell or otherwise deal in the Company's securities (including the Company's shares or options) or enter into an agreement to so do;
- b) advise, procure or encourage another person to apply for, buy, sell or otherwise deal in the Company's securities (including the Company's shares or options) or enter into an agreement to so do;
- c) pass on the price sensitive information to any other person if you know, or ought reasonably to know, that the person may use the information to engage in the activities specified in paragraphs (a) and (b) above.

You cannot get around the law by arranging for a member of your family or a friend to deal in the Company's securities, nor may you give "tips" of the Company's information to others, including customers.

You are also reminded that you have a duty of confidentiality to the Company. As part of this duty, it is important to ensure that information about the Company does not "leak" outside the Company.

### 3.2 What is price sensitive information?

Price sensitive information means information relating to the Company which is not generally available and would, if the information were generally available, be likely to:

- 1) have a material effect on the price or value of the Company's securities; or
- 2) influence persons who commonly invest in securities in deciding whether or not to deal in the Company's securities.

Examples of price sensitive information could be:

- (i) the financial performance of the Company against its budget;
- (ii) entry into or termination of a material contract;
- (iii) material acquisitions or sale of assets by the Company;
- (iv) a proposed dividend or other distribution or a change in dividend policy; or
- (v) a material claim against the Company or other unexpected liability.

### 3.3 When is information generally available?

Information is generally available if:

- a) it consists of readily observable matter;
- b) it has been brought to the attention of investors through an announcement to the Australian Stock Exchange ("ASX") or otherwise brought to the attention of investors in securities, and a reasonable period has elapsed since the announcement; or
- c) it consists of deductions, conclusions or inferences made or drawn from information referred to in (a) or (b).

### 3.4 What are the consequences if you breach the insider trading prohibitions?

Breach of the insider trading laws may subject you and members of your family to:

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

Breach of the law or this trading policy will also be regarded by the Company as serious misconduct, which may lead to disciplinary action or dismissal.

4 If you have any questions at all about the propriety of a transaction, you should contact the Company Secretary for advice before buying or selling the Company's securities.

