

SHARE TRADING POLICY

Introduction

The ordinary shares of Hostech Limited ("the Company") are listed on the Australian Stock Exchange ("ASX"). This Hostech Limited Share Trading Policy ("the Policy") regulates the sale and purchase of shares in the Company by its directors, officers and employees.

Purpose

The purpose of the Policy is to reduce the risk of insider trading and ensure that the Company's directors, officers and employees are aware of the legal restrictions on trading shares in the Company whilst in possession of Inside Information concerning the Company.

In addition, the Policy sets out when trading in the Company's shares by directors, officers and employees is not permitted. Restrictions on trading are imposed by the Company to reduce the risk of insider trading and to minimise the chance that misunderstandings or suspicions arise that the Company's directors, officers, or employees are trading while in possession of Inside Information.

'Inside Information' means information that is not disclosed or generally available and, if it were disclosed or generally available, a reasonable person would expect it to have a material effect on the price or value of the Company's shares.

For the purposes of this Policy, trading in the Company's shares also extends to other securities issued by the Company.

Insider Trading

The insider trading provisions are contained in Part 7.10 Division 3 of the *Corporations Act 2001* (Cth). The *Corporations Act* prohibits any person who possesses Inside Company Information and who knows or ought reasonably to know, that the information qualifies as inside information from:

- dealing in Company shares; or
- procuring another person to deal in Company shares; or
- directly or indirectly communicating the Inside Information, or causing the inside information to be communicated, to any person who they know, or ought reasonably to know, would be likely to deal in Company shares or procure another person to do so.

Attachment 6

Maximum penalties under the *Corporations Act* for a breach of insider trading provisions are:

- \$220,000 or imprisonment of 5 years or both in the case of a natural person;
- \$1,100,000 in the case of a company; and
- unlimited civil liability.

Policy

Consistent with the insider trading provisions of the *Corporations Act*, all of the Company's directors, officers and employees are prohibited from trading in the Company's shares while in possession of Inside Information concerning the Company.

Directors, officers and employees should never communicate any Inside Information to any other person, including family members and associates.

In addition, directors, officers and employees are prohibited from trading in the Company's shares during:

- each period of 30 days immediately prior to the intended date upon which the Company releases its annual financial statements to the ASX;
- each period of 30 days immediately prior to the intended date upon which the Company releases its half year financial statements to the ASX;
- each period of 30 days immediately prior to the intended date upon which the Company holds its annual general meeting; and
- each period of 24 hours immediately after the date upon which the Company issues a price-sensitive ASX announcement.

No director, officer or employee may deal in Company shares at any time for short-term gain, including buying and selling Company shares in a 3 month period, without the written approval of the Chairman or, in the case of the Chairman, the Managing Director.

In order to ensure compliance with this Policy, all officers and employees must discuss any proposed dealing with (and obtain written approval from) the Company Secretary or a director prior to trading Company shares at any time.

A director and the Company Secretary must discuss the proposed dealing with (and obtain written approval from) the Chairman prior to trading Company shares at any time.

The Chairman must discuss the proposed dealing with (and obtain written approval from) the Managing Director prior to trading Company shares at any time.

Any queries in relation to the Policy should be directed to the Company Secretary, Justyn Stedwell (Ph: 03 9 698 7817, e-mail: justyn.stedwell@hostech.com.au).