

IOOF Group
Securities trading policy

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1. Overview

This Staff Trading Policy & Procedures document (**Policy**) applies to IOOF Holdings Limited (**IOOF**) and its controlled entities (the **IOOF Group**).

This Policy aims to balance the personal investment interests of employees with the responsibilities of IOOF and its employees by ensuring that all personal dealing and investing activities are lawfully and properly conducted.

The Policy is divided into two Parts:

- **Part A**, which deals with the personal trading guidelines for all IOOF Group Directors and employees in respect of trading in IOOF Securities; and
- **Part B**, which deals with additional trading guidelines for all Directors, employees and Connected Persons in Bridges (refer 3.1 of Part B) in respect of trading in all Australian Securities Exchange (**ASX**) securities (including IOOF Securities).

For the purposes of this Policy,

“**Senior Executives**” mean employees of the IOOF Group with the following positions:

- Directors of IOOF Holdings Limited or related subsidiaries
- The Chief Executive Officer (CEO) of IOOF Holdings Limited
- Senior Executives or any staff who report directly to the CEO
- Any direct reports to Senior Executives or direct reports to the CEO
- The Finance and Company Secretariat departments

“**Dealing**” includes applying for, acquiring or disposing of IOOF Securities, entering into an agreement to do any of those things or inducing a person to do any of those things.

All new Directors and employees of the IOOF Group will be asked to make a declaration that they have read and will abide by this Policy.

2. Part A: Personal Trading Guidelines for IOOF Securities

2.1. Scope of Part A

Part A applies to all IOOF Group Directors and employees. These guidelines apply to trades of **IOOF Securities**.

“IOOF Securities” includes shares, options and any other securities which may be issued by IOOF, as well as any other financial products issued or created over IOOF’s securities by third parties.

2.2. Insider Trading in IOOF Securities

During the course of employment with the IOOF Group, an employee may become aware of information which, if publicly available, might be expected to affect the price of securities (such as shares or options) in IOOF. This information is known as price-sensitive information.

Some examples of price sensitive information are:

- Knowledge of an upcoming results announcement, especially if it contains unexpected results; or
- Information about a proposed acquisition to be made by the IOOF Group; or
- Information about an unexpected investigation by a regulator, or material adverse finding by a regulator.

The law requires that persons who are in possession of price-sensitive information must not:

- buy or sell shares affected by that information (dealing);
- cause or procure anyone else to buy or sell those shares (procuring to deal); or
- communicate that information to other people if they know or should know that the other people will use the information to buy or sell those shares (tipping).

These restrictions continue to apply until such time as that information becomes publicly available or is no longer price-sensitive.

When is information “generally available”?

Information is considered to be generally available if it:

- a) is readily observable; (for example, published in the press, or in marketing communications); or
- b) has been made known in a manner likely to bring it to the attention of persons who commonly invest in Securities of a kind whose price or value might be affected by the information (eg, by way of ASX announcement) and, since the information was made known, a reasonable period has elapsed.

Material effect on the price or value of Securities

Under the Corporations Act, a reasonable person would be taken to expect information to have a material effect on the price or value Securities if the information would, or would be likely to, influence investors to buy or sell Securities.

Examples of inside information

Some examples of information which could be inside information are:

- sales figures;
- profit forecasts;
- unpublished announcements, or knowledge of possible regulatory investigation;
- liquidity and cash-flow;
- proposed changes in IOOF's capital structure, including issues of Securities, rights issues and buy-backs;
- borrowings;
- major asset purchases and sales;
- impending mergers, acquisitions, reconstructions, takeovers, etc;
- significant litigation;
- significant changes in operations;
- significant changes in industry;
- new products/services and technology;
- proposed dividends;
- management restructuring or Board changes; and
- new contracts or customers

IOOF Group Directors and employees must not deal in IOOF Securities where:

- they are in possession of price-sensitive information; or
- the IOOF Group is in possession of price-sensitive information and has notified its Directors and employees that they must not deal in IOOF Securities (either for a specified period, or until the IOOF Group gives further notice.)

Failure to abide by these requirements can result in prosecution of the individual concerned which can carry a penalty of up to \$200,000 for an individual and \$1,000,000 for a company, as well as imprisonment for up to five years. In addition, if a staff member is found guilty of insider trading, their employment may be terminated.

2.3. Speculative Trading

Speculative and short term trading involves buying and selling securities over a very short time period or entering into other short term dealings (for example, forward contracts).

Speculative trading by staff can undermine investor confidence in shares in IOOF, as it can give the impression that staff are using inside information to make a profit, even where this is not the case. For this reason, a person covered by this policy must not trade in IOOF Securities where trading is or may be seen as short term or speculative trading.

