



Securities Trading Policy

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1 General

1.1 Purpose

The Board of Southern Cross Electrical Engineering Limited (“SCEE” or “the Company”) has adopted this Securities Trading Policy (“Trading Policy” or “Policy”) to ensure that any dealings in Securities by Directors, employees and contractors comply with legal and regulatory requirements and to prevent the misuse or perceived misuse of price sensitive information.

1.2 Observance of the Trading Policy

Observance of the Trading Policy is mandatory for all Directors, employees and contractors of the Company or of any of the Company’s group companies. Each Director, employee and contractor of the Company must understand his, her or its obligations under, and must comply with this Trading Policy.

1.3 Transactions

Persons to whom this Trading Policy applies must not cause or permit any related party or entity over which they have control (including a trust, superannuation fund, company, dependent family member or any other entity over which they have control), to enter into any transaction in Securities in circumstances where they would have been prohibited from entering into the transactions in their own name.

1.4 Notification of the Company

Persons to whom this Trading Policy applies must promptly notify the Company if they become aware of transaction(s) in Securities by a party or entity related to them in breach of this Trading Policy.

2 Definitions

The Board has adopted the following definitions for the purposes of this Policy.

ASX means the Australian Securities Exchange.

Closed Period means those periods that are set out in section 4 of this Policy.

Company means Southern Cross Electrical Engineering Limited and its subsidiary companies.

Dealing means:

- (1) subscribing for, buying or selling Securities or entering into an agreement to do any of these things; and/or
- (2) advising, procuring or encouraging another person to subscribe for, buy or sell Securities or entering into an agreement to do any of these things.

Price-sensitive information means any information concerning the Company or another listed entity that a reasonable person would expect to have a material effect on the price or value of the Company's Securities or that other listed entity's Securities.

Restricted Person means:

- (1) a Director of Southern Cross Electrical Engineering Limited (or their alternate);
- (2) a Senior Executive;
- (3) the executive assistant to a Senior Executive;
- (4) all personnel involved in preparing the Company's statutory financial information; and
- (5) any other employee or contractor of the Company who has been notified that they are a Restricted Person for the purposes of this Policy.

Senior Executive means any or all of the following personnel: the Group Chief Executive Officer, the Group Chief Financial Officer, the Company Secretary and any other person who has been notified that they are a Senior Executive for the purposes of this Policy.

Securities means:

- (1) any shares, preference shares, debentures, convertible notes, performance rights, options or other financial products that can be traded on a financial market; and
- (2) any warrants, derivatives or other financial products the price of which is principally determined by reference to the price of any securities traded on a financial market.

3 Insider Trading

3.1 Insider Trading Activities

Due to their role with the Company some Directors, employees and contractors of the Company may possess or have access to Price Sensitive Information about the Company or another listed entity that has not been disclosed to the ASX.

A Director, employee or contractor of the Company engages in insider trading if, regardless of how that person came into possession of the Price Sensitive information, he, she or it:

- (1) Uses (or assists another person to use) any Price Sensitive Information that has not been disclosed to the market to Deal in the Company's Securities or the Securities of another listed entity; or
- (2) communicates any Price Sensitive Information that has not been disclosed to the market to another person (that is, provides a "tip off").

3.2 Legal Prohibitions

Under the Corporations Act 2001, insider trading is illegal and a breach may result in serious civil and criminal consequences. Directors, employees and contractors of the Company must not engage in insider trading of the Company's Securities or Securities of another listed entity. Such transactions are prohibited, whether concluded personally or through a related party. This

Trading Policy is in addition to, and separate from, these legal prohibitions and insider trading laws must continue to be adhered to even where an exemption under this Policy may apply.

4 Closed Periods

4.1 Scope

This section of the Trading Policy applies to all Restricted Persons as defined in the Trading Policy.

A register of Restricted Persons for the purpose of the Trading Policy is maintained by the Company Secretary.

4.2 Dealing Prohibition

Dealing in Securities by a Restricted Person as defined in the Trading Policy is prohibited during the following periods:

- (a) from the period commencing 1 January of each year until the day following the release of the half-yearly results;
- (b) from the period commencing 1 July of each year until the day following the release of the annual results for the previous financial year.

