

Securities Dealing Policy

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Securities Dealing Policy

1. Statement of Commitment

Aurizon is committed to ensuring that the Company and its employees act lawfully at all times in their dealings with securities and inside information. The Company is also committed to avoiding any perception of unlawful or unethical conduct.

2. Introduction

2.1 Purpose

The purpose of this policy is to:

- create an awareness of conduct in relation to dealings in securities that are prohibited by law and by the Company; and
- establish a best practice procedure for buying, selling or otherwise dealing in Company securities (and securities in other companies in respect of which the Company may have business dealings) to protect you and the Company.

This policy protects you and the Company by ensuring that you do not abuse, and do not place yourself under suspicion of abusing, inside information that you may have or be thought to have.

This policy should be read in conjunction with the Company's Disclosure and Communications Policy.

This policy is a general guide to complex legal provisions and should not be taken as legal advice.

2.2 Scope

This policy applies to all executive and non-executive directors (**Directors**) and all employees (**Employees**) of the Company and its subsidiaries (the **Group**).

Additional rules apply to Directors and Executives (**Executives**). These are set out in section 5 below.

In this policy, "Executives" means Employees who:

- are members of the Executive Leadership Team;
- receive performance rights under any Group Performance Rights Plan (**Plan**); and/or
- hold a position which makes them a "director or officer" of any Group company as defined in the *Corporations Act 2001* (Cth) (the **Corporations Act**).

2.3 Consequences of breach

Convictions of insider trading can attract criminal and civil liability.

A breach of insider trading provisions or this policy will be regarded as serious misconduct and may lead to termination of employment.

Any instance of non-compliance (whether known or suspected) will be reported to the Company Secretary to investigate and take disciplinary action as appropriate.

3. Compliance with Law

3.1 Legal restrictions on dealing in securities

If you possess price sensitive information in relation to an entity you cannot "trade" or "deal" in the following ways:

- buy or sell securities in that entity or subscribe for new securities; or
- enter into an agreement to subscribe for, buy or sell securities in that entity.

If you possess price sensitive information in relation to any securities you cannot:

- procure any other person to deal in those securities; or
- directly or indirectly communicate the price sensitive information to another person who you believe is likely to deal in those securities or procure another to deal in those securities.

For example, you cannot ask or encourage family members to deal in shares when you possess price sensitive information and you should not communicate price sensitive information to them.

“Securities” is defined in the Corporations Act and includes ordinary shares, preference shares and options or rights.

3.2 Inside information

Price sensitive information is “inside information” where:

- the person possesses information which is not generally available; and
- that information may have a material effect on the price or value of the relevant security; and
- the person knows or ought reasonably to know that the information is not generally available and if it were it might have a material effect on the price or value of the relevant security.

3.3 Information that is generally available

Information is considered to be “generally available” if:

- it can be easily observed; or
- it has been released to the ASX, published in an Annual Report or prospectus or is generally available to the investing public and a reasonable time has elapsed since the information was communicated; or
- it may be deduced, inferred or concluded from the above.

3.4 Material effect on the price or value of securities

The law states that information would be likely to have a material effect on the price or value of securities if the information might influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell those securities.

Examples of information that may be material include information relating to:

- financial performance, such as a material variance in Company revenue, which could result in a material increase or decrease in the Company’s financial performance from previous results or forecasts;
- a proposed material business or asset acquisition or sale;
- the damage or destruction of a material operation of the Group;
- a material claim to be initiated by or against the Company; and
- an actual or proposed change to the Company’s capital structure.

4. Aurizon Policies

The majority of Directors will be Independent Non-Executive Directors and the Chairman shall be an Independent Non-Executive Director.

4.1 Black-out Periods

In addition to the legal restrictions outlined in section 3 above, it is the Company’s policy that you must not trade in securities in the Company in the following black-out periods:

- for the Company’s half year results (which are released in February): from 1 January to (and including) the day of the announcement;
- for the Company’s full year results (which are released in August): from 1 July to (and including) the day of the announcement; and

- for any other period designated as a black-out period by the Board and advised to the Employees.

Employees are notified of these black-out periods by Company-wide email as well as the notification being posted to the Company intranet. The indicative dates for the release of financial results and general meetings are published in the 'Investors' section of the Company's website aurizon.com.au.

At any time other than during a black-out period Employees (other than Directors and Executives) may deal in securities in the Company but only if you do not have inside information.

Directors and Executives are subject to the additional restrictions set out in section 5 below.

