

SECURITIES TRADING POLICY

25 November 2015

1. PURPOSE

The purpose of this policy is to:

- (a) Assist those persons covered by the policy to comply with their obligations under the insider trading provisions of the *Corporations Act 2001 (Cth)* (**Corporations Act**);
- (b) Aim to ensure that the reputation of AVJennings Limited (the Company) and its subsidiaries (collectively known as the Group) is not adversely impacted by perceptions in relation to dealings in Company securities and to ensure a proper market for the Company's securities is maintained that supports shareholder and investor confidence; and
- (c) Establish appropriate procedures for trading in the Company's Securities as required under the ASX Listing Rules;

2. APPLICATION

The policy applies to the following **Restricted Persons**. A restricted person is a person who is:

- (a) A person having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including a Director (whether executive or otherwise) of the Company (**Key Management Personnel**);
- (b) An Employee of the Group;
- (c) A connected person of a Key Management Personnel or Employee. A connected person means a spouse or partner, child or step-child under 18 years or parent of a Key Management Personnel or Employee and any company or family trust controlled by Key Management Personnel or Employee.

3. SECURITIES

3.1 The Policy applies to all securities issued by the Company, including:

- Shares issued by the Company that are listed on the Australian Securities Exchange and the Singapore Exchange;
- Performance rights, share acquisition rights and options;
- Debentures (including bonds and notes);

- Derivatives of any of the above (including equity swaps, futures, hedges and exchange traded or over-the-counter options) whether settled by cash or otherwise.
- 3.2 The insider trading provisions of the Corporations Act also apply to the securities of other companies and entities if you, as a restricted person, have inside information about those other Companies or entities, which you have obtained during the course of your employment with the Company. Those other companies or entities may include joint venture partners, suppliers or customers or any other company or trust that the Company has entered (or is planning to enter) into a transaction with, for example a takeover or asset sale.

4. **INSIDER TRADING PROHIBITION**

4.1 **Inside information or confidential information** is information that:

- (a) is not generally publicly available and
- (b) if it were generally available, a reasonable person would expect it to have a material effect on the price or value of an entity's securities. Some examples include:
 - The financial condition or results of operations of an entity or a change in forecasts or expectations;
 - a proposed dividend payment;
 - a proposed share issue or over/under subscription of a share issue;
 - a proposed takeover not yet announced to the market;
 - proposed changes in corporate structure, including amalgamations and reorganisations;
 - significant acquisitions or disposals;
 - proposed or pending financings and refinancings;
 - defaults in material obligations/covenants;
 - changes in senior management or control of an entity; and
 - material legal proceedings.

4.2 Accordingly, a Restricted Person who has inside information about an entity cannot:

- (a) deal in securities of that entity,
- (b) advise, procure or encourage another person to deal in securities of that entity (eg. a family member, relative, friend, family company, trust or nominee),
- (c) pass on inside information directly or indirectly to any other person if they know or ought reasonably to know that the person may use the information to deal in securities of that entity.

- 4.3 Restricted Persons engaging in insider trading can be subject to criminal liability including substantial monetary fines and/or imprisonment. They may also be subject to civil liability, which may include being sued by another party or the Company, for any loss suffered as a result of insider trading.

5. BLACKOUT PERIODS

- 5.1 In addition to the prohibitions on insider trading set out in the Corporations Act, Restricted Persons must not trade in Company securities:

- (a) From 1 July to the close of business on the day on which the Company announces its annual result;
- (b) From 1 January to the close of business on the day on which the Company announces its half year result; and
- (c) During other restricted periods as may be communicated by the Board or Management of the Company from time to time, where the Company is involved in a corporate transaction that may have a material impact on its securities;

unless the circumstances are exceptional and the procedure for prior written clearance described in sections 6 and 7 have been met.

6. EXCEPTIONAL CIRCUMSTANCES WHEN TRADING MAY BE PERMITTED

- 6.1 Dealings in the Company's securities during specified blackout periods may be permitted in instances where it is established that a Restricted Person, who is not in possession of inside information, is in severe financial hardship or there are other exceptional circumstances that warrant such dealing. Prior written consent should be obtained for such dealings and the person seeking clearance to trade must provide adequate reasons as to why the proposed sale of the Company's securities is the only reasonable course of action available.