IOOF Group Directors and employees must not deal in IOOF Securities on a short-term trading basis, that is, within 12 months of acquisition without prior approval. However, the disposal of IOOF Securities immediately after they have been acquired through the conversion of a security by virtue of a corporate action will not be regarded as short term trading.

In exceptional circumstances (such as financial hardship), the Board of IOOF may waive compliance with this short term trading prohibition by giving notice in writing to the affected IOOF Group Director or employee.

2.4. Hedging & Margin Loans

IOOF Group Directors and employees must not enter into a hedging transaction to remove the “at risk” aspect of any IOOF Securities granted to them as part of their remuneration package.

IOOF Group Directors and Senior Executives may only enter into margin loan arrangements (or grant any form of security) in respect to IOOF Securities (or maintain an existing margin loan arrangement), if, prior to entering into any such arrangement (or immediately upon commencement of this policy) they disclose the terms of the prospective or current arrangement to the Company Secretary. The Company Secretary will then take such advice as he or she determines is appropriate to determine whether the margin loan will be “material” for the purpose of IOOF’s continuous disclosure obligations.

Where the Company Secretary determines that a margin loan arrangement is “material”, he or she will make a disclosure to the market in relation to the existence of the margin loan and, where appropriate, the relevant terms of the margin loan, such as trigger points and rights of sale by the financier. The Company Secretary will maintain a register of all margin loan arrangements where disclosure has been made to them, whether or not the arrangement is determined to be “material” for the purpose of IOOF’s continuous disclosure obligation.

2.5. Trading Windows

Subject to:

- the Insider Trading provisions of the Corporations Act 2001 outlined in section 2.2;
- the prohibition on speculative trading under section 2.3;
- the Blackout periods notified under section 2.5; and
- compliance with the notification requirements set out below in sections 2.6-2.9,

an IOOF Group Director or employee may deal in IOOF Securities at any time.

2.6. Blackout periods

IOOF Group Directors and employees must not deal in IOOF Securities during a black out period, unless the dealing:

- is a passive trade contemplated by section 2.7; or
- has the consent of the Chairman of the IOOF Board under section 2.5A.

A blackout period will be imposed from the six week period prior to the release of both IOOF's half year and full year results announcement to the ASX and the Company's Annual General Meeting.

IOOF Group Directors and employees must not trade in IOOF Securities during this time.

The Chairman of the IOOF Board, or the Chairman's delegate, (e.g. the Company Secretary) may also notify Directors and employees in writing of other ad hoc "blackout periods" as and when they may be required to be enforced.

Trading can resume immediately after release of such announcements to the market.

2.6A Exceptional circumstances

The Chairman of the IOOF Board may consent to a Director or employee dealing in IOOF Securities during a blackout period where:

- the relevant Director or employee is suffering severe financial hardship; or
- the final date for the exercise of an option or right to IOOF Securities (eg exercise of a performance right) falls during the blackout period and the Director could not reasonably have been expected to exercise it at an earlier time when he or she was free to deal; or

- the Director or employee satisfies other exceptional circumstances that have been approved by the Board of IOOF.

2.7. Prior notification required – Directors and Senior Executives

A Director or Senior Executive of the IOOF Group must not deal in IOOF Securities without the **prior** consent of the Chairman of the Board or his or her delegate (Company Secretary). A Director or Senior Executive must also provide the Company Secretary with subsequent confirmation of the dealing that has occurred.

2.8. Participation in employee equity plans etc

Subject to the Insider Trading provisions of the Corporations Act 2001 outlined in section 2.2, an IOOF Group Director or employee may at any time:

- acquire IOOF Securities under a bonus issue made to all holders of IOOF Securities of the same class; or
- acquire IOOF Securities under a dividend reinvestment plan available to all holders of IOOF Securities of the same class; or
- participate in an employee equity plan operated by IOOF (eg applying for an allocation of IOOF Securities under an employee share offer, exercising vested rights or options under an employee share plan); or
- acquire IOOF Securities under other corporate actions open to all shareholders in the relevant class.

Directors and Senior Executives are not required to seek consent from, or provide notification to, the Chairman of the Board in respect to the above dealings.

However, where IOOF Securities granted under an employee share plan cease to be held under the terms of that plan, any dealing in those IOOF Securities must only occur in accordance with this Policy (including section 2.5).

2.9. Notification not required – employees (other than Directors and Senior Executives)

IOOF Group employees (other than Directors and Senior Executives) are not required to notify IOOF before dealing in IOOF Securities. Employees must not deal in IOOF Securities at any time if they have any inside information relating to IOOF.

Additional pre-approval rules apply to all employees in Bridges (see Part B).

2.10. Securities in other companies

While in general, IOOF Group Directors and employees (other than Directors and employees of Bridges) are free to deal in securities in other listed companies, Directors and employees may in the course of their employment obtain price-sensitive information in relation to other listed companies with which IOOF may be dealing (including the IOOF Group's customers, contractors or business partners).

