

ASX RELEASE

19 August 2015

SECURITIES DEALING POLICY – LISTING RULE 12.10

Arrium Limited (ASX:ARI) in accordance with Listing Rule 12.10 attaches a copy of its Securities Dealing Policy amended on 18 August 2015.



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Company Secretary
Arrium Limited

Further information about Arrium Limited can be found on its website www.arrium.com

SECURITIES DEALING POLICY

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1. Overview

- 1.1 This document sets out the Securities Dealing Policy (“**Policy**”) of Arrium Limited (“**Arrium**” or “**the Company**”) regarding Arrium Group's directors, officers and employees, and certain consultants and contractors, engaging in Dealings in Securities, particularly Arrium Securities.

- 1.2 The objective of this Policy is not only to require that all Arrium People comply with the law at all times, but to ensure that their dealings in Securities and Inside Information of Arrium and other entities with which Arrium deals are above reproach. This helps Arrium to control the risk of an actual or perceived breach of insider trading laws. This Policy also aims to assist Arrium in its disclosure and reporting requirements.
- 1.3 This Policy requires all Arrium Group directors, officers and employees (including employees on fixed term contracts), as well as relevant consultants and contractors retained by Arrium from time to time, (collectively "**Arrium People**" and individually an "**Arrium Person**") to comply with the law relating to insider trading which is outlined in this Policy. The Policy contains additional responsibilities in:
- (a) **Section 5**, which applies to "**Relevant Arrium People**" being:
 - relevant Arrium People who are managers at level 3 (General Managers) and above;
 - Directors and Senior Executives (as defined in (b) below) and, other than in relation to non-executive directors, their personal assistants, executive assistants or administrators; and
 - corporate finance staff that report directly to a member of the Commercial Lead Team (excluding finance staff who do not work in the corporate office)(each individually a "**Relevant Arrium Person**"); and
 - (b) **Section 6**, which applies to "**Directors and Senior Executives**" being each Director of Arrium, the Company Secretary of Arrium, the Managing Director & Chief Executive Officer ("**MD&CEO**") and the Corporate Lead Team.
- 1.4 Insider trading is a criminal offence, attracting potential fines and imprisonment. Civil penalties and compensation may also be ordered against a person engaging in insider trading. In addition to any consequences applicable under law, Arrium People who fail to adhere to the requirements of this Policy may face disciplinary action, including dismissal.
- 1.5 ASX, ASIC and corporate governance commentators take a particular interest in the compliance of Arrium People with this Policy. If an Arrium Person does not comply with this Policy, there are potentially significant legal and reputational consequences for that person as well as Arrium itself, including with investors, the broader equity market and regulators.

2. Responsibilities and scope

- 2.1 Each Arrium Person has an individual responsibility to ensure that they and their Connected Persons are aware of and comply with the law relating to insider trading and the applicable terms of this Policy.
- 2.2 This means that each Arrium Person must not communicate any Inside Information regarding Securities to their Connected Persons, or procure Dealings by any Connected Person in any Securities about which the Arrium Person has Inside Information or where that Dealing would otherwise breach this Policy if conducted directly by an Arrium Person.
- 2.3 If you do not understand this Policy or its application to you or your Connected Persons, or otherwise have questions, guidance can be obtained from the General Manager Legal or the Company Secretary. However, that guidance will not affect your individual responsibility to comply with your obligations. To the extent this Policy explains legal provisions, it is only a general guide and should not be taken as legal advice.

3. Compliance with the Law

3.1 What is Inside Information?

3.1.1 "Inside Information" is information that is not generally available to the public and, if it were available, could be expected to have a material effect on the price or value of a company's Securities. Information is 'generally available' if it is in the public arena, such as where it consists of readily observable matter or it has been brought to the attention of investors by an announcement to the ASX and a reasonable period for its dissemination has elapsed since the announcement.

