



22 December 2010

The Manager
Company Announcements
ASX Limited

Hamilton James & Bruce Group Limited: Securities Trading Policy

Attached is the Hamilton James & Bruce Group Limited Securities Trading Policy, provided in compliance with ASX Listing Rule 12.9 when it comes into effect on 1 January 2011.

Yours faithfully

A handwritten signature in black ink that reads 'L. Fernandes'. The signature is written in a cursive style and is positioned above a horizontal line.

Lance Fernandes
Director and Company Secretary

Hamilton James & Bruce Group Limited

Securities Trading Policy

1. Generally

The Hamilton James & Bruce Group Limited (**HJB**) Securities Trading Policy (**Policy**) regulates dealings in shares and other securities issued by HJB by:

- (a) directors and key management personnel of HJB; and
- (b) directors and key management personnel of each of HJB's wholly owned subsidiaries,

(in this Policy, referred to as **restricted persons**).

The rationale for the Policy is to ensure that restricted persons are aware of the legal restrictions on trading HJB securities while a person is in possession of unpublished HJB price-sensitive information and to impose certain closed periods during which trading is prima facie prohibited.

Also, in order to preserve the reputation and integrity of HJB, it is vital that when people associated with HJB deal in HJB's securities those dealings are not only fair, but are seen to be fair. When restricted persons deal in securities of HJB they must be sure that it does not reflect improperly on them or HJB.

2. Standards

All restricted persons should ensure that all transactions in HJB shares or other HJB securities which may be issued from time to time by HJB (**HJB shares**) comply with:

- (a) the *Corporations Act 2001* (**Corporations Act**) and Regulations (particularly the insider trading provisions); and
- (b) the ASX Limited Listing Rules (particularly the continuous disclosure requirements in Listing Rule 3.1 and the disclosure of the director's interests in accordance with Listing Rule 3.19A).

3. The insider trading provisions

The insider trading provisions of the Corporations Act (**Insider Trading Provisions**) operate to prohibit a person (which includes a company) in possession of "inside information" about financial products (including shares) from:

- (a) applying for, acquiring or disposing of those financial products (or entering into an agreement to do so) (the trading offence);
- (b) "procuring" another person to do any of the things set out in paragraph (a) (the procuring offence); and
- (c) in some cases where the financial products are able to be traded on a financial market, merely communicating the information.

A person will be taken to have procured another if that person incites, induces, or encourages or causes an act or omission by another person.

“Inside information”, is information which is not “generally available” and information which a reasonable person would expect to have a “material effect on the price” or value of the particular financial products in question.

4. Restrictions on trading and dealing

4.1 General restrictions

Restricted persons must not, despite anything to the contrary in this Policy, trade in any HJB shares while that person is in possession of inside information.

4.2 Specific restrictions

Restricted persons:

- (a) who hold HJB shares under an incentive plan offered by HJB from time to time, must not, without the prior consent in writing of HJB, sell, create a security interest in, or otherwise dispose or deal with their HJB shares or any of their interests in any of those HJB shares;
- (b) are prohibited from trading during the closed periods (set out at paragraph 5 below) in financial products issued or created over or in respect of HJB's securities; and
- (c) cannot enter into an agreement with a secured lender that grants a right or rights over the restricted person's rights over their interests in HJB shares.

5. Closed periods for trading

Subject to paragraph 6 below, restricted persons must not trade in HJB's shares during the following 'closed periods':

- (a) 1 January up to and including the day on which HJB's half year results are released; and
- (b) 1 July up to and including the day on which HJB's full year results are released.

6. Exemptions

6.1 Excluded trading

A restricted person may trade in HJB shares during a closed period if that trading falls within one of the following categories of “excluded trading”:

- (a) transfers of HJB shares already held from a restricted person's own name into a superannuation fund to which the restricted person is a beneficiary;
- (b) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in HJB shares) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (c) undertakings to accept, or the acceptance of, a takeover offer;

- (d) trading under an offer or invitation made to all or most of HJB's members such as, a rights issue, a security purchase plan, a dividend or distribution reinvestment plan or an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board;
- (e) a disposal of HJB shares that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement; or
- (f) trading under any HJB employee incentive scheme in accordance with the rules of a Board approved Incentive Plan.

6.2 Trading with consent

A restricted person may trade in HJB shares during a closed period if that person obtains written permission to do so in accordance with paragraph 6.3.

6.3 Procedure for obtaining written consent to trade

- (a) A restricted person who wishes to trade in HJB shares during a closed period (**Applicant**) must obtain the prior written permission (whether by letter, facsimile, electronic or other form of visible communication) of:
 - (i) the Chairman and the Chief Executive Officer; or
 - (ii) where the Chairman or the Chief Executive Officer is the Applicant, the other of them and the Chair of the Audit and Corporate Governance Committee (collectively the **Approvers**).
- (b) As part of his or her application, an Applicant must give the Approvers an undertaking that the Applicant complies with paragraph 4.1(a);
- (c) The Approvers may only provide written permission (whether by letter, facsimile, electronic or other form of visible communication) to trade in HJB shares where:
 - (i) the restricted person is in severe financial hardship or other exceptional circumstances exist; and
 - (ii) the Approvers are satisfied that there is no inside information which has not been disclosed to ASX Limited.
- (d) The following are examples of situations of severe financial hardship or other exceptional circumstances which the Approvers may consider sufficient to warrant approval under this paragraph 6:
 - (i) "severe financial hardship" could include (but is not limited to) the Applicant having a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant HJB shares; and
 - (ii) "exceptional circumstances" could include (but is not limited to) where the Applicant is required by a court order, or there are court enforceable undertakings, for example, in a bona fide family settlement, to transfer or sell HJB shares or there is some other overriding legal or regulatory requirement for him or her to do so.
- (e) An Applicant seeking clearance to trade must satisfy the Approvers that they are in severe financial hardship or that their circumstances are otherwise exceptional

and that the proposed sale or disposal of the relevant HJB shares is the only reasonable course of action available.

- (f) Determination as to whether the Applicant is in severe financial hardship or whether a particular set of circumstances exist may only be made by the Approvers.
- (g) Any permission provided under this paragraph 6 must be obtained by the Applicant not more than 2 business days before the proposed trade and the restricted person must only effect the trade between 2 business days and 5 business days after receipt of the permission.

7. Policy responsibility

- (a) Each restricted person is responsible for adhering to HJB's standard for trading in HJB shares.
- (b) The Company Secretary has responsibility for maintaining the Policy.

8. Insider trading

The requirements imposed by the Policy are separate from, and additional to, the legal prohibitions in the Corporations Act on insider trading.

Issued by: The Board

Hamilton James & Bruce Group Limited

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