

TOWER Australia Group Limited

ACN 003 401 698

Trading Policy



Version: 1.2
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Next Review: August 2010
Approved by: Board on 11 August 2009
Policy Owner: Listed Company Secretary

Version Control

Version No.	Date	Details
1.0	December 2007	Annual Review of Policy
1.2	August 2009	<ol style="list-style-type: none">1. Incorporated changes agreed at time of Trading Policy audit by Internal Audit.2. Change to Trading Window and Blackout clause to clarify that the Blackout is from 1 April through to announcement of 1H results and 1 October through to announcement of FY results rather than 6 weeks prior to announcement.3. Incorporate IL Joint CEO's and the CIO as designated persons.4. Following a review of APRA material, we have inserted paragraph to point 28. in relation to banning hedging in relation to any option or share scheme.

PURPOSE

To set out the TOWER Australia Group Limited (TOWER Australia) policy regarding the trading of its securities.

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TOWER AUSTRALIA GROUP LIMITED TRADING POLICY

Policy Statement

- 1 This document sets out the TOWER Australia Group Limited ('TOWER Australia') policy regarding the trading of its securities. This policy is in addition to the legal constraints imposed by the common law, the Corporations Act, 2001(Cth) and the ASX Listing Rules.
- 2 This policy applies to all Directors and employees of TOWER Australia and their associates as defined in this policy as well as contractors, consultants, advisors and auditors of TOWER Australia.
- 3 It is unlawful to deal in TOWER Australia Securities while in possession of inside information about TOWER Australia.
- 4 TOWER Australia is committed to actively promoting ethical and responsible decision-making to ensure compliance with the law and foster investor confidence.
- 5 TOWER Australia Directors and employees must not communicate inside information to any person who the person knows, or ought reasonably to know would, or would be likely to, use it to trade in TOWER Australia Securities or to use that information themselves to trade in TOWER Australia Securities.

Guidance

- 6 TOWER Australia treats insider trading by its Directors and employees very seriously. If you intend to trade in TOWER Australia Securities, please read TOWER Australia's Trading Guidelines. Directors and Designated Employees are also subject to more stringent guidelines and are required to obtain consent before trading in TOWER Australia Securities.
- 7 If you intend to trade TOWER Australia Securities, check whether you are subject to TOWER Australia's Trading Guidelines for Directors and Designated Employees. If you have any doubt about how the guidelines apply please contact the General Manager Investor Relations and Listed Company Secretary.
- 8 The following documents are also available to assist you:
 - 8.1 Trading Guidelines applicable to all individuals
 - 8.2 Trading Guidelines for Directors and Designated Employees
 - 8.3 Application and Approval Forms to buy or sell TOWER Australia Securities
 - 8.4 Certificate of Compliance with Trading Policy

Specific Responsibilities

- 9 The General Manager Investor Relations and Listed Company Secretary administers compliance with this policy.

Compliance with this Policy

- 10 The Board requires all personnel without exception to adhere to the terms of this Policy and guidelines.
- 11 The Board takes its business reputation seriously. Failure to comply with this Policy and the following guidelines may lead to disciplinary action and, in serious cases, dismissal.
- 12 This policy will be accessible to all personnel via TOWER Australia's intranet. All Personnel must read and comply with the Policy and guidelines. Those personnel who fall within TOWER Australia's Trading Guidelines for Directors and Designated Employees must read the Policy and sign a copy of the Certificate of Compliance with the Policy and the Guidelines to show they understand and agree to comply with it. All signed Certificates should be returned to the General Manager Investor Relations and Listed Company Secretary within 21 days of receipt of the Certificate.
- 13 This policy should be read in conjunction with the Corporate Disclosure Policy.

Publicly Available Material

- 14 This Policy will be publicly available and posted on the website in the section marked "Corporate Governance".

TRADING GUIDELINES APPLICABLE TO ALL

Trading restrictions imposed on all individuals

- 1 These guidelines apply to Directors of TOWER Australia Group Limited and employees in all areas of the TOWER Australia Group. It applies to each Director and employee or associate.
- 2 You should follow these guidelines to reduce any risk of liability for insider trading.
- 3 In addition to these guidelines, further more specific and stringent guidelines (the Trading Guidelines for Directors and Designated Employees) also apply to trading in TOWER Australia Securities, by Directors and certain designated employees of the TOWER Australia Group.

Guiding Principle

- 4 No Director or employee may trade in TOWER Australia Securities while in possession of inside information.

