

# Trading Policy

## Purpose

This document sets out the policy of McMillan Shakespeare Limited (**MSL**) regarding MSL Group directors, officers, employees and contractors (**collectively, MSL staff**) trading in MSL securities.

The objective of this Policy is to ensure that MSL and its representatives not only comply with the law but are beyond reproach in their dealings in MSL securities.

## Compliance with Law

The *Corporations Act 2001* and common law fiduciary duties prohibit persons who are in possession of price sensitive or "inside" information in relation to particular securities that is not generally available to the public from:

- dealing in the securities; or
- communicating the information to others who might deal in the securities.

Such activity is known as "insider trading".

## General prohibition

MSL staff who possess inside information must not:

- (i) apply for, acquire or dispose of MSL securities or agree to do so (**Trade**);
- (ii) procure, encourage, incite or induce any other person to Trade (**Procure a Trade**); and
- (iii) directly or indirectly communicate the inside information to any other person who would be likely to Trade or Procure a Trade.

Inside information is information that

- (i) is not generally available to the public; and
- (ii) if it were, a reasonable person would expect it to have a material effect on the price or value of the securities.

To avoid breaching the law, you must only buy or sell MSL securities when you are not in possession of information, not generally available, that a reasonable person would expect to influence others to buy or sell securities in MSL.

A person found guilty of insider trading may also be required to compensate either the company or other persons who have suffered loss as a result of the insider trading (or otherwise account for the profits made).

It is also a criminal offence to breach the insider trading provisions of the *Corporations Act 2001* and jail terms can also be imposed.

## Application of this policy

All MSL staff must comply with this policy. In addition, the Directors and Senior Executive Team members must also notify the Company Secretary immediately on buying or selling any securities in MSL.

In addition, MSL staff must ensure that external advisers who may receive price sensitive information are bound by confidentiality agreements or other enforceable confidentiality obligations.

If you are unsure about any matters contained in this policy, you are strongly recommended to speak to the Company Secretary your legal adviser.

## Black-out Periods

There are various time during the year (Black-out Periods) that no MSL staff should trade in MSL Securities.

The Black-out Periods differ depending upon the seniority and role of the individual within the organisation.

## MSL Directors and Senior Executive Team members

MSL Directors and Senior Executive Team members may only trade in MSL securities in the 30 day period following the release of the Group's interim results (usually February), final results (usually August) and the Annual General Meeting (usually October).

Any exceptions to this rule must be approved by the Chairman.

## Other MSL staff

For all other MSL staff, the Black-out Periods are as follows:

- (i) from close of business on December 31 to the opening of the ASX the first trading day after MSL's half-year results are released to the ASX; and
- (ii) from close of business on June 30 to the opening of the ASX the first trading day after MSL's full-year results are released to the ASX.

## MSL Employee Option Plan

The Black-out Periods do not impact participation in the MSL Employee Option Plan but do apply in respect of any subsequent trading of MSL securities to which MSL staff become entitled under those plans.

## Hedging

MSL staff may not enter into a transaction that is designated or intended to hedge that employee's exposure to a MSL security that is subject to retention arrangements, an unvested MSL option, or both.

**Reviewed and adopted by the Board on 19 August 2008.**