

# BOULDER STEEL LIMITED

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24 December 2010

Manager of Company Announcements  
ASX Limited  
Level 6  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

## **Revised securities trading policy**

In preparation for the introduction of Listing Rules 12.9 to 12.12, which are due to take effect from 1 January 2011, we have revised our Staff and Officer Securities Trading Policy relating to the dealing in securities of Boulder Steel Limited by directors, senior executives and staff of Boulder Steel Limited.

In accordance with Listing Rule 12.9, a copy of the revised policy (which takes effect from 1 January 2011) is attached for the market's information.

Yours sincerely  
**Boulder Steel Limited**

Daniel Owen  
*Company Secretary*

# Boulder Steel Limited ABN 78 009 074 588

## Staff and Officer Securities Trading Policy

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### 1. Purpose

- 1.1 This document summarises the law relating to insider trading and contains the Staff and Officer Securities Trading Policy of Boulder Steel Limited (the **Company**).
- 1.2 If you do not understand any part of this document, or if you are confused as to whether the law applies to you, you should seek your own professional legal advice prior to dealing in the Company's securities.
- 1.3 Capitalised terms have the meanings explained in this policy.
- 1.4 The policy is only a summary of the relevant provisions contained in the Corporations Act and should not be relied upon as legal advice.

### 2. Insider Trading Prohibition

- 2.1 If you are in possession of price sensitive information relating to the Company (no matter how you came to possess it), the insider trading provisions of the Corporations Act prohibit you from:
  - (a) applying for, buying, selling or dealing in the Company's securities;
  - (b) advising, procuring or encouraging another person to buy, sell or deal in the Company's securities; and
  - (c) directly or indirectly passing on information to another person, if you know or ought reasonably to know that the person may use this information to buy, sell or deal in the Company's securities.
- 2.2 You cannot avoid the law by arranging for a member of your family or a friend to buy, sell or deal in the Company's securities, nor may you give "tips" of the Company's information to others, including customers.
- 2.3 Price sensitive information is information relating to the Company which is not generally available and if the information were known, would be likely to:
  - (a) have a material effect on the price or value of the Company's securities; or
  - (b) influence persons who commonly invest in securities in deciding whether or not to buy, sell or deal in the Company's securities.

Examples of price sensitive information include:

- the financial performance of the Company against its budgets or forecasts;
  - the forecast financial performance of the Company and its budgets;
  - entry into or termination of important agreements;
  - the intention of the Company to acquire or sell a business or important assets;  
or
  - any possible claim against the Company or other unexpected liability.
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- 2.4 The Company's securities include its shares and options. The Company may issue other types of securities from time to time and the term securities will also include those other securities.
- 2.5 Information will only be regarded as being generally available if:
- (a) it consists of readily observable matter, which requires the information to be directly observable in a "public arena" such as a judgment in court, a sufficiently detailed news story in a capital city newspaper, a media release or other published statement of the company; or
  - (b) it has been brought to the attention of investors through an announcement to ASX, and a reasonable period has elapsed since the announcement.
- 2.6 Breach of the insider trading laws may expose you and/or members of your family and/or other persons to whom you pass price sensitive information, to:
- (a) criminal liability – penalties include heavy fines and imprisonment; and
  - (b) civil liability – you can be sued by another party or the Company for any loss suffered as a result of illegal trading activities.
- 2.7 The Company will also regard breach of the law and/or this policy by the Company's staff as serious misconduct, which may lead to disciplinary action and/or dismissal.
- 2.8 Dealing with securities of other companies

If you have price sensitive information relating to a company other than the Company, the insider trading prohibition also applies to Dealing in the securities of that company. In the course of performing your duties as an employee of the Company, you may obtain price sensitive information relating to another company in a variety of circumstances including but not limited to:

- (a) another company may provide price sensitive information about itself to the Company in the course of a proposed transaction;
- (b) another company with whom the Company is dealing may provide price sensitive information about a third company; and
- (c) information concerning the Company or actions which may be taken by the Company could have a material effect on another company.

Independent of insider trading laws, employees are bound by a duty of confidentiality in relation to information obtained in the course of their employment.