4.2 Dealing during Black-out Periods

Where you are not in possession of price sensitive information and there exists exceptional circumstances such as severe financial difficulties or passive trades (such as sales compelled by law) you may apply in writing to the Company Secretary for approval to dispose of (but not to acquire) Company securities during a black-out period.

Any approvals granted will be valid for three business days. Disposal of Company Securities during black-out periods must be actioned within three business days of the approval being granted.

4.3 Short term dealing not permitted

Directors and Employees must not buy and sell or sell and buy securities in the Company within a three-month period or enter into any other short-term dealings in Company securities (for example, forward contracts).

4.4 Exercise of performance rights

Vested performance rights held pursuant to a Plan may be exercised in accordance with the relevant Plan rules. The exercise of performance rights may occur within a black-out period.

However, any sale of securities in the Company acquired upon exercise of performance rights may only occur:

- outside a black-out period, provided the Employee is not in possession of any price sensitive information; or
- during a black-out period, with written permission from the MD & CEO or Company Secretary.

4.5 Dividend reinvestment plan

Directors, Executives and Employees who wish to participate in any dividend reinvestment plan offered by the Company must lodge a participation notice outside a black-out period.

4.6 Securities in other companies

You cannot deal in securities of other companies if you possess price sensitive information in relation to that other company. Through your work, you may become aware of price sensitive information relating to the Company's customers or joint venture partners.

For example, if you know that the Company is about to sign a major agreement with another company, you should not buy shares in either the Company or the other company.

Where the Company notifies you in writing that certain company securities cannot be traded you must not deal in those company securities for the period specified in the notice.

In addition to the above, Directors, Executives and Employees are also bound by a duty of confidentiality in respect of any third party's information which they obtain in the course of their duties.

5. Additional Restrictions on Directors and Executives

5.1 Notice and disclosure requirements

Directors and Executives are subject to the following additional requirements:

- Directors (other than the Chairman of the Board) must give advance written notice and receive written clearance acknowledgement (e.g. by way of exchange of emails) from the Chairman or Company Secretary before commencing to deal in Company Securities (which must only occur outside a black-out period and the Director confirms that he or she is not in possession of inside information);
- The Chairman of the Board must give advance written notice and receive written clearance acknowledgement (e.g. by way of exchange of emails) from the Chairman of the Audit Governance and Risk Management Committee before commencing to deal in Company Securities (which must only occur outside a black-out period and the Director confirms that he or she is not in possession of inside information);
- all Directors must give advance written notice (e.g. by way of email) immediately to the Company Secretary when they buy or sell shares in the Company, so that the Company can inform ASX as required by law; and
- Executives must give advance notice and receive clearance acknowledgement (e.g. by way of exchange of emails) from the MD & CEO or Company Secretary before commencing to deal in Company Securities (which must only occur outside a black-out period and the Executive confirms that he or she is not in possession of inside information).
- Directors and Executives who are given written clearance to deal in accordance with the Policy must deal as soon as possible and in any event within 5 business days of the clearance being received. If a dealing is not conducted within 5 business days the Director or Executive as the case may be will need to seek a new written clearance in accordance with the Policy.
- A clearance under this clause is not an endorsement of proposed trading and it is the Directors and Executives whom are ultimately responsible for ensuring their dealings in securities comply with the applicable laws and as applicable, the Policy. For the avoidance of doubt any person subject to this Policy must not deal in securities if in possession of inside information even if a clearance acknowledgment had been granted.

5.2 Hedging

Directors and Executives are only permitted to hedge their shareholdings:

- in compliance with section 5.1 above; and
- providing the hedge transaction is not entered into, renewed, altered or closed out when the Director or Executive is in possession of price sensitive information.

However, Executives are not permitted to hedge performance rights granted under a Plan prior to exercising those rights or, once exercised, while the securities are subject to a transfer restriction.

For the purposes of this policy, hedging includes the entry into any transaction, arrangement or financial product which operates to limit the economic risk of a security holding in the Company and includes financial instruments such as equity swaps and contracts for differences.

5.3 Margin Lending Prohibition

Directors and Executives must not enter into a margin lending arrangement in relation to Company Securities.

6. Annual Review

This policy is subject to annual review by the Board. The Board first reviewed this policy and approved it on 29 September 2010. The Board last amended this policy on 18 April 2018.

7. Contact

If you are in any doubt regarding this policy or any proposed dealing in securities you should contact the Company Secretary.

Compliance with the law relating to securities dealing and price sensitive information and the other requirements of this policy is the responsibility of all Directors, Executives and Employees. Any guidance provided in or under this policy does not affect individual responsibility.