



ADELAIDE BRIGHTON LIMITED
ACN 007 596 018

SHARE TRADING POLICY

1 Introduction and purpose

The Corporations Act prohibits any person, who possesses inside information, from using that information to deal in shares, debentures, options, warrants, derivatives or other securities, either for personal gain or for the gain of any other person.

Inside information is information that a reasonable person would expect to have a material effect on either the price or value of the securities.

The Board of Adelaide Brighton Ltd has adopted this policy to provide guidance to Directors and Officers (which term includes all employees) of Adelaide Brighton Ltd and their associates, if they are contemplating buying or selling Adelaide Brighton Ltd securities. Serious penalties apply for non-compliance, as set out in section 3 below.

A summary of the “insider trading” provisions of the Corporations Act is set out in section 5 below.

The insider trading provisions of the Corporations Act also apply to securities of entities other than Adelaide Brighton Ltd where Directors and Officers of Adelaide Brighton Ltd, and their associates, use inside information gained from their association with Adelaide Brighton Ltd to deal in those securities, either for personal gain or for the gain of any other person.

In this Policy, a reference to securities includes shares and other marketable securities of Adelaide Brighton Ltd (“the Company”).

2 Policy

- Directors are required to discuss any proposed trade in the Company’s securities with the Chairman and receive pre-approval prior to trading in the Company’s securities. Details of any subsequent trade should be advised immediately in writing to the Company Secretary with reference to the prior discussion in order to facilitate appropriate notification to the Australian Securities Exchange (**ASX**).
- Officers are required to discuss any proposed trade in the Company’s securities with the Company Secretary or, in his absence, the Managing Director, and receive pre-approval prior to trading in the Company’s securities. Details of any subsequent trade should be advised immediately in writing to the Company Secretary with reference to the prior discussion.

- Directors and Officers are only likely to be granted approval (unless there are exceptional circumstances) to trade in the Company's securities during the following periods ("Trading Windows"):
 - (i) in the period up to one month after the lodgement of the Company's half year and annual reports to the ASX;
 - (ii) in the period from the lodgement of the Company's printed annual report with the ASX up to one month after the holding of the Company's Annual General Meeting; and
 - (iii) in the rights trading period when the Company has issued a prospectus, and

in all cases, where the Director or Officer is not in possession of price sensitive information in relation to the Company which is not known to the market.
- Directors and Officers are prohibited from trading in the following situations:
 - (i) in the two month period preceding the lodgement of the Company's half year and annual profit announcements with the ASX ("Blackout Periods"); and
 - (ii) where the Director or Officer would be trading for a short-term gain (including buying and selling securities within a 3 month period or using forward contracts).
- At all other times (ie. outside of the Trading Windows and Blackout Periods), the normal approval process set out above applies. Clearance to trade other than during the Trading Windows is entirely discretionary and may only be considered in exceptional circumstances (such as financial hardship). In all cases, Directors and Officers are prohibited from trading when in possession of price sensitive information.
- No Director or Officer may enter into a margin loan or similar funding arrangement to acquire Company securities.
- Directors and Officers are also prohibited from dealing in the securities of other companies about which they may gain price sensitive information that is not publicly available, by virtue of their position as a Director or Officer of the Company.
- Directors and Officers must not directly or indirectly communicate price sensitive information or cause that information to be communicated to another person, if they know or should know that that other person would be likely to buy or sell securities in the Company.
- Directors and Officers should obtain their own legal advice if they are unsure of their legal obligations.

3 Penalties

- Strict compliance with this policy is a condition of employment. Breaches of this policy will be subject to disciplinary action, which may include termination of employment in serious cases.

- If a Director or Officer is convicted of insider trading, the penalties can be serious, as set out below:
 - (i) criminal liability (a fine of up to \$220,000 or imprisonment for up to 5 years, or both);
 - (ii) civil liability (a pecuniary penalty of up to \$200,000 and liability to pay damages resulting from the breach); and
 - (iii) termination of employment or engagement with the Company.

4 Definitions

- “Associates” include nominee companies, spouses, dependent children, family trusts etc.
- “Securities” includes ordinary and preference shares, debentures, rights, options, interests in managed investment schemes, Australian Securities Exchange traded options, warrants and derivatives, and other financial products able to be traded on a financial market.
- “Deal” is a broad concept and includes any transaction associated with the buying, selling, or converting of a security. It also extends to entering into a forward contract or hedging arrangement which has the purpose of securing economic value or transferring any risk or benefit in the value of securities.
- “Inside information” is information that if it was known to the market would be reasonably expected to have a material effect (positive or negative) on the price or value of the applicable security, and includes:
 - (i) sales figures;
 - (ii) profit forecasts;
 - (iii) items of capital expenditure;
 - (iv) borrowings;
 - (v) liquidity and cash flow information;
 - (vi) significant changes in operations;
 - (vii) management restructuring;
 - (viii) litigation;
 - (ix) impending mergers and acquisitions, reconstructions, take-overs;
 - (x) major asset purchases or sales; and
 - (xi) new products and technology.

5 Legal prohibition

The main provisions of the Corporations Act dealing with “insider trading” are contained in Part 7.10.

Essentially, the Corporations Act provisions provide that a person is prohibited from dealing in securities where:

- the person possesses information which is not generally available to the public;
- that information may have a material effect on the price of securities of the relevant entity; and
- the person knows or ought reasonably to know that the information is not generally available and, if it were, it might have a material effect on the price of securities.

The prohibition also extends to:

- advising, procuring or encouraging another person to deal, or enter into an agreement to deal, in the company’s securities; and
- directly or indirectly communicating the information to another person who the person believes is likely to deal in, or procure another person to deal in, those securities.