### **3. The Company's Policy**

- 3.1 For all Officers and their relatives, the Board of the Company has adopted the policy set out in Schedule A.
- 3.2 For all other staff and their relatives, the Board of the Company has adopted the policy set out in Schedule B.
- 3.3 For the purposes of this policy, a relative is a spouse (or equivalent) or a dependant of the Staff member or Officer or a company or other entity controlled by the Staff member or Officer. For the avoidance of doubt, a relative does not include a spouse (or equivalent) or dependant who acts on their own initiative without
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reference to the Staff member or Officer. In such cases, the Staff member or Officer should advise these persons that a risk exists that a Court could find a relevant association or that even without such an association, innuendo could arise if Dealing occurs in the Company's securities.

- 3.4 At all times, whether inside the Window Periods or not, it is unlawful for you to Deal in the Company's securities if you possess price sensitive information, or to pass on price sensitive information to others.
- 3.5 Where there are additional restrictions under any Share Plans in operation, those restrictions will continue to apply to securities acquired under those Share Plans, in accordance with the rules of the relevant Plan.

#### **4. Trading by Officers which is not subject to this policy**

Subject to all applicable law, including the insider trading laws, Dealings in the Company's securities by Officers which are not subject to this policy are as follows:

- (a) transfers of the Company's securities already held into a superannuation fund or other saving scheme in which the Officer is a beneficiary;
- (b) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the Company's securities), where the assets of the fund or other scheme are invested at the discretion of a third party;
- (c) where an Officer is a trustee, trading in the Company's securities by that trust provided the Officer is not a beneficiary of the trust and any decision to trade during a Closed Period is taken by the other trustees or by the investment managers independently of the Officer;
- (d) undertakings to accept, or the acceptance of, a takeover offer;
- (e) trading under an offer or invitation made to all or most of the Company's security holders, such as a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
- (f) a disposal of the Company's securities that is the result of a secured lender exercising their rights, for example under a margin lending arrangement;
- (g) the issue of shares or the grant of options to the Officer by the Company, including under employee share and options plans (however the sale of securities following issue, grant or exercise is a Dealing subject to this policy); and
- (h) trading under a non-discretionary trading plan for which prior written clearance has been provided by Nominated Persons and where:
  - (i) the Officer did not enter into the plan or amend the plan during a Closed Period;
  - (ii) the trading plan does not permit the Officer to exercise any influence or discretion over how, when or whether to trade; and

- (iii) there is no cancellation of the trading plan during a Closed Period other than in Exceptional Circumstances.

## 5. Definitions

**Closed Period** means any period outside a Window Period.

**Deal** means either directly or indirectly acquire or dispose of the Company's securities, including exercising an option and giving a mortgage or other right to a lender over the Company's securities.

**Exceptional Circumstances** means severe financial hardship or other circumstances considered to be exceptional, including a court order or court enforceable undertaking in a bona fide family settlement to transfer the Company's securities or some other overriding legal or regulatory requirement to transfer the Company's securities.

**Officers** means:

- (a) Directors;
- (b) the Company Secretary; and
- (c) Senior Executives.

**Senior Executive** means key management personnel as defined under Australian accounting standards (except Directors and the Company Secretary) and other executives who are notified in writing by the Company Secretary as being within this definition.

**Window Period** means a period during which Officers may Deal in the Company's securities.

## Schedule A

### Officer Trading Policy

Defined terms in this Schedule have the same meaning as those terms in the Boulder Steel Staff and Officer Securities Trading Policy. The term “Officers” includes relatives of Officers.

#### 1. Active trading

Officers must not both buy and sell securities in the Company within a 30 day period under any circumstances.

#### 2. Dealings during Window Periods

Officers who are not in possession of price sensitive information may Deal in the Company’s securities during the following Window Periods:

Between 24 hours and 45 days after release of the Company’s half-yearly or annual results to the ASX.
Between 24 hours and 45 days after the Company’s annual general meeting.
During the period in which the Company has a prospectus or other disclosure document on issue under which people can subscribe for securities.

Officers must notify the Company Secretary before any proposed Dealing in the Company’s securities during a Window Period using Schedule C.

