

22 June 2015

The Manager  
Company Announcements Office  
ASX Limited  
Level 4, Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

**Securities Trading Policy**

Please find attached for release to the market Aveo Group's (ASX:AOG) amended Securities Trading Policy. The material changes to the policy incorporate amendments to the definition of a Designated Employee and the Group's Closed Period's.

A copy of the Policy has also been uploaded to the Group's website ([www.aveo.com.au](http://www.aveo.com.au)).

Yours faithfully,



Nicole Moodie  
Company Secretary



## Securities Trading Policy

### 1. Introduction

Aveo Group (**Aveo**) stapled securities are listed for quotation on the Australian Securities Exchange. This document sets out Aveo's policy regarding insider trading and when directors and employees may deal in Aveo securities.

The policy aims to:

- protect stakeholders' interests at all times;
- ensure that directors and employees do not use inside information they possess for their personal advantage or to their customers' or Aveo's detriment; and
- ensure that directors and employees comply with the insider trading provisions of the *Corporations Act 2001* (C'th) (**Corporations Act**).

The policy applies to all executive and non-executive directors and employees (including contractors) of Aveo Group Limited and any of its subsidiaries. It also extends to the immediate family members of directors and employees and to companies, trusts and entities controlled by the director or employee or their immediate family member.

Every director and employee of Aveo has an individual responsibility to ensure that they comply with the law relating to insider trading and this policy. A breach of the law relating to insider trading can have serious consequences, including individual criminal and civil liability and is also a breach of the conditions of employment at Aveo.

The policy is not intended to be a substitute for directors and employees obtaining their own legal advice. If any director or employee has any particular concerns on insider trading or dealing in Aveo securities, they should contact the Group Company Secretary.

### 2. General Prohibition against Insider Trading

During the course of their duties, directors and employees of Aveo may become aware of information that could have an impact on the price of shares and other financial products in the market. This information could be **'inside information'**.

This information is usually confidential and subject to an employee's general duties of confidence to Aveo and to customers. The insider trading rules in the Corporations Act also affect how directors and employees can use this information.

Where a director or employee is in possession of price sensitive information about any company's financial products which is not generally available to others, under the Corporations Act, they cannot:

- apply for, acquire or dispose of those financial products, or enter into an agreement to do any of those things, or
- procure that another person does any of those things in relation to those financial products.

Where the price sensitive information relates to a company's financial products that are listed on a financial market, then directors and employees must not, directly or indirectly, communicate that information to a person if they know, or they ought reasonably to know, that the person is likely to deal or trade in those financial products.

These rules not only prevent Aveo directors and employees from trading, but also prevent directors and employees of Aveo from encouraging other people to trade or giving that information to someone else who is likely to trade or encourage others to trade.

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This policy applies equally to financial products issued or made available by Aveo or its subsidiaries and to financial products issued or made available by customers or other corporate entities with which directors or employees may deal in the course of their duties (e.g. suppliers, sub-contractors or entities in which Aveo has an interest).

## 2.1 Who is an Insider?

You are an insider:

- if you have **information** that is not **generally available** but if it were, a reasonable person would expect it to have a **material effect** on the price or value of **financial products** ('inside information'), and
- you know, or ought reasonably to know, that the information is inside information.

## 2.2 What is a Financial Product?

Financial product has a very wide meaning in the Corporations Act. Not all financial products are subject to the insider trading rules. For the purpose of this policy, a reference to a financial product is only to those products which are subject to the insider trading rules.

The insider trading rules apply to the following financial products:

- securities - including a company's shares, debentures (including convertible notes), managed investment interests made available by it, units of shares or of managed investment interests and exchange traded and over the counter put and call options over any of those securities,
- derivatives - including exchange traded options, equity swaps, futures or options, equity futures or other futures which relate to any financial products of a company,
- managed investment products,
- superannuation products, and
- any other financial product that can be traded on a financial market (that is, tradeable on a stock exchange or futures exchange or other type of licensed financial market).

## 2.3 What Constitutes Information?

**Information** means any fact, matter or circumstance and includes:

- matters of supposition (e.g. rumours or innuendo) or which are otherwise insufficiently definite to warrant being made known to the public, and
- matters relating to the intentions, or likely intentions, of a person.

The information can be in any form (e.g. written or verbal).

Information is **generally available** if:

- it consists of readily observable matter, or
- it has been made known to people who commonly invest in the type of financial product involved and a reasonable period has elapsed for it to be disseminated to those people, or
- it consists of deductions, conclusions or inferences made or drawn from readily observable matter or information that has been disseminated.

Information has a **material effect** on the price or value of financial products if the information would, or would be likely to, influence people who commonly acquire financial products in deciding whether or not to acquire or dispose of the particular financial products.

