



AJ LUCAS GROUP LIMITED

SECURITIES TRADING POLICY

December 2012

1.0 PURPOSE

This securities trading policy sets out the Company's policy regarding the trading in the Company's securities, which includes shares, options and any other security on issue from time to time. This policy is separate from and additional to the legal constraints imposed by the common law, the Corporations Act and the Australian Securities Exchange ("ASX") listing rules.

2.0 SCOPE

This policy applies to:

- a) All Directors;
- b) All members of the Executive Management Committee (EMC);
- c) All other key management personnel of the Company (together with Directors and members of the EMC collectively described as "Officers"); and
- d) Associates of the Officers comprising persons or entities that the Officers may be expected to control or have influence over, including family members, business partners, companies or other entities and trustees of a trust for which the Officer is a primary or significant beneficiary.

3.0 GENERAL PROHIBITION ON INSIDER TRADING

All Officers are prohibited from trading in the Company's securities while in the possession of inside information concerning the Company. In addition, while in possession of such information, Officers must not advise others to trade in the Company's securities or communicate the information to another person knowing that the person may use the information to trade in, or procure someone else to trade in, the Company's securities.

Examples of inside information include:

- A proposed major acquisition or disposal;
- A significant business development or a proposed change in the nature of the Company's business;
- Details of material contracts that are being negotiated by the Company;
- Potential litigation that would have a substantial effect on the Company;
- Proposed changes in the share capital structure of the Company;
- A proposed change in the Company's dividend policy; and
- A major change to the Board or senior management.

4.0 POLICY FOR DEALING IN SECURITIES

4.1 Absolute Prohibition

Unless expressly exempted by the relevant law as described in section 4.4 of this Policy, no Officer may deal in the Company's securities at any time (including at any time outside of the Blackout periods described in section 4.2 below), if that person is in possession of inside information.

Where Officers are unsure as to whether they are in possession of Inside Information, they should discuss the matter with the relevant contact person listed in section 6 below.

4.2 Other Prohibited Dealings

4.2.1 Blackout Periods

Officers must not deal in the Company's securities during any of the following blackout periods:

Circumstance	Blackout Period
Release of full year results to ASX	From end of relevant financial year until one trading day after time of release
Release of half year results to ASX	From end of relevant half year until one trading day after time of release
Other – as determined by AJ Lucas from time to time	As determined by AJ Lucas from time to time

4.2.2 Exceptional Circumstances

If an Officer needs to sell or dispose of securities due to exceptional circumstances (for example, severe financial hardship) but the sale or disposal would breach this Policy, the Officer may apply for a waiver using the Approval Request Form (refer to Annexure A), provided that the "applicant" is not in possession of price sensitive information.

The Approval Request Form should be submitted to the Company Secretary, who will forward the application to the Chairman. If approval is granted, the Company Secretary will provide the written approval to the applicant. Approval for the Chairman to deal in Company securities shall be granted by the Chair of the Audit Committee.

A waiver will only be granted if the Officer's application is accompanied by sufficient evidence that the sale or disposal of the relevant securities is the only reasonable course of action available in the circumstances.

4.3 Permitted Dealings

Where sections 4.1 and 4.2 do not apply, Officers may deal in the Company's securities subject to the clearance requirements that apply to Officers as set out below.

The restriction in section 4.1 applies to all dealings in the Company's securities despite any clearance granted to an Officer by the Company and the Officer is responsible for ensuring that the dealing does not breach this restriction. In other words, even if an Officer has obtained approval to trade in accordance with this Policy or is not required to obtain approval under this Policy, it is the responsibility of the Officer to ensure that they are not in possession of inside information and that the dealing will not breach the restriction in section 4.1

4.3.1 Approval to trade

All Officers must inform the Company Secretary and receive prior written approval for any proposed dealing the Company's securities (refer Approval Request Form in Annexure A).

4.3.2 Dealing must occur within 10 business days of approval

Officers must undertake the proposed dealing within 10 business days of the approval being granted or such other period specified in the letter of approval. If the dealing is not undertaken within this time, the approval will no longer have effect and a new notification or approval will be required before the proposed dealing may be undertaken by the Officer.

4.3.3 Approval may be withdrawn or the duration of the approval granted may be changed

Despite any approval period specified in an Approval Request Form granted to an Officer, the Company Secretary may notify the Officer that the approval has been withdrawn or the period for which approval is granted is shortened or lengthened.

4.3.4 Notification of trade in Company securities

Directors must notify the Company Secretary of any trade in the Company's securities within 2 days of such trade occurring so that the Company Secretary can comply with the ASX Listing rule 3.19A requirement to notify the ASX of any change in a notifiable interest held by a director.

4.4 Exclusions

Sections 4.2 and 4.3 of this Policy do not apply to:

- (a) The following categories of passive trades:
 - acquisition of Company securities through a dividend reinvestment plan and an equal access buy-back;
 - acquisition of Company securities through a share purchase plan available to all retail shareholders;
 - acquisition of Company securities through a rights issue;
 - the disposal of Company securities through the acceptance of a takeover offer; and
 - the disposal of Company securities that is the result of a secured lender exercising its rights under a loan agreement.
- (b) participating in an employee share or option plan operated by the Company, including applying for an allocation of securities under an employee share offer (however where securities in the Company granted under an employee share or option plan cease to be held under the terms of that plan, Officers must only deal in those securities in accordance with this Policy (including section 4.3); and
- (c) dealings that do not result in a change to the beneficial interest in the securities.

5.0 SECURITIES IN OTHER COMPANIES

The law against insider trading applies to all listed securities, not just the Company's securities. If an Officer is aware of inside information (for example, in relation to the Company's customers, contractors or business partners with whom a major contract is being negotiated), the Officer should not deal in the securities of the companies that the inside information affects.

SECURITIES TRADING POLICY

AJ Lucas Group Limited

As a general policy, the Company discourages any active trading by Officers in the securities of any companies where the Company is likely to be involved in transactions, or otherwise likely to share information, with that company.

6.0 WHO TO CONTACT

If you have any questions in relation to this Policy or should you wish to discuss a proposed dealing in AJ Lucas securities, you should contact:

- The Company Secretary; or
- If the Company Secretary is unavailable, the Chief Financial Officer.

7.0 ASSOCIATED DOCUMENTS

[Securities Dealing Approval Request \(F0970\)](#)