Definitions

- 5 In these guidelines:
 - 5.1 "associate" is a spouse, de facto, partner, child at home, any company or family trust over which a Director or employee has control, company and any other close associate of the employee or Director;
 - 5.2 "inside information" for the purposes of the Trading Guidelines means information that is not generally available and is price or value sensitive. In other words if this information was made available to everyone it would have a material effect on the price or value of TOWER Australia securities;
 - 5.3 "short term trading" means trading in TOWER Australia Securities within 90 days of acquiring the securities;
 - 5.4 'trade' includes applying for, acquiring, purchasing, disposing or entering into an agreement to do any of these things or procuring another person to do any of these things; and
 - 5.5 "TOWER Australia Securities" are securities issued by TOWER Australia and include shares, options and the right to exercise options, and any other type of security issued by TOWER Australia.
 - 5.6 Words and phrases used in these guidelines that are defined in the Corporations Act 2001 have the same meaning as in the *Corporations Act*, unless specifically defined in these guidelines.

Responsibility

- 6 It is each individual's responsibility to ensure that they do not breach the insider trading laws in the Corporations Act.
- 7 You must comply with these guidelines. They will assist you to comply with the law.
- 8 TOWER Australia is not responsible if you engage in insider trading or pass on information that allows another person to engage in insider trading.

Prohibitions under the Law and Requirements of this Policy

Guideline 1: No trading may be done while in possession of inside information

- 9 The primary rule under the insider trading laws is that no Director, or employee or their associates may trade in or have someone else trade for them in:
 - 9.1 TOWER Australia Securities while in possession of inside information concerning TOWER Australia ; or
 - 9.2 securities of other entities while in possession of inside information concerning those entities.
- 10 'Inside information' can include matters of supposition and other matters that are insufficiently definite to warrant being made known to the public, and matters relating to the intentions or likely intentions of a person.
- 11 Examples of inside information include information about TOWER Australia or one of its subsidiaries which has not yet been announced to the ASX such as:
 - 11.1 the entry into or likely entry into or termination or likely termination of material contracts or other business arrangements;
 - 11.2 an upcoming performance announcement especially if it contains unexpected results;
 - 11.3 a proposed acquisition of another company, takeover or restructuring;
 - 11.4 the imminent introduction of an important new product or service;
 - 11.5 a significant change in market share; and
 - 11.6 a change in dividend.
- 12 If you have knowledge of any of these matters or any other information likely to affect the price or value of TOWER Australia's Securities you must not trade those securities until those matters have been announced to ASX and a reasonable period for the information to be disseminated has elapsed.

Guideline 2: Short term trading should be avoided

- 13 Directors, employees and their associates may not engage in short term trading in TOWER Australia Securities or securities of other TOWER Australia related entities. Short term trading is buying and selling securities over a very short time period.
- 14 If you do this in relation to TOWER Australia's Securities it might give rise to allegations of insider trading particularly if short term trading is done around important events which

affect the price of TOWER Australia's Securities. These events may not be expected or known by you, but if they do occur your short term trading may be viewed adversely with the benefit of hindsight.

Guideline 3: Trading Windows

- 15 There are no absolutely 'safe' periods for trading securities if you are in possession of inside information.
- 16 There shall be no trading allowed during the period from 1 April or 1 October through to the announcements to the ASX of TOWER Australia's half-yearly and year end financial results (which usually occur in May and November of each year). This is referred to as the blackout period.
- 17 The exact dates for release of TOWER Australia's results can be obtained from the General Manager Investor Relations and Listed Company Secretary.

Exceptions

Employee Share and Option Plans

- 18 The above restrictions on trading periods and the requirement for consent do not apply to participation in TOWER's employee share and option plans (including the exercise of any options under those plans) in accordance with the rules of the relevant plan and the terms of any offer, but apply in respect of the trading of TOWER shares to which the participant becomes entitled under those plans.

Dividend Reinvestment Plan

- 19 The restriction on trading periods and the requirement for consent does not apply where the trade results from a dividend reinvestment plan where the trade is conducted in accordance with the person's ongoing instructions to reinvest dividends.

Hardship

- 20 With the consent of the Chairman a person may trade in the company's securities outside the trading period if they satisfy the Chairman that:
 - 20.1 they are not in possession of unpublished price sensitive information; and
 - 20.2 a failure to trade in the securities would result in exceptional circumstances such as financial hardship.

Guideline 4: Don't tell others inside information

- 21 You must not either directly or indirectly communicate inside information to any person who you know, or ought reasonably to know would, or would be likely to, use it to trade in TOWER Australia Securities including family and companies or trusts in which you or you family members has an interest.
- 22 You could be liable for insider trading yourself even if they are the ones who carried out the trade.

