



Human Resources Policy SECURITIES TRADING POLICY

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1 Document Summary

1.1. Scope

The purpose of this policy is to set out the restrictions on dealing in Hyro Limited ('Hyro' or 'Company') securities and securities in other entities which Hyro may have business dealings.

The other purpose of this policy is to establish a best practice procedure for dealing in Hyro securities that provides protection to the Company and to those trading in the securities, against the misuse of unpublished price-sensitive information.

The policy has been adopted to ensure that those to whom this policy applies are aware of the legal obligations of dealing in securities while in possession of unpublished price sensitive information concerning the Company.

1.2. Responsibility

The Company Secretary and their appointed personnel are responsible for the content and issue of this policy.

This Policy applies to all Members which are considered "Restricted Personnel."

1.3. Review

This policy will be reviewed annually to ensure that it continues to comply with all applicable laws and good corporate governance practices.

1.4. References

Employment Agreement

Code of Conduct

Counselling Procedure

The Corporations Act 2001 (Cth)

1.5. Definitions

Members

All people employed by, or contracted to, the company

Company

Hyro Limited and its subsidiary companies

Restricted Personnel

Members of of Hyro and Hyro group companies including:

- Executive and non-executive directors (including alternate directors);
- Key management personnel;
- All other full-time, part-time and casual employees; and
- Contractors and consultants.

Key Management Personnel

- Any direct reports to the Chief Executive Officer (CEO); and
- Any other person designated by the CEO as key management personnel on the basis that they have authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly.

Price Sensitive Information

Information which may have a material effect on the price of securities

Insider Trading

Dealing in securities while in possession of Price Sensitive Information

2 Prohibition Relating to Insider Trading

A person must not deal in Hyro securities or other securities at any time if that person is in possession of information which is not publicly available and if it were available to the market, would be likely to have a material effect on the price of those securities.

Information which may have a material effect on the price of securities is referred to as 'price-sensitive information' and dealing in securities while in possession of such information is referred to as 'insider trading'.

The Corporations Act prohibits insider trading and imposes substantial penalties for breaching this prohibition. It is therefore important that those subject to this policy understand what constitutes insider trading and the type of conduct which is prohibited.

Further information on the law in relation to insider trading, and the penalties and consequences of non-compliance with the law and this policy are set out in section 9.

3 Policy for Dealing in Hyro Securities

3.1. General

In addition to their obligation to comply with the law in relation to insider trading, Restricted Personnel must adhere to the following policies.

3.2. Closed Periods

Restricted Personnel must not, except in exceptional circumstances (see section 6), deal in Hyro securities during the following periods (Closed Periods):

- the period commencing 1 January and ending at the close of ASX trading on the second ASX trading day after the release of the full year results;
- the period commencing 1 July and ending at the close of ASX trading on the second ASX trading day after the release of the half year results;
- the period of two weeks prior to the date of the Company's AGM; and any other period determined by the Board from time to time.

3.3. Open Periods

Open Periods are those periods that are not Closed Periods. All Hyro staff may deal in Company securities during Open Periods.

Directors and Key Management Personnel may deal in Hyro securities during Open Periods provided prior approval is sought and granted in accordance with the procedure set out in section 5.

3.4. Short Term Dealing Prohibited

Restricted Personnel are encouraged to own Hyro securities. However the securities must not be bought and sold on a short term basis (that is, within a one month period) except in exceptional circumstances (see section 7).

3.5. Margin Lending Prohibited

Restricted Personnel must not obtain margin loans using Hyro securities (either solely or as part of a portfolio) as security for loans.

3.6. Other Prohibitions

When Hyro is relying on the exceptions to the continuous disclosure requirements of the ASX listing

rules, it may be necessary to prohibit dealings in the Company securities. The Company Secretary will inform Directors and Key Management Personnel of the prohibition on dealings that will apply and the period during which the prohibition will apply.

4 Dealing in Hyro Securities – Approvals Procedure

Prior approval to deal in Hyro securities either:

- During an Open Period;
- On a short-term basis in exceptional circumstances; or
- During a Closed Period in exceptional circumstances,
- is required for Directors and Key Management Personnel.

The approval must be sought as follows:

Officer	Approving Officer
Chairman	Chairman of Audit Committee (or the Board)
Other directors	Chairman & / or Company Secretary
CEO (if not a director)	Chairman & / or Company Secretary
Company Secretary	Chairman
Key Management Personnel	Company Secretary (conferring with the CEO as necessary)

- a. The officer requesting the approval must confirm that they are not in possession of price-sensitive information that is not generally available to the market.
- b. Any approval granted for a dealing will be valid for 10 business days.
- c. The applicable Approving Officer will provide a copy of any request and approval to the Company Secretary.
- d. E-mail correspondence is acceptable for the purposes of seeking and obtaining approval under this section.

Directors and Key Management Personnel need to be mindful of the market perception associated with any sale of Company securities and possible the ability of the market to absorb the volume of shares being sold. With this in mind, the management of the sale of any significant volume of Company securities (i.e. a volume that would represent a volume in excess of 10% of the total securities held by the seller prior to the sale, or a volume to be sold that would be in excess of 10% of the average daily traded volume of the shares of the Company on the ASX for the preceding 20 trading days) by a Director or Key Management Personnel needs to be discussed with the board.