If a Director or employee is aware of price-sensitive information that is not publicly available, the Director or employee must not deal in the securities of the companies that it affects.

2.11. Compliance with Part A Guidelines

All Directors and employees should be familiar with Part A of these Guidelines. Failure to comply with this Part A of these Guidelines may lead to disciplinary action, and in serious cases, dismissal or similar. Failure to comply with these Guidelines may also result in prosecution or legal action.

2.12. Review of Part A Guidelines

These Rules will be regularly reviewed by the Company Secretary and Group General Counsel. Comments and queries should be addressed to the Company Secretary.

3. Part B - Additional Trading Guidelines for Bridges in ASX listed securities

3.1. Scope of Part B

Part B applies to:

- All Bridges' directors and employees (i.e. those employees who are with within the IOOF Advice Division);
- All Bridges Authorised Representatives;
- Those employees residing in the Kent Street, Sydney Office; and
- All Connected Persons

In respect of trading in any ASX Securities (including IOOF Securities).

Part B applies **in addition** to those guidelines set out in Part A.

3.2. Definitions

“Bridges”

Where the Policy refers to Bridges it means Bridges Financial Services Pty Limited.

“Connected Person”

Where the Policy refers to a **Connected Person** that section of the Policy applies to:

- All directors, employees and contractors who act on behalf of Bridges;
- A company controlled by any one of the above;
- A trust controlled by any of the above (other than by his/her immediate family member or where that family member is the trustee or holds more than 50% of the whole beneficial interest),

but not to the immediate family of a person referred to above.

“Prescribed Person”

Where the Policy refers to a **Prescribed Person** that section of the Policy will generally apply to all Bridges' employees and their immediate family members.

Specifically, Prescribed Person means:

- An employee, director, partner, or Responsible Executive of Bridges;
- A controller of Bridges or a related body corporate of that controller;
- The immediate family of a person as defined in section 3.1;
- A Family Company and a Family Trust of a person as defined in section 3.1; and
- Where Bridges or a person referred to in section 3.1 is a body corporate, any body corporate or other entity controlled by that body corporate.

3.3. Main requirements for personal trading

- All Bridges employees and all Connected Persons must conduct all ASX securities dealings through the Bridges Stockbroking Department. This rule applies to all trades in securities listed on the ASX (including IOOF Securities).
- If a Connected Person (note; this does not include immediate family) wishes to trade through another broker, prior written consent must be obtained before any trades are placed with that other broker.
- Bridges must not deal in securities for an employee of another broker.
- Bridges must not provide credit to employees or their associates for the purpose of buying or subscribing for securities.
- All Bridges employees and all Connected Persons must seek approval for any market transactions (see below for approval procedures).
- Personal trading must not adversely impact on the individual's ability to perform normal duties.
- Details of any Prescribed Persons (note: this includes immediate family) must be provided to the Manager, Bridges Stockbroking. Bridges maintains a Register of Prescribed Persons within Bridges Stockbroking.

3.4. Approval procedures for personal trading

Approval rule

- All market transactions entered into by or on behalf of a Bridges employee or a Connected Person must be approved in accordance with the procedures set out below. Approval must be obtained separately for each market transaction.
- Directors and Senior Executives of the IOOF Group seeking to deal in IOOF Securities must comply with the pre-approval requirements set out in Part A of this Policy.
- Written approval must be given prior to the transaction taking place.
- The Responsible Executives or delegated persons approving the market transaction must take into account the circumstances of the proposed transaction, which might materially affect the price of the relevant market security.
- The Responsible Executives or delegated persons approving the market transaction must ensure that personal trading is on a scale that reflects the individual's financial ability to fund and maintain an appropriately sized portfolio. The Stockbroking Manager must ensure that the Bridges employee

has sufficient funds for the purchase/subscription of securities at a time before the Broker is required to settle the transaction.

- Cleared funds for purchases must be received before settlement and sponsored stock/SRN for sales are provided before trades can be authorised.
- If a Bridges employee or a Connected Person to a Bridges employee wishes to trade through another broker, internal approval must be sought from the Bridges CEO or Company Secretary.

Form of approval

- Pursuant to ASX Market Rule 4.11, the form of the approval must be in writing.
- Written approval must include the date and time of the approval.
- If the transaction is conducted by another broker, that Market Participant must provide the Bridges' Company Secretary with a confirmation in respect of that transaction.

Who can approve personal market transactions?

All Bridges employees and any Connected Persons to a Bridges employee trading in any ASX security must obtain prior approval in writing from one of the following Responsible Executives or a person holding a written delegation from a Responsible Executive or Director:

- CEO Bridges
- Company Secretary
- Manager Stockbroking
- Group Risk Manager

Note: Order forms and new client documentation must be given to the Manager, Stockbroking, in the first instance.

Record-keeping

- The Stockbroking Manager and Company Secretary must keep a record of all order forms (approved) and must be kept in a separate register in chronological order.
- As with any other client, a separate file must be created for each person intending to trade or invest via Bridges Stockbroking.

Special rules (for Research)

- Prescribed Persons of Bridges' Research Department are precluded from dealing in any securities which are the subject of current research within the Research Department.
- In addition to the usual sign-off procedures for share trading, all Research staff must have the prior written consent from both the Head of Research and either the Bridges CEO or the Company Secretary to any proposed trading.
- Members of the Bridges' Research Department must not have their own personal clients.

3.5. Rules and procedures – client order priority

Bridges is in a fiduciary relationship with its client, as agent for the client. A fundamental obligation arising from the relationship is that Bridges must act in the best interests of the client. It follows that Bridges must not place itself in a position where its own interests are in conflict with interests of the client.

Client order priority – basic principles

- Bridges must deal fairly and in due turn with:
 - clients' orders; and
 - a client order and an order on its own account¹.
- Bridges and its employees must act in accordance with a client's instructions.
- Client orders will generally take precedence over a Prescribed Person's order (subject to exceptions detailed below).
- In order to evidence the fairness and priority rules have been complied with, a number of factors (below) are applied.

Fairness and priority in dealing

- Where orders do not require Bridges discretion in relation to the time or price or quantity of the order, such order/s must be processed in the sequence they are received or as soon as practicable. However, if there is any doubt as to the sequence of orders, the client's order must take precedence.
- In appropriate circumstances, Bridges is able to share a trade pro rata between the client, Bridges and a Prescribed Person, so long as this is performed in accordance with the rules of this Policy and the IOOF Chinese Walls Policy. In this circumstance, the client needs to have been advised in very clear terms as to Bridges procedures for dealing fairly and in due turn. Additionally, the client must have consented to the terms on which Bridges may buy or sell on its own account or on the account of a Prescribed Person, on the same terms whilst there is an unfulfilled order of the client. A record of the client's disclosure and consent must be retained. The client's consent must be "informed" if the client is a retail client.
- In order to avoid any conflict with clients, all Prescribed Persons will be precluded from trading in securities in the following circumstances:
 - (a) **Buys and sells:** In relation to a particular security other than an IOOF Security, for a period of two business days from the time when the Research Department issues a recommendation to the IFL network or changes an existing recommendation that may impact upon the market (i.e. sell to buy) in relation to that security.
 - (b) In relation to a particular security other than an IOOF Securities, for a period of two business days from the time when the Research Department issues a recommendation to the IOOF network or changes an existing recommendation that may impact upon the market (i.e. sell to buy) in relation to that security.

¹ "Own Account" generally refers to when a market transaction (buy/sell) is performed for the benefit of the Market Participant or a Prescribed Person. See ASX Market Rule 7.5.1 for more information. Note; exempt from the definition is an order placed by a registered life company, the controller of the Market Participant or related bodies corporate or the controller's clients and their related bodies corporate.

- (c) In the cases where IOOF has a sub-underwriting interest in the securities, a time period will be set on a case-by-case basis.

Fairness and priority in allocation

Purchases and sales must be allocated fairly, taking into account the following factors:

- Allocation of a client's market transaction should be immediate and automatic, unless circumstances or instructions justify later or manual allocation.
- Market transactions executed pursuant to instructions are allocated in the sequence in which they were received, entered or effected. However, if this is not in the clients' best interests an alternative allocation method may be used but must be fully disclosed to all relevant clients prior to allocation.
- A broker must not complete a transaction, on their own account, in a stock where it holds an incomplete market order from a client in the same securities. This obligation operates to ensure a broker does not compete with his client and provides priority for clients' transactions. ASX Market Rule 7.5 extends the operation of the client precedence rule to include "Prescribed Persons".

Copy of Policy available to client

A client should be entitled, upon request, to a copy of this Policy.

3.6. Other market activity

All persons should ensure that personal trading does not contravene legal requirements, including laws concerning insider trading, price manipulation, false trading and market rigging and short selling.

3.7. Compliance with Part B requirements

All Bridges employees and all Connected Persons to a Bridges employee must ensure compliance with this Part B.

The ASX Compliance Officer will monitor adherence to this IOOF Group Staff Trading Policy. This may involve periodic compliance reviews and/or auditing of any transactions an employee or a Connected Person has made.

Any breach of the authorisation process must be reported immediately to the Company Secretary and Legal & Compliance. Depending on the severity of the breach, this may result in disciplinary action or, in extreme cases, dismissal.

3.8. Review of Part B Requirements

The Bridges CEO, Company Secretary and Group General Counsel are responsible for updating Part B of this Policy. Comments and queries should be directed to the Company Secretary.