3.1.2 Examples of information that might be Inside Information include information relating to:

- (a) financial performance such as a material change in debt, liquidity and cash flow, or a material variance between the Company's sales and profit results and market expectations regarding those results;
- (b) a material acquisition or disposal of assets;
- (c) an actual or proposed takeover or merger;
- (d) a material management or business restructuring proposal;
- (e) an actual or proposed change to capital structure such as a share issue proposal;
- (f) entry into or termination of a material contract;

- (g) a significant change in or event affecting the level of production at Arrium's facilities and operations;
- (h) a significant change to or event affecting the availability of Arrium's debt facilities; or
- (i) a material claim or unexpected liability such as the threat of major litigation against Arrium.

3.2 Insider trading prohibition

3.2.1 Arrium People must not engage in insider trading. This means that an Arrium Person who possesses Inside Information in relation to Securities (whether Arrium Securities or otherwise) must not:

- (a) apply for, acquire or dispose of those Securities, or agree to do so;
- (b) procure, encourage, incite or induce anyone else (for example, a family member, friend, or family company or trust or any Connected Person) to do those things; or
- (c) directly or indirectly communicate the Inside Information to any other person, other than in accordance with Arrium's Continuous Disclosure Policy.

3.2.2 These restrictions cannot be avoided by another person doing things on the Arrium Person's behalf. So, for example, if a family member acquires Securities for an Arrium Person while the Arrium Person is in possession of Inside Information in relation to those Securities, the Arrium Person may face insider trading liability.

3.2.3 The prohibition in the *Corporations Act 2001* (Cth) (the "**Corporations Act**") against insider trading applies equally to where Inside Information is held by a Arrium Person in respect of another company's Securities, as it does to Inside Information relating to Arrium Securities.

4. Participation in Employee Equity Schemes

4.1 Participation in Employee Equity Schemes ("**EES**") by Arrium employees is not subject to the insider trading prohibition outlined above. An Arrium employee may enter into, join or vary their participation in an EES while they possess Inside Information in relation to Arrium Securities. This exception does not apply to any other equity purchase plan, such as the Dividend Reinvestment Plan.

4.2 Any Dealings in Arrium Securities withdrawn from an EES following vesting (including any direction that the Arrium Securities be transferred directly from the scheme to another person) are subject to all of the requirements of this Policy.

5. Additional Arrium Policies for all Relevant Arrium People

5.1 Relevant Arrium People are subject to additional obligations as set out below. The Company Secretary may from time to time designate in writing additional Arrium People as persons subject to these additional obligations as if they were Relevant Arrium People for the purposes of this Policy.

5.2 Trading Windows

5.2.1 Relevant Arrium People may only Deal in Arrium Securities during a trading window ("**Trading Window**") of:

- (a) four weeks commencing after market open on the Trading Day after each of the following events:
 - conclusion of the Company's Annual General Meeting;
 - release of the Company's Half Year Results to the ASX; and
 - release of the Company's Full Year Results to the ASX; or
- (b) the duration of the offer period for an offer of Arrium Securities made pursuant to a disclosure document or a cleansing notice in accordance with the relevant provisions in the Corporations Act. Relevant Arrium People will be notified when an offer period closes.

It must always be remembered that even when a Trading Window is open, Relevant Arrium People may not Deal in Arrium Securities if they are in possession of Inside Information, or that Dealing would otherwise constitute a breach of insider trading laws.

5.2.2 The Chairman or, in the Chairman's absence, the Chairman of the Governance and Nominations Committee, in their discretion may:

- (a) designate additional Trading Windows;
- (b) close a Trading Window early;
- (c) decide that a particular Trading Window is available only for certain designated Relevant Arrium People or for Relevant Arrium People with the exception of certain designated people; and
- (d) prohibit trading in Arrium Securities even when a Trading Window is open.

5.2.3 The Chairman (or the Chairman of the Governance and Nominations Committee, as applicable) in their discretion may refer any decision regarding the operation of Trading Windows to the Board.

