

Securities Trading Policy

McMillan Shakespeare Group of Companies



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Securities Trading Policy

1. Purpose

McMillan Shakespeare Limited (MMS) is a public company listed on the Australian Securities Exchange (“ASX”). Under the *Corporations Act 2001* and the ASX Listing Rules there are strict rules governing when a person who has inside information is permitted to trade in any shares, options and other securities in MMS (“MMS Securities”).

This document sets out the policy of MMS and its related entities (“MMS Group”) regarding when directors, officers, employees and contractors of the MMS Group (collectively “MMS Staff”) may trade in MMS Securities.

It is the policy of the MMS Group to comply with all laws and regulations which apply in each jurisdiction in which it operates. It is also the policy of the MMS Group that MMS Staff must comply with all internal policies and procedures which apply to them.

2. General prohibition

MMS Staff who possess inside information must not:

- (a) *apply for, acquire or dispose of MMS Securities or enter into an agreement to apply for, acquire or dispose of MMS Securities (“Trade”);*
- (b) *procure, encourage, incite or induce another person to Trade (“Procure a Trade”); or*
- (c) *directly or indirectly communicate the information, or cause the information to be communicated, to another person who would be likely to Trade or Procure a Trade.*

Inside information is information that:

- (a) *is not generally 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 a company’s securities.*

Examples of inside information include:

- (a) *information about the financial performance of the MMS Group;*
- (b) *information about a proposed acquisition of another company by the MMS Group;*
- (c) *information about significant management changes in the MMS Group; and*
- (d) *any other information likely to affect the current or future years’ earnings of the MMS Group, which, in each case, is not generally available to the public.*

Information is generally available if it consists of readily observable matter, has been made public, for example, written about in the newspaper or discussed on the radio, or has been announced to the ASX.

To avoid breaching the law, you must only Trade in MMS Securities when you are not in possession of inside information. If you are unsure about whether you possess inside information, you are strongly recommended to speak to the Company Secretary, the General Counsel or your legal adviser.

3. Application of this policy

All MMS Staff must comply with this policy. Directors of the MMS Group and members of the Senior Executive Team of MMS Group (“**Key Management Personnel**”) are also required to ensure that any of their associates (including their spouse, de facto partner, children under the age of 18 years and any company or trust which they or any member of their family control) (“**Associated Parties**”) also comply with the requirements of this policy.

4. Closed Periods

There are various times during the year (“**Closed Periods**”) during which no MMS Staff may Trade in MMS Securities, unless an appropriate exclusion applies.

The Closed Periods differ depending on the seniority and role of the individual within the organisation.

5. Key Management Personnel

At all times Key Management Personnel are prohibited from trading in MMS Securities except for during those periods described below.

Key Management Personnel may only trade in MMS Securities in the 30 day period commencing on the opening of the ASX the first trading day following release of:

- (a) *the MMS Group’s interim results (usually February);*
- (b) *the final results (usually August); and*
- (c) *the Annual General Meeting (usually October)*

6. Other MMS Staff

For all other MMS Staff, the Closed Periods are as follows:

- (a) *from close of business on 31 December to the opening of the ASX the first trading day after MMS’s half-year results are released to the ASX; and*
- (b) *from close of business on 30 June to the opening of the ASX the first trading day after MMS’s full-year results are released to the ASX.*

However, it is important to note that no trading in MMS Securities by MMS Staff can occur if it involves the use of inside information, irrespective of whether this policy provides that trading can occur outside a Closed Period.

7. Exceptions to Trading During Closed Periods

The Closed Periods do not apply in relation:

- (a) *MMS Employee Option Plan*
Participation in the MMS Employee Option Plan (including the allocation of options and the issuing of shares pursuant to the Employee Option Plan) but do not apply in respect of any subsequent trading of MMS Securities to which MMS Staff become entitled under those plans.
- (b) *Dealings under an Invitation made to all or most MMS Security Holders*
Dealings under an offer or invitation made to all or most MMS Security Holders such as a share purchase plan, a dividend reinvestment, or a rights issue.
- (c) *Dealings which Results in No Change to the Beneficial Interest in the Securities*
Dealings which have no change to the beneficial interest in MMS Securities.
- (d) *Take Over Offer*
The acceptance of a takeover offer.
- (e) *Written Approval*
A Trade in MMS Securities for which prior written approval of the Chairman (in relation to Key Management Personnel and their Associated Parties) or the prior written approval of the Chairman, Group CFO or the CEO (in relation to other MMS Staff) has been obtained.

Any MMS Staff wishing to Trade in MMS Securities during a Closed Period must submit a request in writing to the Company Secretary together with a signed declaration by the relevant MMS Staff that they do not possess any inside information. Approval may be granted in circumstances in which the relevant MMS Staff is in severe financial hardship or other circumstances deemed by the Chairman to be exceptional. Approval must be provided in writing (including by way of email). Approval, if granted, will be valid for a period of 7 days.

8. Hedging, Short term trading and Margin loans

MMS Staff may not enter into a transaction that is designated or intended to hedge that employee's exposure to the MMS Security that is subject to retention arrangements or an unvested MMS option. Key Management Personnel and their Associated Parties must not engage in short-term or speculative trading in MMS Securities. Key Management Personnel and their Associated Parties must not grant a security interest over MMS Securities they own, including any margin loan without first receiving the written consent of the Chairman.

9. Notifications

Key Management Personnel must notify the Company Secretary within 3 business days after a Trade in any MMS Securities takes place. Directors of MMS have agreed with MMS to provide detailed notice of such dealings to the Company Secretary to comply with requirements of notification under the ASX Listing Rules, including information as to whether the dealing occurred in a Closed Period in circumstances where prior written approval was required, and whether that approval was obtained.

10. External Advisers

MMS Staff must ensure that external advisers who may receive price sensitive information are bound by confidentiality agreements or other enforceable confidentiality obligations.

11. Breaches

A breach of law relating to insider trading can have serious consequences, including individual criminal and civil liability. 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 a criminal offence to breach the insider trading provisions of the *Corporations Act 2001* and jail terms of up to five years may be imposed if a person is convicted of trading while in possession of inside information.

A breach of this Policy will be treated by the MMS Group as serious misconduct, and may lead to disciplinary action, including termination of employment with the relevant MMS Group entity.

12. Enquiries

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

Reviewed and Adopted by the Board on 14/12/10

<i>Document Owner</i>	<i>Group Chief Financial Officer</i>
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