Guideline 5: Only disclose inside information on a 'need to know' basis

- 23 Inside information should not be freely discussed by employees other than on a 'need to know' basis for work purposes.

- 24 The 'need to know' rule is part of TOWER Australia's general security policy. This will reduce the flow of inside information within TOWER Australia and help lessen the risk of insider trading.

General

- 25 These guidelines apply to any trading in which you are involved or instrumental, whether or not the securities are held or received in your own name or that of your spouse, children, other relatives or associates or companies and trusts in which you or your family members has an interest.
- 26 These guidelines apply whether or not the trading is to be done in Australia or overseas.
- 27 These guidelines apply to all TOWER Australia Securities.

Remember - if in doubt you may consult the General Manager Investor Relations and Listed Company Secretary at any time. You should also consult your own legal adviser.

GUIDELINES FOR DIRECTORS AND DESIGNATED INDIVIDUALS

Trading restrictions imposed on all designated persons

- 1 These Guidelines are in addition to the general 'Trading Guidelines' which apply to all Directors, 'officers' and employees.
- 2 Failure to comply with these requirements will be treated seriously. Full and accurate disclosure of all relevant facts must be made when completing the Application Form to Buy or Sell TOWER Australia Securities prior to trading.

Individuals subject to additional trading restrictions

- 3 These Guidelines apply to the following designated persons:
 - 3.1 All Directors of TOWER Australia Group Limited ('TOWER Australia').
 - 3.2 Managing Director.
 - 3.3 All members of the Executive Team ('Executive Team'), including:
 - 3.3.1 Chief Financial Officer;
 - 3.3.2 CEO – Group Life and Investment Businesses Australia;
 - 3.3.3 CEO – Retail Life Business Australia;
 - 3.3.4 Joint CEO's of InsuranceLine
 - 3.3.5 Head of Corporate Governance;
 - 3.3.6 Chief Information Officer;
 - 3.3.7 Head of Human Resources; and
 - 3.3.8 All direct reports to members of the Executive Team.
 - 3.4 All other employees designated by the Managing Director and/or Chief Financial Officer. Such designation may be by name, position or business group.

If you are unsure as to whether these Guidelines apply to you, you should contact the General Manager Investor Relations and Listed Company Secretary.

Scope of Guidelines:

- 4 These Guidelines apply to designated persons who intend to 'trade' in TOWER Australia Securities, or have TOWER Australia Securities traded on their behalf or in their names.
- 5 If you have any doubt as to whether you hold or have acquired or disposed of a relevant interest in TOWER Australia Securities, you should contact the General Manager Investor Relations and Listed Company Secretary.
- 6 These Guidelines require that:

- 6.1 the Company's consent to the trading of TOWER Australia Securities be obtained;
 - 6.2 TOWER Australia Securities only be traded within specified periods; and
 - 6.3 designated persons disclose certain details to the General Manager Investor Relations and Listed Company Secretary following the acquisition or disposal of a 'relevant interest' in TOWER Australia Securities.
- 7 If you are a Director, the General Manager Investor Relations and Listed Company Secretary will provide disclosure of those details to the Australian Stock Exchange ('ASX') for market release, to satisfy legislative requirements.

Approval Process

- 8 Where you intend to trade any type of TOWER Australia Security, you must (subject to paragraph 22) complete the Application Form to Buy or Sell TOWER Australia Securities and deliver it to General Manager Investor Relations and Listed Company Secretary.
- 9 All applications will be referred to the Managing Director, the Chief Financial Officer, General Manager Investor Relations and Listed Company Secretary (or where appropriate the Chairman of the Board or Chairman of the Audit, Compliance and Risk Management Committee) for consent.
- 10 Approval must be obtained from the Chairman of the TOWER Australia Board for all trading involving:
- 10.1 TOWER Australia Group Limited Directors; or
 - 10.2 Managing Director, or Chief Financial Officer;
- 11 All proposed acquisitions and disposals by the Chairman of the TOWER Australia Board must be approved by the Chairman of the Audit, Compliance and Risk Management Committee.
- 12 All proposed acquisitions and disposals by members of the Executive Team (other than the Chief Financial Officer) must be approved by either the Managing Director or Chief Financial Officer.
- 13 All proposed acquisitions and disposals by direct reports to the Executive Team and all other TOWER Australia employees designated by the Managing Director and/or Chief Financial Officer must be approved by the Managing Director, Chief Financial Officer or the General Manager Investor Relations and Listed Company Secretary.
- 14 The completed Application Form to Buy or Sell TOWER Australia Securities should be submitted to the General Manager Investor Relations and Listed Company Secretary.
- 15 Prior to giving their approval, the Managing Director, Chief Financial Officer, General Manager Investor Relations and Listed Company Secretary, the Chairman of the TOWER Australia Board or the Chairman of the Audit, Compliance and Risk Management Committee (as appropriate) must be reasonably satisfied that the information you have provided is true and in particular that you will not trade on the basis of inside information.
- 16 A register of trading will be provided to the Board at the end of each quarter.