5.3 Exceptions to Trading Window requirements

5.3.1 Relevant Arrium People are not required to comply with section 5.2.1 (that is, they are not required only to deal in Trading Windows) where the proposed Dealing involves the:

- (a) disposal of rights acquired, or an acquisition of Arrium Securities, under a pro rata issue;
- (b) acquisition by an employee of Arrium Securities under an Employee Equity Scheme (including a transfer of vested Arrium Securities under any Employee Equity Scheme out of trust and onto the main share register, with no change to the beneficial holder);
- (c) disposal of Securities arising from the acceptance of a takeover offer, scheme of arrangement or equal access buy-back; or
- (d) indirect and incidental trading that occurs as a consequence of a Relevant Arrium Person Dealing in Securities issued by a managed investment scheme, listed investment company, exchange-traded fund or similar investment vehicle that is managed by a third party and that happens to hold Arrium Securities as part of its portfolio.

5.3.2 Notwithstanding section 5.3.1, compliance with the other terms of this Policy and insider trading laws is still required.

5.4 Clearance to trade outside a Trading Window

5.4.1 Other than as permitted in section 5.3, Relevant Arrium People must seek and obtain a clearance before they may Deal in Arrium Securities outside a Trading Window (a "**Clearance**"). Directors may request a Clearance from the Chairman (or, if the Chairman is requesting a Clearance or is not able to be contacted, the Chairman of the Governance and Nominations Committee). A Relevant Arrium Person, excluding Directors, may request a Clearance from the MD&CEO (or delegate). A request for a Clearance must include a declaration that the Relevant Arrium Person is not in possession of any Inside Information in relation to Arrium Securities.

5.4.2 Clearances are granted at the discretion of, and on such terms and conditions as are determined by, the Chairman, MD&CEO or delegate. Clearances may be refused at their discretion without being obliged to provide any reason and may be refused, for example, notwithstanding that the applicant is not personally in possession of Inside Information. A Relevant Arrium Person who seeks a Clearance must provide details of any exceptional circumstances claimed.

5.4.3 A Clearance, unless withdrawn, will be effective for 5 Trading Days from the date that the Clearance is granted. A Clearance can be withdrawn if new information comes to light or there is a change in circumstances. A decision to withdraw or refuse Clearance is final and binding, and the Relevant

Arrium Person who is refused Clearance must keep that information confidential and not disclose it to anyone.

5.4.4 The Company Secretary must be notified as soon as practicable after the occurrence of any Dealing in Arrium Securities by a Relevant Arrium Person which required prior Clearance under this section 5.4. This notification should include a copy of the relevant Clearance obtained prior to Dealing.

5.4.5 It should be noted that a Clearance is never an endorsement of the proposed Dealing. Each Relevant Arrium Person remains individually responsible for their own investment decisions and their compliance with the law (including the insider trading prohibitions) and this Policy. For example, if a Relevant Arrium Person becomes aware of Inside Information after Clearance but before the relevant Dealing, such Dealing would be in breach of insider trading laws and is therefore prohibited.

5.4.6 Arrium will disclose to the ASX that a Clearance has been granted if it is required to do so or if it otherwise considers it appropriate to do so.

5.5 Short-Term or Speculative Dealing

5.5.1 Relevant Arrium People are encouraged to be long-term holders of Arrium Securities. No Relevant Arrium Person may Deal in Arrium Securities for short-term gain. This means that Relevant Arrium People are prohibited from acquiring or subscribing for Arrium Securities with the intention of selling them within the following 12 month period.

5.5.2 Limited exceptions to the prohibition in section 5.5.1 apply in relation to Employee Equity Schemes:

- (a) The vesting of Arrium Securities under any Employee Equity Scheme and the subsequent sale of these Arrium Securities within a 12 month period is permitted.
- (b) The transfer of vested Arrium Securities under any Employee Equity Scheme out of trust and onto the main share register, with no change to the beneficial holder, is permitted.
- (c) The sale of Arrium Securities at the end of a restriction period applying under an Employee Equity Scheme is permitted.