7. PROCEDURE FOR OBTAINING WRITTEN CLEARANCE PRIOR TO TRADING

- 7.1 If dealings are to occur during a prohibited period in exceptional circumstances referred to in section 6, prior written clearance must be obtained by the Restricted Person as follows :
- (a) In the case of the Chairman, the consent of the Deputy Chairman in writing,
 - (b) In the case of a Director, the consent of the Chairman in writing,

- (c) In the case of a Senior Executive, the consent of the Managing Director in writing, and
 - (d) In the case of an employee other than a senior executive, the consent of the Managing Director or Company Secretary in writing.
- 7.2 A request may be submitted in person, by mail, by email or by facsimile.
- 7.3 If consent is given, such consent must be communicated to the Restricted Person in writing and trading in the Company's securities must be completed within five business days. The Company Secretary will keep a written record of all consents granted.

8. TRADING NOT SUBJECT TO THIS POLICY

- 8.1 The following trading by Restricted Persons is excluded from the restrictions outlined in Section 5, but may still be subject to the insider trading provisions of the Corporations Act summarised in Section 4 of this policy :
- (a) participation in the Company's Dividend Reinvestment Plan or Employee Share Ownership Plans, in accordance with the Rules of the relevant Plan, or
 - (b) participation in an offer or invitation made to all or most of the Company's shareholders (eg. a Bonus or Rights Issue, equal access share buy back scheme), or
 - (c) the transfer of company securities between a restricted person and their spouse, civil partner, child, step-child, family company, family trust or other close family member or the transfer of the Company's securities already held into a superannuation fund or other saving scheme where the restricted person is a beneficiary, or
 - (d) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the securities of the Company) where the assets of the fund or other scheme are invested at the discretion of a third party, or
 - (e) undertakings to accept, or the acceptance of, a takeover offer or similar arrangement, or
 - (f) the vesting and automatic exercise (but not the sale of Company securities following the vesting) as a result of meeting vesting conditions in respect of Company securities received under an employee incentive scheme, where the scheme does not permit the employee to exercise any influence or discretion over how, when or whether the Company Securities vest or are exercised, or

- (g) A disposal of AVJennings securities that is the result of a secured lender exercising its rights, (eg. under a margin lending arrangement). Please note section 12 of this policy.

- 8.2 Restricted Persons must notify the Company Secretary (or in his absence, the Managing Director) in writing forthwith after any dealings in Company securities.

9. HEDGING TRANSACTIONS

- 9.1 Restricted Persons must not enter into transactions or arrangements which operate to limit the economic risk of their security holding in the Company without first obtaining prior written clearance in accordance with Section 7 of this policy.
- 9.2 Restricted Persons are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under any equity based remuneration scheme.

10. SHORT TERM TRADING

Restricted Persons should not engage in short term or speculative trading in Company securities. Short term or speculative dealings include buying and selling Company securities within a two month period and entering into other short-term dealings. The Company wishes to encourage Restricted Persons to adopt a long term attitude to investment in Company securities.

11. SHORT SELLING

Restricted Persons must not engage in the short-selling of Company securities. Short selling is the sale of securities that you do not own but have borrowed in the hope that you will be able to later buy the securities back at a lower price to make a profit.

12. MARGIN LOANS AND OTHER SECURED LENDING

Restricted persons must not enter into margin loan agreements or other secured lending arrangements in relation to Company securities, without first obtaining prior written clearance in accordance with the procedure set out in Section 7.

13. DIRECTOR NOTIFICATION REQUIREMENTS

Directors have agreed with the Company to provide details of changes in Company securities they hold (directly or indirectly) to the Company Secretary as soon as reasonably possible to enable the Company to comply with its obligations under the ASX Listing Rules.

Directors are referred to the Company's *Director's Declaration of Interest Form* and *Letter of Agreement to Disclose Certain Information*. Under Section 205G of the Corporations Act, Directors are obliged to notify the market operator within 14 days after any change of a Director's interest, if the Company has failed to do so.

14. BREACH OF LAW OR POLICY

- 14.1 A breach of the insider trading prohibitions by a Restricted Person may expose them to criminal and civil liability.
- 14.2 Any breach of this policy will always be regarded as serious by the Company and may lead to disciplinary action, including termination of employment.

15. QUERIES AND CLARIFICATION REGARDING THIS POLICY

As examples set out in this policy are not exhaustive, in order to avoid breaching the policy, Restricted Persons are encouraged to seek clarification from the Company Secretary regarding application of this policy to their respective circumstances, prior to undertaking any dealings in the Company's securities.

16. CHANGES TO THE POLICY

Any material change to the Company's Securities Trading Policy will be advised to the ASX within five business days of the change taking effect. Material changes include:

- (a) Changes to the fixed periods specified in this policy when Restricted Persons are prohibited from trading in the Company's securities;
- (b) Changes with respect to trading that is excluded from this policy; and
- (c) Changes in respect to the exceptional circumstances in which Restricted Persons may be permitted to trade during a prohibited period.