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Monadelphous

Monadelphous Group

Share Trading Policy

PURPOSE

This document forms part of the Monadelphous Group Limited (MND) Code of Conduct and regulates all dealings, either Directly or Indirectly, by Key Management Personnel and Other Employees in shares and other securities issued by MND or by third parties over MND securities.

SCOPE

The policy applies to all MND employees and directors.

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SHARE TRADING POLICY

Introduction

Monadelphous Group Limited (MND) recognises that acting with uncompromised integrity and professionalism will protect and enhance our reputation, an invaluable asset to the Group. Accordingly we have developed a Code of Conduct, part of which details the MND Share Trading Policy.

The MND Share Trading Policy regulates Dealings, either Directly or Indirectly, by Key Management Personnel and Other Employees in shares or other securities issued by MND or by third parties over MND's securities (such as derivatives). The nature of the Group's operations require that Key Management Personnel and Other Employees have an intimate knowledge of all aspects of the Group's business, and as a result of these responsibilities some Key Management Personnel and Other Employees may become aware of Unpublished, Price-Sensitive Information.

MND considers it is good Corporate Governance practice to ensure controls are in place to ensure Key Management Personnel and Other Employees are aware of the legal restrictions on Dealing in MND shares while in possession of Unpublished, MND Price-Sensitive Information, and to remove the likelihood of any misunderstandings or suspicions arising.

This MND Share Trading Policy extends to engaging another person to Deal in the securities, and to communicating Price-Sensitive Information to another person, where the Key Management Personnel or Other Employee knows or ought reasonably to know that the other person would be reasonably likely to Deal in the securities, or engage another person to do so.

Restrictions on Dealing

Key Management Personnel and Other Employees may, Directly or Indirectly, only Deal in MND securities during specific periods, and then only if they do not possess any Unpublished Price-Sensitive Information relating to MND.

The trading periods in which Key Management Personnel and Other Employees are allowed to Deal in MND securities, either Directly or Indirectly, spans the period between 24 hours and 30 working days after each of the following events:

- Release of the MND half yearly results to the Australian Securities Exchange;
- Release of the MND annual results to the Australian Securities Exchange;
- The close of the MND Annual General Meeting; or
- Any other time as the Board of Directors of MND permits.

All other periods are "closed periods" during which Key Management Personnel and Other Employees are prohibited from Dealing in MND securities. From time to time, the Board of Directors of MND may also declare that Key Management Personnel and Other Employees are prohibited from Dealing in MND securities during trading periods even though those trading periods are not closed periods.

Key Management Personnel and Other Employees must notify the Company Secretary by completing a Share Trading Policy Declaration before:

- The Key Management Personnel or Other Employee, either Directly or Indirectly, Deals in MND securities; or
- With the Key Management Personnel's or Other Employee's knowledge, an associate of the Key Management Personnel or Other Employee Deals in MND securities at any time.

The notification must state that the proposed Dealing is not as a result of access to, or being in possession of, Price-Sensitive Information that is not currently in the public domain.

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Chairman's approval for Dealing during prohibited periods

In "exceptional circumstances", the Chairman may permit Dealing in MND securities by Key Management Personnel or Other Employees when this policy would otherwise prohibit such Dealing.

Exceptional circumstances include (without limitation) the requirement to sell MND securities due to the employee's severe financial hardship or a court order, court-enforceable undertaking or other overriding legal or regulatory requirement. Approval of any other exceptional circumstances is at the Chairman's discretion.

Where Dealings would otherwise be prohibited by this Policy, approval must be sought in writing prior to transacting by completing a Share Trading Policy Declaration and having it authorised by the Chairman (in writing or via email).

After approval has been granted, the transaction to Deal in MND securities must be completed within 15 (fifteen) working days after the approval (or such longer time as stated in the approval).

Where the Chairman is seeking approval to Deal in MND securities where this policy would otherwise prohibit the Dealing, the MND Board of Directors must provide prior approval of the proposed transaction.

Notification following Dealing

Upon completion of any Dealing (whether or not approval of the Chairman was required), the Key Management Personnel or Other Employee must inform the Company Secretary within 2 (two) working days of all details relating to the transaction including the date of the transaction, the number and class of securities involved and the price per security, by completing and returning to the Company Secretary a Share Trading Policy Declaration.