Directors or employees may come into possession of inside information if they become aware of any of the following when it is not generally available:

- actual profit results,
- internal forecasts of profit results,

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- changes of strategic direction of the business,
  - details of a new product or substantial new business contract or project,
  - the appointment or resignation of a chief executive officer, executive director or chairman,
  - an actual or proposed major acquisition or disposal of assets,
  - a float or other share issue, capital raising, takeover, merger, purchase, sale or partial sale of business,
  - actual or proposed major litigation,
  - any plans involving securities or securities futures or other financial products.

The information may relate to Aveo, one of its subsidiaries, a corporate customer or any other company.

#### **2.4 When do you stop being an Insider?**

A director or employee will no longer be an insider once the inside information becomes generally available (as described above - see **What Constitutes Information?**).

### **3. Specific Insider Trading Rules**

All directors and employees must follow the rules below if they are considered an insider:

- you must not apply for, acquire, or dispose of, financial products of Aveo to which the inside information relates, either for yourself or for another person,
- you must not get another person (whether a family member, friend, associate, colleague or your company or trust) to apply for, acquire or dispose of, the financial products for you or for another person or for themselves,
- if the financial products are also listed on a financial market (such as the Australian Securities Exchange) you must not, either directly or indirectly, give the inside information, or allow it to be given, to another person who you know, or should know, would be likely to do any of the prohibited things described above,
- with regard to financial products of a company which is a customer or another person with whom you do business, you must not apply for, acquire or dispose of or offer or agree to acquire or dispose of those financial products or attempt to influence others (including family, associates, colleagues, private company or trustee) to do so,
- you must not give any inside information to any person who is an employee or contractor of Aveo and/or its subsidiaries who is a trader in, or distributor of, financial products or get them to buy or sell for you or another person while you remain an insider,
- if you liaise with industry analysts or business journalists working on the business activities of Aveo, you must not give them any inside information about Aveo, or confirm with them any suspicions or hunches which they may have, even if these hunches are based on their own research and analysis.

This policy applies to all directors and employees regardless of the capacity in which they are acting. For example, a director or employee must not trade through their family or through a trust or company in which they have influence or control in circumstances where they would have been prohibited in trading in their own name.

It is also important to note that information does not need to be obtained from Aveo to be inside information. It does not matter how the inside information is obtained, just that the director or employee possess it.

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## 4. Trading in Aveo Securities

The above general policy applies to all financial products to which the insider trading rules in the Corporations Act apply.

This part of the policy applies to directors and employees in respect of their dealings with Aveo's securities or any other securities or financial products which may be issued by Aveo or its subsidiaries, including all securities issued to employees under an Aveo incentive scheme or plan.

### 4.1 Prohibited Trading

- No director or employee can trade in or get someone else to trade in financial products of Aveo in breach of insider trading rules.
- At no time can directors or employees engage in short term speculative trading in Aveo's financial products. For the avoidance of doubt, the purchase and subsequent sale of Aveo's financial products by directors or employees within a six month period will, in the absence of compelling evidence to the contrary, be deemed to be short term speculative trading. This rule is designed to encourage support for Aveo's long term objectives and discourage short term actions which could affect the security price or lead to market speculation. This rule does not prevent a director or employee disposing of securities issued on the exercise of employee options or upon the vesting of performance rights (subject to the other terms of this policy).
- Any director or employee who trades in financial products of Aveo on a financial market should use only one or two brokers, and preferably only one.

### 4.2 Closed Period and Permitted Trading Period

Directors and employees must not trade in Aveo's financial products during the following Closed Periods:

- from the earlier of the period from the ex-dividend date (where applicable) or from 1 January until 9 am (AEDT) on the first business day after the release of Aveo's half year results; and
- from the earlier of the period from the ex-dividend date (where applicable) or from 1 July until 9 am (AEST) on the first business day after the release of Aveo's full year results.

All other days throughout the year constitute the **Permitted Trading Period**.

### 4.3 Required Approvals

Employees will have different access to price sensitive information depending on their position in Aveo. **Designated Employees** are those employees deemed most likely to have access to inside information and these employees are therefore subject to additional restrictions in relation to trading in Aveo securities.

The following employees are Designated Employees:

- key management personnel;
- directors, company secretaries and senior executives of principal subsidiaries;
- senior Finance, Legal, Communication or Investor Relations employees;
- corporate and divisional officers reporting directly to any of the above employees;
- confidential secretaries and assistants reporting to any of the above positions;
- employees who have access to the Group's financial results;
- participants in the Aveo Short and Long Term Incentive Plans; and

- any other Aveo employee designated by the Group Company Secretary from time to time for the purposes of this policy.

Prior to trading in Aveo's financial products within a Permitted Trading Period:

- Designated Employees must obtain approval from the Chief Executive Officer, Group Company Secretary or Chief Financial Officer;
- Directors must obtain approval from the Chairman; and

the Chairman must obtain approval from an independent non-executive director. Directors and Designated Employees remain subject to the general policy rule that they must not deal in Aveo securities if they are in possession of inside information during a Permitted Trading Period.

Written clearance to trade (including by email or facsimile) must be obtained from the designated approval officer. For directors or Designated Employee's seeking to trade Aveo financial products acquired as a result of the vesting of either Short or Long Term Incentive Plans, the clearance to trade will be valid for one month from the vesting date. In all other circumstances, clearance to trade will be valid for a period of fourteen days unless further extended by agreement. Directors and Designated Employee's must then comply with all rules in this policy for trading Aveo financial products.

While it is not compulsory, Aveo believes it would be prudent for all directors and employees to maintain a record or register of personal trading in Aveo's financial products. All designated employees will have their holdings in Aveo financial products monitored through a watch list to ensure compliance with the required approval process for trading in Aveo financial products.

#### **4.4 Special Circumstances for Trading outside the Permitted Trading Period**

Trading may be permitted outside the Permitted Trading Period where special circumstances exist. Approval must be obtained from the Chief Executive Officer, Group Company Secretary or Chief Financial Officer in the case of Designated Employees, from an independent non-executive director in the case of the Chairman or from the Chairman in the case of directors.

Whether special circumstances exist will be a matter for the relevant person to decide, but will generally only apply in limited circumstances such as:

- cases of financial or personal hardship or necessity, and
- legal duties and obligations (e.g., the administration of a deceased estate or transfers under Family Court orders).

The designated approval officer may only exercise discretion to authorise a trade outside the Permitted Trading Period in exceptional circumstances where they are satisfied that the proposed sale or disposal of the relevant securities is considered the only reasonable course of action and that there is no apparent breach of the insider trading laws.

Written clearance to trade (including by email or facsimile) will be provided by the designated approval officer and will be valid for a period of fourteen days unless further extended by agreement.

#### **4.5 Excluded Trading**

This policy does not prevent directors or employees from trading in Aveo securities in certain situations where the trading occurs under an offer to all or most of the security holders of Aveo, where no change in beneficial ownership results from the trade and situations where the director or employee has no control or influence with respect to the trading decision.

The following trading is excluded from the restrictions under this policy:

- the issue of securities under an employee incentive scheme approved by the Board;
- the exercise (but not the sale of securities following exercise) of an option under an employee incentive scheme or the conversion of a convertible security;

- trading under an offer or invitation made to all or most of Aveo security holders including an issue of securities under a rights issue, security purchase plan, distribution reinvestment plan, equal access buy-back or other pro rata offer where the plan that determines the timing and structure of the offer has been approved by the Board;
- undertakings to accept, or the acceptance of, a takeover offer;
- transfers of securities already held into a superannuation fund, family trust or other savings scheme in which the director or employee is a beneficiary; and
- the sale of securities in accordance with a margin call under the terms of a margin loan against the relevant Aveo securities.

## 5. Margin Lending Arrangements

Directors and key management personnel, must inform the Group Company Secretary if they have entered into margin loans (including by way of security lending) in respect of securities in Aveo or in an associated entity or subsidiary.

The Group Company Secretary must in turn inform the Board of the existence of such loans.

Directors and key management personnel may only sell all or part of the securities held that are subject to the margin loan to meet a margin call in accordance with the terms of the policy. Cases of hardship or special circumstances will also be dealt with in accordance with this policy.

## 6. Use of Derivatives or Hedging

The use of derivative or hedging arrangements by directors or key management personnel in relation to unvested Aveo securities or vested Aveo securities which are still subject to a Aveo imposed holding lock is prohibited.

## 7. ASX Notification by Directors

The Corporations Act and the ASX Listing rules require director dealings in Aveo securities to be disclosed to the ASX. In order to comply with the ASX Listing Rules, each director must inform the Group Company Secretary in writing of all director dealings as soon as reasonably possible after the date of the transaction and in any event, no later than 3 business days after the transaction.

## 8. Compliance with Policy

On an annual basis, the Group Company Secretary will require directors and Designated Employees to:

- certify that they have read the policy and continue to comply with the terms of this policy; and
- confirm all holdings in Aveo financial products to facilitate a reconciliation between the directors and Designated Employee's watch list to ensure trading has been conducted pursuant to the terms of this policy.

## 9. Consequences of Breach of Policy

A breach of this policy by any person will be treated seriously and may lead to disciplinary action including dismissal.

Breaches of the insider trading provisions of the Corporations Act are a criminal offence. Penalties for insider trading include fines of up to \$220,000 for individuals and \$1,100,000 for companies or imprisonment for up to 5 years, as well as potential civil liability for losses caused to other investors.

Aveo will involve the authorities if it believes insider trading or other breaches of the law have been committed

*All queries regarding issues raised in this policy should be directed to the Group Company Secretary.*

***This policy was reviewed and updates approved by the Board on 16 June 2015.***