5.5.3 Notwithstanding section 5.5.2, such Dealings are nevertheless subject to the other provisions of this Policy and the insider trading laws.

5.6 Blacklisted Securities & Dealing in Other Entities

5.6.1 From time to time, Arrium will be engaged in certain activities where it is possible that Inside Information in relation to Securities of another entity may be made available to Arrium.

- 5.6.2 The Chairman, MD&CEO or delegate may request the Company Secretary to notify certain Arrium People in writing that they are subject to a blacklist in relation to a particular Security and must not Deal in the Security for the time period specified. Dealing in the blacklisted Securities by those Arrium People will only be permitted if they first comply with the notification and approval procedure outlined in section 6 as if that person were a Director or Senior Executive and the Security were an Arrium Security, and then always subject to the law, including not being in possession of Inside Information.
- 5.6.3 A person notified of the application of a Security's blacklisted status must not discuss this fact with anyone other than the Company Secretary, Chairman or MD&CEO.
- 5.6.4 In any case, all Arrium People are prohibited from Dealing in an entity's Securities or Derivatives as a result of Inside Information in relation to that entity, acquired through their role or position.

5.7 Hedging, Short Selling & Derivatives

Relevant Arrium People are prohibited from entering into an arrangement (including short selling Arrium Securities or Dealing in Derivatives) that would have the effect of limiting their exposure to risk in relation to vested or unvested Arrium Securities (including any such Securities granted as part of their remuneration).

5.8 Margin Lending

Relevant Arrium People must not enter into a margin lending arrangement or any other form of financing arrangement secured against Arrium Securities (or Securities that are blacklisted in relation to that Arrium Person).

6. Additional Arrium Policies for Directors and Senior Executives

Directors and Senior Executives are subject to additional obligations as set out below. The Chairman, MD&CEO or delegate may request the Company Secretary, from time to time, to notify additional Arrium People in writing that they are persons subject to these additional obligations as if they each were a Director or Senior Executive for the purposes of this Policy.

6.1. Approval Procedures

- 6.1.1 Directors and Senior Executives must not engage in any proposed Dealing in Arrium Securities until approval has been obtained. Directors must seek approval from the Chairman (or, if the Chairman is requesting approval or is not able to be contacted, the Chairman of the Governance and Nominations Committee). Senior Executives, excluding Directors, must seek approval from the MD&CEO (or delegate). A request for approval from the Chairman or MD&CEO (or delegate) can be made through

the Company Secretary. A request for approval must include a declaration that the relevant person is not in possession of any Inside Information in relation to Arrium Securities.

- 6.1.2 Approval is granted at the discretion of, and on such terms and conditions as determined by, the Chairman, MD&CEO or delegate. Approval may be refused at their discretion without being obliged to provide any reason and may be refused, for example, notwithstanding that the applicant is not personally in possession of Inside Information.
- 6.1.3 Any such approval, unless withdrawn, will be valid for 5 Trading Days commencing on the Trading Day after the date it is given, or such other period specified in it, meaning that the relevant Dealing can only occur during that period provided that any other requirements of this Policy are also complied with (including section 5.2 subject to the exceptions in section 5.3). For the avoidance of doubt, even if the proposed Dealing falls within an exception described in section 5.3 (such that it may occur outside a Trading Window), it must first be notified and approved in advance pursuant to this section 6.1.
- 6.1.4 An approval can be withdrawn if new information comes to light or there is a change in circumstances. Any decision to withdraw or refuse approval is final and binding, and the Relevant Arrium Person who is refused approval must keep that information confidential and not disclose it to anyone.
- 6.1.5 It should be noted that any approval given is never an endorsement of the proposed Dealing. Each Director and Senior Executive remains individually responsible for their own investment decisions and their compliance with the law (including the insider trading prohibitions) and this Policy. For example, if the relevant person becomes aware of Inside Information after approval but before the relevant Dealing, such Dealing would be in breach of insider trading laws and is therefore prohibited.