Granting security over MND securities

Key Management Personnel or Other Employees must notify the Company Secretary if they enter into a margin lending facility affecting their MND securities by completing and returning to the Company Secretary a Share Trading Policy Declaration. The Company will determine whether the arrangement requires disclosure to the market.

Exclusions

The MND Share Trading Policy does not apply in the following circumstances;

- transfers of MND securities already held into a superannuation fund or other saving scheme in which Key Management Personnel or Other Employees are a beneficiary;
- an investment in, or Dealing in units of, a fund or other scheme (other than a scheme only investing in MND securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
- where Key Management Personnel or Other Employees are a trustee, Dealing in the securities of MND by that trust provided the Key Management Personnel or Other Employees are not a beneficiary of the trust and any decision to Deal during a prohibited period is taken by the other trustees or by the investment managers independently of the Key Management Personnel or Other Employee;
- undertakings to accept, or the acceptance of, a takeover offer or similar transaction;
- Dealing under an offer or invitation made to all or most of the security holders, such as a rights issue, a security purchase plan, a dividend reinvestment plan or an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the MND Board of Directors. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;

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- a disposal of securities of MND that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement;
- the conversion of a convertible security, where the final date for conversion of the security falls during a closed period and MND has been in an exceptionally long closed period or MND has had a number of consecutive closed periods and the Key Management Personnel or Other Employee could not have been expected to convert their security at a time when free to do so;
- the exercise (but not the sale of securities following exercise) of an option or a right under an employee incentive scheme; or
- withdrawal of MND securities from an Employee Share Trust (but not the sale of securities following withdrawal).

In the event of any uncertainty regarding the implementation of this Policy, those affected need to ensure that the market is fully informed before they Deal and as a matter of course, and to protect themselves, should discuss the intended Dealing with the MND Chairman, the Company Secretary or their legal advisers.

Key Management Personnel and Other Employees are required to notify the Company in the prescribed manner of any change in their security holding.

Insider Trading

The requirements imposed by the Policy are separate from, and additional to, the legal prohibitions in the Corporations Act on insider trading.

Under the insider trading provisions, “Inside Information” is information that:

- is not generally available; and
- if it were generally available it would, or would be likely to, influence investors in deciding whether to buy or sell MND securities.

Insider trading is prohibited at all times. If an employee or director possesses inside information, the person must not:

- subscribe for or trade in securities;
- advise others or procure others to subscribe for or trade in securities; or
- pass on the Inside Information to others – including colleagues, family or friends – knowing (or where the employee or director should have reasonably known) that the other persons will use that information to trade in, or procure someone else to trade in, securities.

This prohibition applies regardless of how the employee or director learns the information (eg, even if the employee or director overhears it or is told it in a social setting).

The prohibition on insider trading applies not only to information concerning MND’s securities. If a person has inside information in relation to securities of another company, that person must not deal in those securities.

Insider trading is prohibited at any time if the person possesses inside information, irrespective of whether this Policy provides that Dealing could occur in a trading window or outside a closed period, or whether it is excluded from the operation of the Policy.

CGB Rubino
Chairman
Monadelphous Group Limited
December 2010

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DEFINITIONS

Term	Definition
The Group or The Company	Is defined as Monadelphous Group Limited
Key Management Personnel	Is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, Directly or Indirectly, including any director (whether executive or otherwise) of the Group or its controlled entities
Other Employee	Is defined as employees of the Group, other than Key Management Personnel, who have access to, or are in the possession of Unpublished, Price-Sensitive Information
Dealing	Includes subscribing for, purchasing or selling, or entering an agreement to subscribe for, purchase or sell, securities; and “Deal” has a corresponding meaning
Unpublished	Is defined as information that is not in the domain of the general public
Price-Sensitive Information	Is defined as information which a reasonable person would expect to have a material effect on the price or value of MND securities
Directly	Is defined as any transaction relating to MND securities that is carried out in the name of an MND employee or director to whom this policy applies
Indirectly	Is defined as any transaction relating to MND securities in which an MND employee or director to whom this policy applies has an interest, when the transaction has been carried out in the name of another person or corporate body