#### 3. Dealings during Closed Periods

Officers who are not in possession of price sensitive information may only Deal in the Company’s securities during Closed Periods if Exceptional Circumstances exist and with the prior permission of the “Nominated Persons”. Details of appropriate Nominated Persons for each type of Officer are set out below:

Officer (or relative) seeking permission	Appropriate Nominated Persons
Chairman	Company Secretary and any other Director
Other Director	Company Secretary and Chairman
Company Secretary	Chairman and any other Director
Other Officer	Company Secretary and any Director

The permission of the Nominated Persons may be sought by submitting a request in the form of Schedule D). Where there is more than one Company Secretary, only one such person need be notified.

The determination of whether Exceptional Circumstances exist and the granting of permission are entirely at the discretion of the Nominated Persons. The Nominated Persons may seek the views of the Board and/or external legal advisers before providing their decision.

#### 4. Reporting to the Board

Officers must report any transactions at any time to the Company Secretary, including entering into transactions or arrangements which operate to limit the economic risk of their security holdings in the Company. No prior notification needs to be given for Dealings that are not subject to this policy.

The Company Secretary will maintain a Register of Directors' Interests – details of any changes will be noted in Board Papers for the next Board Meeting.

The Company and its Directors will comply with ASX Listing Rules 3.19A and 3.19B concerning notifiable interests of directors.

#### **5. Retiring Officers**

In respect of Officers who retire from office or employment, it is recommended that they should only Deal in the Company's securities after complying with the conditions outlined below:

- (a) where the retiring officer is aware of profit results of the Company – only after 24 hours from the time those profit results have been released to ASX; and
- (b) where the officer retires within a period of 45 days prior to the Annual General Meeting of the Company – only after 24 hours from the conclusion of the Annual General Meeting.

#### **6. Hedging**

The Company prohibits Officers from Dealing in derivatives or other similar products which operate to limit the economic risk of security holdings in the Company over unvested entitlements or vested entitlements that are still subject to disposal restrictions.

**Adopted by the Board on 30 September 2009**

**Last modified by the Board with effect from 1 January 2011**

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## **Schedule B**

### **Staff (Other Than Officer) Trading Policy**

1. Employees must not both buy and sell securities in the Company within a 30 day period under any circumstances.
  2. Except for the limit in paragraph 1, Employees who are not Officers and who are not in possession of price sensitive information may Deal in the Company's securities at any time.
  3. Defined terms in this Schedule have the same meaning as those terms in the Boulder Steel Staff and Officer Securities Trading Policy.
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**Schedule C**

**Share Trading Notification during Window Period - Officers**

To: Nominated Persons

From: \_\_\_\_\_

Relative or Company name: \_\_\_\_\_

Notification: I or my relatives / company \* propose to buy / sell / deal \* \_\_\_\_\_ (insert number and type of securities) in Boulder Steel, during the Window Period between \_\_\_\_\_ and \_\_\_\_\_  
\* Delete as appropriate

I hereby declare that this dealing is not a result of access to, or receipt of price sensitive information as described in the Boulder Steel Staff and Officer Securities Trading Policy and confirm that neither I, my relatives or any company I control are in possession of price sensitive information.

Signed: \_\_\_\_\_ (applicant )

Date: \_\_\_\_\_

**Schedule D**

**Share Trading Request during Closed Period – Officers**

To: Nominated Persons

From: \_\_\_\_\_

Relative or Company name: \_\_\_\_\_

Request: Having regard to the Exceptional Circumstances specified below, I or my relatives / company \* request permission to buy / sell / deal \* \_\_\_\_\_ (insert number and type of securities) in Boulder Steel  
\* Delete as appropriate

Exceptional Circumstances:  
\_\_\_\_\_  
\_\_\_\_\_

I hereby declare that this dealing is not a result of access to, or receipt of price sensitive information as described in the Boulder Steel Staff and Officer Securities Trading Policy and confirm that neither I, my relatives or any company I control are in possession of price sensitive information.

Signed: \_\_\_\_\_ ( applicant )

Date: \_\_\_\_\_

Approval: The nominated persons hereby permit / deny \* permission to trade as specified above.  
\* Delete as appropriate  
Trading must be completed within 5 working days of the date below.

Signed: \_\_\_\_\_ (Nominated Person)

\_\_\_\_\_  
(Nominated Person)

Date: \_\_\_\_\_