6.2. Confirmation of Dealings & ASX notifications

- 6.2.1 Each Director, Senior Executive and designated additional Arrium People must notify the Company Secretary as soon as practicable after any Dealing in Arrium Securities occurs and, in any case, no more than two business days afterwards. This notification should include a copy of any requisite approval obtained.
- 6.2.2 Arrium's Company Secretary will notify ASX of any trading by Directors in Arrium Securities in accordance with the ASX Listing Rules and Corporations Act.

7 Awareness & Compliance

- 7.1 Arrium seeks to ensure that Directors and Senior Executives are fully acquainted with this Policy, as well as any material changes to this Policy or relevant legislation.

7.2 The Policy is communicated by:

- (a) being referred to internally in Trading Window open/close email notifications;
- (b) annual review and internal email to Relevant Arrium People;
- (c) internal publication on Arrium's intranet;
- (d) terms and conditions in employment letters of offer and Arrium's Code of Conduct;
- (e) external publication on Arrium's website and in accordance with the ASX Corporate Governance Guidelines; and
- (f) release to ASX of all material changes.

7.3 Arrium's Company Secretary maintains a record of all decisions and requests under this Policy, and maintains a register of Directors' Interest in Arrium Securities.

8. Annual Review and Board Approval

The Governance & Nominations Committee reviews this Policy annually and recommends it to the Board. The Policy was last reviewed by the Governance & Nominations Committee on 18 August 2015 and approved by the Board on 18 August 2015.

9. Glossary

Defined terms for the purpose of this Policy:

Term	Meaning
Arrium or the Company	the meaning given in section 1.1.
Arrium Group	Arrium and its controlled entities.
Arrium People or Arrium Person	the meaning given in section 1.3.
Arrium Securities	Securities issued by Arrium.
ASIC	Australian Securities and Investments Commission.

ASX	Australian Securities Exchange.
ASX Listing Rules	means the listing rules of the Australian Securities Exchange as amended from time to time.
Board	the board of directors of Arrium.
Clearance	the meaning given in section 5.4.1.
Commercial Lead Team	direct reports to the Chief Financial Officer
Connected Persons	are Related Parties, dependents, agents (such as consultants or advisors trading on behalf of a Relevant Arrium Person) and any other person who materially influences or is materially influenced by an Arrium Person in Dealings with relevant Securities.
Corporate Lead Team	direct reports to the MD&CEO.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth) as amended from time to time.
Deal or Dealing	includes, in relation to Securities, an acquisition or disposal of the Securities, or the entry into a Derivative in relation to the Securities, or the grant, acceptance, acquisition, disposal or exercise of an option to acquire or dispose of the Securities, or the use of the Securities as security or the grant of any encumbrance over the Securities, or the engagement in any other transaction involving a beneficial interest or a change in beneficial ownership of the Securities, or the entry into any agreement to do any of the above things.
Derivatives	includes options, forward contracts, swaps, futures, warrants, caps and collars as defined in section 761D of the Corporations Act.
Director	a director or alternative director of Arrium.
Directors and Senior Executives	the meaning given in section 1.3(b).

Employee Equity Scheme or EES	a scheme established by Arrium solely or primarily for the benefit of Arrium employees for the acquisition of Arrium Securities, including staff plans and executive plans.
Inside Information	the meaning given in section 3.1.
Policy	the meaning given in section 1.1.
Related Party	has the same meaning as in s228 of the Corporations Act.
Relevant Arrium People or Relevant Arrium Person	the meaning given in section 1.3(a).
Securities	shares, options, rights, debentures, interests in a managed investment scheme, Derivatives and other “Financial Products” covered by section 1042A of the Corporations Act.
Trading Day	means an ASX trading day.
Trading Window	the meaning given in section 5.2.1.