5 Exceptions to the Policy

This policy does not apply to the following situations:

- Participation in the Company share option plan. Hyro will ensure that options are granted during Closed Periods. However, any subsequent sale of Hyro securities acquired under those plans is subject to this policy.
- The exercise of rights under the Company share option plan. However, any subsequent sale

of Hyro securities acquired under this plan is subject to this policy.

- Undertakings to accept, or the acceptance of, a takeover offer.
- Participation in, acceptance of, or trading under, and offer or invitation made to all or most security holders such as a rights issue, a security purchase plan or an equal access buy back, where the plan that determines the timing and structure of the offer has been approved by the Hyro board.
- Transfer securities of the Company already held, into a Superannuation fund or other saving scheme in which the Restricted Personnel is a beneficiary.
- The acquisition of Company securities under a bonus issue made to all holders of securities of the same class.
- The acquisition of Company securities under a dividend reinvestment plan that is available to all holders or securities of the same class.
- Trading in securities in a managed securities portfolio where the Restricted Personnel is not in a position to influence the portfolio investments.

6 Exceptional Circumstances to General Policies

In exceptional circumstances, Directors and Key Management Personnel who are not in possession of inside information may be granted prior approval to sell or otherwise dispose of Hyro securities during a Closed Period or on a short term basis where there is severe financial hardship or there are other exceptional circumstances.

A Director or Key Management Personnel is considered to be in severe financial hardship if they cannot satisfy a pressing financial commitment otherwise than by selling the relevant Hyro securities.

The determination as to whether circumstances qualify as exceptional and the dealing in securities therefore approved, can only be made by the Chairman for directors, the Board in the case of the Chairman, and the Company Secretary, conferring with the CEO where appropriate for Key Management Personnel.

In the interests of expediency and an informed determination, any application for an exemption allowing the sale of Company securities in a Closed Period based on financial hardship must be made in writing, be accompanied by a statutory declaration stating all of the facts and be accompanied by copies of relevant supporting documentation.

Permission granted for a sale in exceptional circumstances will be provided in writing and will state the time period for which the sale of securities can be made.

7 Dealing in other Securities

The Corporations Act prohibition on insider trading includes dealings in securities of other companies with which Hyro may be dealing (this includes dealings relating to their customers or joint venture partners). If Restricted Personnel possesses inside information in relation to another company, the individual must not deal in Hyro securities or the securities of the other company.

For this reason, Restricted Personnel working on a particular transaction or project may be notified that they may not trade in the securities of other entities involved in the transaction or project.

8 Notification to ASX and Records of Dealings

Hyro must notify the ASX on behalf of a Director of any purchase or sale of Hyro securities within five business days after any dealing (either personally or through an associate). The Company Secretary will use the information provided by a Director in accordance with section 5 for this purpose and will provide a copy of the ASX release to other directors.

The Company Secretary will also maintain a register of Director and Key Management Personnel requests to deal in Hyro securities and Other Securities.

9 General Guide to the Prohibition on Insider Trading

9.1. Insider Trading is Prohibited

If you have price-sensitive information relating to the Hyro group which is not generally available, it is illegal for you:

- a. to buy, sell or otherwise deal in Hyro securities;
- b. to advise or encourage another person (for example, a family member, a friend or a family company or trust); or
- c. to pass on information to another person if you know or ought reasonable to know that the person will use the information to buy, sell or otherwise deal in Hyro securities.

9.2. Price Sensitive Information

Price-sensitive information is information that would, if it were generally available, be likely:

- a. to have a material effect on the price or value of Hyro securities; or
- b. to influence persons who commonly invest in securities in deciding whether to buy or sell or otherwise deal in Hyro securities.

9.3. Information Generally Available

Information is generally available if:

- a. it consists of readily observable matter
- b. it has been made known in a manner likely to bring the information to the attention of people who commonly invest in securities of a kind whose price or value might be affected by the information, and a reasonable period for it to be disseminated among such people has elapsed.
- c. it is derived from information that has been made public.
- d. it consists of observations, deductions, conclusions or inferences made or drawn from other generally available information.

9.4. Consequences of Breach of the Prohibition on Insider Trading

Breaches of the insider trading legislation have serious consequences for both the Restricted Personnel concerned and the Company.

A person who commits a breach of the insider trading provisions could be subject to criminal or civil liability.

9.5. Examples of Insider Information

It is not possible to list all information that may be material in nature and therefore have a material impact on the price or value of Hyro securities. However, the following types of information would be likely to be considered to have a material effect on the price of the Company's securities:

- a. a change in financial forecasts or expectations;
- b. a proposed distribution;
- c. changes in the Board of Directors, Senior Executives or auditor;
- d. draft ASX announcements;

- e. proposed changes in capital structure, including issues of shares, rights issues or share buy-backs;
- f. giving or receiving of a notice of intention to make a takeover offer;
- g. borrowings;
- h. mergers, acquisitions, divestments and reconstructions;
- i. significant changes in operations, strategy or proposed changes in the general character or nature of the business of the Company or its subsidiaries;
- j. liquidity and cash flow information;
- k. significant new contracts;
- l. an entity proposing to buy, or a security holder proposing to sell, a substantial number of shares in the Company;
- m. significant litigation involving the Company

10 Compliance with this Policy

Hyro is committed to high standards of corporate conduct and governance. Accordingly, the Board considers that compliance with the policy is essential to ensure that these standards are being met by all Restricted Personnel.

Failure to abide by the policy may result in disciplinary action, including dismissal.