These periods are known as “Closed Periods”.

5 Prohibition on Short Term Trading

Directors, employees and contractors of the Company must not engage in short term or speculative trading in the Company’s Securities. For the purpose of this prohibition short term dealing means any purchase or sale of the same Securities within a 3-month period.

6 Prohibition on Hedging

Directors, employees and contractors of the Company must not engage in hedging arrangements, Deal in derivatives or enter into other arrangements which limit the economic risk of any unvested entitlements under any equity based remuneration scheme (such as an incentive or performance based scheme).

7 Prohibition on Margin Loans

A Restricted Person under this Trading Policy must not enter into any financial arrangement under which Securities in the company are provided as security.

8 Requirement for Approval for Dealing by Restricted Persons

Prior to Dealing in the Company's Securities outside of a Closed Period a Restricted Person must obtain written approval from the Chairman of the Board (or the Managing Director if the Chairman is unavailable or involved in the Dealing).

Requests for approval to Deal in the Company's securities by a Restricted Person outside of a Closed Period must be submitted in writing to the Company Secretary and must include confirmation that the Restricted Person is not in possession of any Price Sensitive Information about the Company that has not been disclosed to the ASX.

A Restricted Person must not Deal in the Company's Securities until written confirmation of approval by the Chairman of the Board (or Managing Director) has been provided by the Company Secretary. The Company Secretary will usually respond to requests within two business days. Approval is only valid for the period noted in the response to the request and if that period lapses a new request for approval must be submitted prior to any further Dealing.

9 Disclosure of Dealing

9.1 Company Secretary Notification

A Restricted Person must notify the Company Secretary of any Dealing in the Company's Securities in compliance with this Trading Policy as soon as practicable after the Dealing.

9.2 ASX Notice

If a Director of the Company Deals in the Company's Securities, a notice must be lodged on the ASX. If a Director Deals in the Company's Securities, the Director must notify the Company Secretary in writing before 5.00pm (WST) on the second day after the Dealing occurred.

10 Exempted Dealings

10.1 Allowed Activities

Notwithstanding any other provision of this Policy but subject to the applicable insider trading restrictions, Directors, employees or contractors of the Company may:

- (1) subscribe for Company Securities offered under an offer document issued pursuant to the Corporations Act 2001;
- (2) participate in any offer or invitation made to all or most of the Company's security holders such as a rights issue, share purchase plan or dividend reinvestment scheme operated by the Company (if any);
- (3) acquire Securities under any executive or employee share plan operated by the Company (if any);

- (4) accept any offer for Securities made pursuant to a takeover under the Corporations Act 2001; or
- (5) transfer securities between holdings where the beneficial interest in the relevant Security does not change.

10.2 Granting Exemptions

In exceptional circumstances only, the Chairman of the Board (or the Managing Director if the Chairman is unavailable or involved in the dealing) has the discretion to grant an exemption to the prohibitions contained in clause 4 (dealing during the Closed Periods) and clause 5 (prohibition on short term trading) of this Policy. An exemption will not be granted if the Chairman (or Managing Director as the case may be) considers that person involved possess or may reasonably be presumed to process Price Sensitive Information which has not been disclosed to the market. Examples of exceptional circumstances include financial hardship or dealing to comply with a court order or property settlement.

10.3 Requesting Exemptions

A Director, employee or contractor may request an exemption under section 10.2 above by submitting a request in writing to the Company Secretary. A person to whom this Policy applies must not Deal in the Company's Securities until he or she receives confirmation in writing from the Company Secretary that the Chairman (or the Managing Director) has granted the exemption requested. The Company Secretary will usually respond to requests within two business days.

11 Compliance and Contravention

The Company will ensure this Trading Policy is effectively implemented. The Company will regularly review compliance with and the effectiveness of this Trading Policy.

The Company considers contravention of this Trading Policy a serious matter and any contravention will be investigated by the Company. Disciplinary action, including termination for misconduct or termination of a contract for a contractor, may be taken against any Director, employee or contractor who contravenes this Trading Policy.

It is important to note that the Company's Directors, employees and contractors may also be personally liable in a criminal or civil manner for contravening this Trading Policy if the contravention is also a breach of the law.