Trading Windows and Blackouts

- 17 Trading must not be done within the period:
- 17.1 1 October through to the announcement of TOWER Australia's full-year financial results to ASX (usually November).
 - 17.2 1 April through to the announcement of TOWER Australia's half-year financial results to ASX (usually May).
- 18 If you have inside information you must not trade at any time.

Completion

- 19 Trading must be completed within 15 trading days of receipt of a duly signed Approval Form. A new Application Form for trading by Directors or Designated Employees must be completed and the necessary approval obtained for trades which will be completed more than 15 trading days after a previous approval was given.

Confirmation of Trade

- 20 The General Manager Investor Relations and Listed Company Secretary must be advised of the details of all trades once completed ie the date of the trade, number of securities bought/sold and the price. A register of trades completed by persons listed in Clause 3 of these Guidelines will be maintained by the General Manager Investor Relations and Listed Company Secretary.

Employee Share and Option Plans

- 21 The above restrictions on trading periods and the requirement for consent do not apply to participation in TOWER Australia's employee share and option plans (including the exercise of any options under those plans) in accordance with the rules of the relevant plan and the terms of any offer, but apply in respect of the trading of TOWER Australia shares to which participants become entitled under those plans.

Trading in specific circumstances

- 22 Insider trading is prohibited in all circumstances. In circumstances of financial hardship trading may be permitted outside of the specified trading windows at the discretion of the Chairman of the TOWER Australia Board and with the approval of the Chairman of the Audit, Compliance and Risk Management Committee. This discretion is to be exercised with caution and may not be exercised during the period of 30 days before the announcement of the TOWER Australia full year financial results to the ASX or 30 days prior to the announcement of the TOWER Australia half year results to the ASX.

Prohibition on Margin Lending Arrangements involving TOWER Australia Securities

23. Designated persons are prohibited from entering into margin loan arrangements with respect to TOWER Australia securities. Such transactions include:
- 23.1 A margin loan entered into to purchase TOWER Australia Securities or to exercise options over TOWER Australia Securities;
 - 23.2 Making an existing parcel of TOWER Australia Securities subject to a margin lending arrangement;

23.3 Sale of TOWER Australia Securities to meet an obligation under a margin lending arrangement.

24 The Board reserves the right to take disciplinary action against any person who does so, which may include terminating employment, reducing or cancelling rights under option or share plans or suspending the right to participate in future tranches of such plans.

Prohibition on trading in financial products issued or created over TOWER Securities

25 Trading in financial products that have been issued or created over the TOWER Australia Securities by third parties is prohibited as is trading in associated products. It is prohibited to hedge economic exposure to TOWER Australia Securities that have been issued pursuant to a TOWER employee share or option plan.

Prohibition on entering into transactions in associated products

26 Designated persons may not enter into any transaction that operates to limit the economic risk of their security holding in TOWER Australia.

Disclosure

27 For the purposes of disclosure under this policy, all Directors of TOWER Australia and Designated Employees are required to comply with the disclosure obligations set out in paragraphs 28 to 32, the Corporations Act 2001 and the ASX Listing Rules.

Initial Disclosure

28 Upon becoming a Director, where you hold a relevant interest in TOWER Australia's Securities, it is a legislative requirement that you complete a Disclosure Notice (the form of which can be obtained from the General Manager Investor Relations and Listed Company Secretary. It is TOWER Australia's policy that you also complete a Disclosure Notice upon becoming a Designated Employee as referred to within paragraphs 3.1 to 3.4.

29 A Disclosure Notice setting out a Director's relevant interest must be filed with ASX within 5 business days of a Director being appointed to the TOWER Australia Board.

