AJ LUCAS GROUP LIMITED

SECURITIES TRADING POLICY

1.0 Purpose

This securities trading policy sets out the Company's policy regarding the trading in the Company's Securities, which includes shares, options, notes, bonds, other debentures and management investments, and any other security on issue from time to time. This policy is separate from and additional to the legal constraints imposed by the common law, the Corporations Act and the Australian Securities Exchange ("ASX") listing rules.

2.0 Scope

This policy applies to:

a) All Directors, employees and contractors, to any entity in the AJ Lucas Group;

b) All other persons designated as Company Personnel by the Board;

c) Any Company, Trust or other body or entity controlled by any of the persons referred to in (a) and (b) above.

Together referred to as "Company Personnel"

The requirements imposed by this Policy are in addition to any legal prohibitions on insider trading.

3.0 General Prohibition on Insider Trading

All Company Personnel are prohibited from trading in the Company's Securities while in the possession of inside information concerning the Company. In addition, while in possession of such information, Company Personnel must not advise others to trade in the Company's securities or communicate the information to another person knowing that the person may use the information to trade in, or procure someone else to trade in, the Company's Securities.

Inside information means, in relation to securities, information that:

- is not generally available; and
- if it were generally available, it would, or would be likely to have a material effect on the price or value of the Company's Securities. This is satisfied where the information would, or would be likely to, influence investors in deciding whether to buy or sell securities, and can include information, which is of an uncertain nature, rumours, matters of supposition, matters relating to the intentions of a person (including the Company) and information which is insufficiently definite to warrant disclosure to the public.

Examples of inside information could include:

- A proposed major acquisition or disposal;
- A significant business development or a proposed change in the nature of the Company's business;
- Details of material contracts that are being negotiated by the Company;
- Potential litigation that would have a substantial effect on the Company;
- Proposed changes in the share capital structure of the Company;

- A proposed change in the Company's dividend policy; and
- A major change to the Board or senior management.

Where Officers are unsure as to whether they are in possession of Inside Information, they should discuss the matter with the relevant contact person listed in section 6 below.

dealing includes:

- buying or otherwise applying for securities, whether on or off market;
- selling or otherwise disposing of securities, whether on or off market;
- arranging for someone else to buy, sell or otherwise apply for or dispose of securities;
- margin lending, stock lending or other financing arrangements related to securities;
- issuing, underwriting or varying the terms of securities; and
- transferring legal ownership of securities, even where beneficial ownership does not change.

4.0 Policy for Senior Manager Dealing in Securities

4.1 Absolute Prohibition

Unless expressly exempted by the relevant law as described in section 4.4 of this Policy, no Director, CEO, their direct report or any closely related party of any such person (together referred to as "Senior Management" or individually as a "Senior Manager") may deal in the Company's securities at any time (including at any time outside of the Blackout periods described in section 4.2 below), if that person is in possession of inside information.

4.2 Other Prohibited Dealings

4.2.1 Blackout Periods

In addition to the General prohibition on insider trading, no Senior Manager is permitted to deal in the Company's securities during any of the following blackout periods:

Circumstance	Blackout Period
Release of full year results to ASX	From end of relevant financial year until one trading day after time of release
Release of half year results to ASX	From end of relevant half year until one trading day after time of release
Release of quarterly results to ASX	From end of relevant quarter until one day after time of release
Other – as determined by AJ Lucas from time to time	As determined by AJ Lucas from time to time

4.2.2 Exceptional Circumstances

If a Senior Management needs to sell or dispose of securities due to exceptional circumstances (for example, severe financial hardship, compliance with a court order or other circumstance deemed exceptional by the approver) but the sale or disposal would breach this Policy, the Senior Manager may apply for a waiver using the Approval Request Form (refer to Annexure A), provided that the "applicant" is not in possession of inside information.

The Approval Request Form should be submitted to the Company Secretary, who will forward the application to the Chairman. If approval is granted, the Company Secretary will provide the written approval to the applicant. Approval for the Chairman to deal in Company securities shall be granted by the Chief Executive Officer.

A waiver will only be granted if the Senior Managers application is accompanied by sufficient evidence that the sale or disposal of the relevant securities is the only reasonable course of action available in the circumstances. The approver may reasonably request further details from the applicant and may seek legal opinions where necessary.

4.3 Permitted Dealings

Where sections 4.2.1 and 4.2.2 do not apply, a Senior Manager may deal in the Company's securities subject to the clearance requirements that apply as set out below.

The restriction in section 4.1 applies to all dealings in the Company's securities despite any clearance granted by the Company and the Senior Manager is responsible for ensuring that the dealing does not breach this restriction. In other words, even if an Senior Manager has obtained approval to trade in accordance with this Policy or is not required to obtain approval under this Policy, it is the responsibility of the Senior Manager to ensure that they are not in possession of inside information and that the dealing will not breach the restriction in section 4.1

4.3.1 Approval to trade

All Senior Managers must inform the Company Secretary and receive prior written approval for any proposed dealing the Company's securities (refer Approval Request Form in Annexure A).

4.3.2 Dealing must occur within 2 business days of approval

Officers must undertake the proposed dealing within 2 business days of the approval being granted or such other period specified in the letter of approval. If the dealing is not undertaken within this time, the approval will no longer have effect and a new notification or approval will be required before the proposed dealing may be undertaken by the Officer.

4.3.3 Approval may be withdrawn or the duration of the approval granted may be changed

Despite any approval period specified in an Approval Request Form granted to an Officer, the Company Secretary may notify the Officer that the approval has been withdrawn or the period for which approval is granted is shortened or lengthened.

4.3.4 Notification of trade in Company securities

Despite obtaining approval to trade under 4.3.1 or 4.2.2 above each Director must notify the Company Secretary of any trade in the Company's securities within 2 days of such trade occurring so that the Company Secretary can comply with the ASX Listing rule 3.19A requirement to notify the ASX of any change in a notifiable interest held by a director.

4.4 Exclusions

Sections 4.2 and 4.3 of this Policy do not apply to:

(a) The following categories of passive trades:

- acquisition of Company securities through a dividend reinvestment plan and an equal access buy-back;
- acquisition of Company securities through a share purchase plan available to all retail shareholders;
- acquisition of Company securities through a rights issue;
- the disposal of Company securities through the acceptance of a takeover offer; and
- the disposal of Company securities that is the result of a secured lender exercising its rights under a loan agreement.

(b) participating in an employee share or option plan operated by the Company, including applying for an allocation of securities under an employee share offer (however where securities in the Company granted under an employee share or option plan cease to be held under the terms of that plan, Officers must only deal in those securities in accordance with this Policy (including section 4.3); and

(c) dealings that do not result in a change to the beneficial interest in the securities.

5.0 Securities in Other Companies

The law against insider trading applies to all listed securities, not just the Company's securities. As such, if any Company Personnel is aware of inside information through their position with AJ Lucas Group (for example, in relation to the Company's customers, contractors or business partners with whom a major contract is being negotiated), that Company personnel is prohibited from dealing in the securities of the companies that the inside information affects.

As a general policy, the Company discourages any active trading by Officers in the securities of any companies where the Company is likely to be involved in transactions, or otherwise likely to share information, with that company.

If you are in doubt, you should:

(a) Not trade;

(b) Not pass the inside information to another person; and

(c) Immediately seek advice from the Company Secretary.

6.0 Who to Contact

If you have any questions in relation to this Policy or should you wish to discuss a proposed dealing in AJ Lucas securities, you should contact:

- The Company Secretary; or
- If the Company Secretary is unavailable, the Chief Executive Officer.

7.0 Breaches

Any actual or suspected breaches of this policy will be investigated. Details of any breaches identified will be reported to the Board and may result in disciplinary action and or referral to the relevant authorities as considered appropriate. Details of any investigation undertaken under this section may be reported to the Board regardless of whether it has been determined that a Breach did or did not occur as a result of the investigation undertaken.

8.0 Associated Documents

Securities Dealing Approval Request (F0970)