30 A relevant interest in TOWER Australia Securities includes where:

30.1 you are the holder of the TOWER Australia Securities,

30.2 you (alone or jointly with others) have the power, directly or indirectly, to dispose of, or control the exercise of a power to dispose of TOWER Australia's Securities,

30.3 you (alone or jointly with others) have the power, directly or indirectly, to exercise, or control the exercise of, any right to vote attached to a TOWER Australia Security,

30.4 you are able to influence the outcome of decisions about a body corporate financial and operating policies where that body corporate holds TOWER Australia Securities,

30.5 you control a managed investment scheme that holds TOWER Australia Securities,

30.6 you have or control 20% or more of the voting power in a body corporate or managed investment scheme that holds TOWER Australia Securities, or

30.7 you have an interest in a contract to which you are a party or under which you are entitled to a benefit and that interest confers a right to call for or deliver shares in, debentures of, or interests in a managed investment scheme made available by TOWER Australia or its related entities.

31 Shares held by immediate family members and companies and trusts in which you or family members have an interest should be considered under the above criteria. If you are unsure as to whether you hold a relevant interest in TOWER Australia Securities please contact the General Manager Investor Relations and Listed Company Secretary.

Continuous Disclosure

32 It is TOWER Australia's policy that if you are a Director of TOWER Australia acquiring or disposing of a relevant interest in TOWER Australia Securities that you must complete a Disclosure Notice and return it to the General Manager Investor Relations and Listed Company Secretary for filing with ASX within 5 business days of you acquiring or disposing of the relevant interest.

Period for which disclosure Guidelines operate

33 If you are a Director, the ASX Listing Rules require that a Disclosure Notice is filed with ASX on your ceasing to be a Director. You must therefore complete a Disclosure Notice and return it to the General Manager Investor Relations and Listed Company Secretary within 5 business days of you ceasing to be a Director.

Remember

if you are ever in any doubt about how these Guidelines apply to you, you should consult the General Manager Investor Relations and Listed Company Secretary. You may also consult your own Legal Adviser.

APPENDIX C

APPLICATION TO BUY OR SELL TOWER AUSTRALIA SECURITIES

I, the applicant named below, request that TOWER Australia Group Limited approves the sale or purchase of the TOWER Australia Securities as detailed below:

Applicant's full name:

Applicant's full address:

*Applicant's number:
(if they already hold TOWER Australia Securities)*

Applicant's position within TOWER Australia:

Number of securities proposed to be bought or sold:

Description of the type of transaction: Sale/Purchase

Describe TOWER Australia Securities if other than fully paid shares:

Will this transaction take place on the stock exchange? Yes/No

Give details of the transaction if not on the stock exchange:

When will the transaction be likely to occur?

I, the applicant named above warrant to TOWER Australia Group Limited that:

- My decision to sell or buy TOWER Australia Securities has not been made on the basis of inside information in relation to TOWER Australia Group Limited.
- I do not intend to sell any TOWER Australia Securities purchased pursuant to the approval within 6 months of the date I purchase them.
- I believe the transaction will be at a fair value.
- I have read and will comply with the '*Trading Guidelines for Directors and Designated Employees*'.

Dated

200[]

Signed by: _____

Name of Applicant

APPENDIX D

APPROVAL TO BUY OR SELL TOWER AUSTRALIA SECURITIES

TOWER Australia Group Limited approves the applicant named below undertaking the transaction in TOWER Australia Securities described below.

TOWER Australia Group Limited in giving this approval has relied upon the information and warranties contained in the applicant's application form dated

The applicant may only undertake the transaction:

- within 15 trading days of the date of this consent; **AND**
- during a period other than:
 - from 1 October through to the announcement of TOWER Australia's full year financial results to ASX ; or
 - from 1 April through to the announcement of TOWER Australia's half financial results to ASX.

Applicant's full name:

Applicant's full address:

*Applicant's shareholder number:
(if they already hold TOWER Australia Securities)*

Applicant's position within TOWER Australia:

Number of TOWER Australia Securities proposed to be bought or sold:

Description of the type of transaction: Sale/Purchase

Describe TOWER Australia Securities if other than fully paid shares:

Will this transaction take place on the stock exchange? Yes/No

Give details of the transaction if not on the stock exchange:

When will the transaction be likely to occur?

This approval is subject to the following conditions (if any):

Dated 200[]

Signed by: _____

**Authorised officer
TOWER Australia Group Limited**

**CERTIFICATE OF COMPLIANCE
TOWER AUSTRALIA TRADING POLICY**

TO: General Manager Investor Relations & Listed Company Secretary

TOWER AUSTRALIA SHARE TRADING POLICY – VERSION 2 Issued August 2009

I confirm that I have read and agree to comply with the TOWER Australia Group Limited Trading Policy – Version 2 Issued August 2009.

Signature:

Name:

Position:

Date: