

ASX Release

Vocus Communications Limited (ASX: VOC)

UPDATED SECURITIES TRADING POLICY

Friday, 3 June 2016: Vocus Communications Limited ("Vocus", ASX: VOC) advises that on Monday, 30 May 2016, the Board adopted an updated Securities Trading Policy.

In accordance with ASX Listing Rule 12.10, Vocus encloses its updated Securities Trading Policy, which will also be made available at www.vocus.com.au/corporate-governance.

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About Vocus

Vocus Communications Limited ("Vocus", ASX: VOC) is a provider of fibre, data centre, unified comms and cloud services to corporate and government entities. In February 2016, Vocus merged with M2 Group Ltd, to create the fourth largest telco in Australia and the third largest in New Zealand, with revenues of approximately \$1.8 billion. The merger takes Vocus into supply of broadband, fixed voice, mobile, data centre, cloud and energy services to consumer and business segments through the well-recognised Commander, Dodo and iPrimus brands.

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VOCUS COMMUNICATIONS LIMITED SECURITIES TRADING POLICY

adopted by the board on 31 May 2016

Important: This Securities Trading Policy is intended to be, and is, binding on all employees and directors and forms part of the terms of their employment, engagement or appointment.

1. POLICY APPLICATION

- 1.1 This Securities Trading Policy governs trading in the Company's Securities by all KMP and other Employees of the Group. Certain provisions of this Securities Trading Policy only apply to KMP and where this is the case, that will be stated.
- 1.2 The purpose of this Securities Trading Policy is to
- (a) explain the type of conduct in relation to Dealings in, or related conduct in respect of, Securities that is prohibited under the Corporations Act, which applies to all Employees; and
 - (b) establish a best practice procedure relating to Dealing in Securities that provides protection to both the Group, KMP and Employees against the misuse of unpublished information which could materially affect the value of Securities or the reputation of the Group.

2. GENERAL RESTRICTIONS ON DEALINGS

Insider Trading

- 2.1 If an Employee or Director possesses Inside Information concerning the Securities of the Company, they must not:
- (a) Deal in the Securities of the Company or enter into an agreement to do so;
 - (b) procure or arranging for another person to do anything specified in paragraph (a); and
 - (c) pass on that information to anyone who is likely to engage in the activities specified in paragraphs (a) or (b).
- 2.2 By virtue of position or association, an Employee or Director may also obtain Inside Information relating to another company, for example, a supplier, customer or proposed acquisition target or acquirer or joint venture partner. The prohibitions in clause 2.1 apply to securities or financial products of that Company.
- 2.3 A person who possesses Inside Information is generally prohibited from engaging in the conduct under clause 2.1 under insider trading laws under the Corporations Act. Such conduct, even if permitted by this Securities Trading Policy, may still breach insider trading laws.
- 2.4 The above general prohibitions are overriding obligations and apply at all times, despite all other terms of this Securities Trading Policy.

Hedging of remuneration by Employees (other than KMP)

- 2.5 Employees (other than KMP) must not enter into any schemes or arrangements that protect the value of Securities allocated or which may be allocated to the Employee under the Group's incentive schemes prior to them becoming fully vested. In relation to KMP, clause 1.3.3 (*Hedging of remuneration by KMP*) and section 206J of the Corporations Act apply.

Margin lending and other secured financing arrangements

- 2.6 Employees and Directors (and each of their Closely Related Parties) must not:
- (a) use Securities as collateral in any financial transactions, or granting or permitting to exist any encumbrance over the Securities, including in connection with margin loan arrangements; or
 - (b) engage in any lending arrangements in respect of Securities.

Short selling

- 2.7 Employees and Directors (and each of their Closely Related Parties) must not short sell, or procure or induce another person to short sell, Securities in the Company.
- 2.8 Generally, the Board considers short selling a technique whereby a person will borrow the Security and sell it in the hope that they will be able to buy the Security at a lower price and some point in the future and close out their short position at a profit.

Short term trading

- 2.9 Employees and Directors (and each of their Closely Related Parties) must not at any time Deal in Securities for short-term gain (or attempt to do so). For this purposes of this Securities Trading Policy, the Board considers that a Dealing in Securities is for short-term gain if:
- (a) the Securities are acquired with the intention of disposing them within six (6) months of acquisition; or
 - (b) the Securities are disposed of within six (6) months of acquisition.
- 2.10 Clause 5 (*Consent to Deal and procedure for clearance*) sets out the process by which Employees and Directors can seek consent to Deal in Securities which will otherwise breach clause 2.9(b) only.

3. RESTRICTIONS ON DEALINGS BY KMP

Dealing during a Black-Out Period

- 3.1 In addition to the general prohibitions in clause 2 (*General restrictions on Dealings by all Employees*) which generally apply to all Employees (except as expressly specified in this Securities Trading Policy), KMP (and their Closely Related Parties) must not Deal in Securities during a Black-Out Period without consent (refer to clause 5 (*Consent to Deal and procedure for clearance*)) or unless the Dealing is excepted under clause 4 (*Excepted Dealings during Black-Out Period*).
- 3.2 Conversely, unless:
- (a) the KMP possesses any Inside Information; or

- (b) otherwise prohibited under this Securities Trading Policy or the law (including under section 206J of the Corporations Act),

and subject always to the process set out in clause 5 (*Consent to Deal and procedure for clearance*), KMP (or their Closely Related Parties) may generally Deal in the Company's Securities outside a Black-Out Period.

Hedging of remuneration by KMP

- 3.3 KMP (and their Closely Related Parties) must not enter into an arrangement (with anyone) if the arrangement would have the effect of limiting the KMP's exposure to risk relating to an element of the KMP's remuneration that:
 - (a) has not vested in the KMP; or
 - (b) has vested in the KMP but remains subject to a holding lock.
- 3.4 For the purposes of this Securities Trading Policy and the Corporations Act, remuneration does not vest in a KMP until the remuneration is due for payment to the KMP. Examples of arrangements that are prohibited by clause 3.3 of this Securities Trading Policy include:
 - (a) a put option on incentive remuneration; or
 - (a) a short position on shares that forms part of incentive remuneration; or
 - (b) an income protection insurance contract in which the insurable risk event affects the financial value of remuneration or equity or an equity-related instrument for the KMP.

4. EXCEPTED DEALINGS DURING BLACK-OUT PERIOD

- 4.1 KMP (and their Closely Related Parties) are not prohibited by this Securities Trading Policy from engaging in the following Dealings during a Black-Out Period without consent:
 - (a) where the Dealing in no change to beneficial interest in the Securities, for example, transferring Securities from a personal holding to a personal superannuation fund, or another personal holding; or
 - (b) where the Dealing occurs via investments in a scheme or other arrangement where the investment decision is exercised by a third party and the KMP has no control or influence with respect to Dealing decisions; or
 - (c) where the KMP has no control or influence with respect to Dealing decisions; or
 - (d) where the KMP acquires the Securities as part of an issue under dividend reinvestment plan, or under an offer to all or most of the Company's shareholders; or
 - (e) where the Dealing is an acquisition of Securities by reason of participation in an employee share plan, incentive plan or option plan. Note, the disposal of Securities received or acquired via an employee share or option plan is restricted in accordance with the provisions of this Securities Trading Policy; or
 - (f) where the Dealing is a disposal of Securities arising from the acceptance of a takeover offer, equal access buy-back or pursuant to a Scheme of Arrangement; or
 - (g) where the Dealing is a disposal of rights acquired under a pro-rata rights issue; or
 - (h) where the Dealing is the acquisition of Securities under a pro-rata rights issue.

- 4.2 Importantly, even if the Dealing is not prohibited by clause 4.1, KMP (and their Closely Related Parties) must not Deal in Securities if the KMP possesses Inside Information.

5. CONSENT TO DEAL AND PROCEDURE FOR CLEARANCE

The need for Exceptional Circumstances

- 5.1 Consent to Deal (whether by an Employee or Director) in circumstances prohibited or restricted by this Securities Trading Policy will generally only be provided in Exceptional Circumstances. Each application for consent should, in addition to complying with this clause 5 (*Consent to Deal and procedure for clearance*), specify the Exceptional Circumstances necessitating the Dealing, and provide sufficient evidence, in the application for consent.

Request for consent by KMP

- 5.2 Despite any other provision of this Policy, a KMP must not Deal in any Securities of the Company, whether or not during a Black-Out Period, without first advising the Company Secretary in advance of their intention do so and complying with, and obtaining consent, in accordance with this clause.

Consent for Dealings by KMP

- 5.3 A KMP (other than a Director) must not Deal in the Company's Securities without the prior consent of the Chief Executive Officer. If the Chief Executive Officer is seeking consent, the Chief Executive Officer must seek and obtain the consent of the Chairman of the Board, or of the Chairman is unavailable, the consent of the Deputy Chairman.

Consent for Dealings by Directors

- 5.4 A Director (other than the Chairman) must not Deal in the Company's Securities without the prior consent of the Chairman, or in the absence of the Chairman, the Deputy Chairman. The Chairman (or the Deputy Chairman, as the case may be) may either:
- (a) approve the transaction; or
 - (b) refer the transaction to the Board for approval, in which case a simple majority of the Board is required to approve the transaction. The Director seeking consent must not vote on the matter or be present when the matter is before the Board.

Consent for Dealings by the Chairman

- 5.5 The Chairman must not Deal in the Company's Securities without the prior consent of the Board. The Chairman must not vote on the matter or be present when the matter is before the Board.

Notification obligations of Directors

- 5.6 If a Director Deals in the Company's Securities, then the Company must advise ASX within five (5) business days, in accordance with the Corporations Act and the ASX Listing Rules.

Request for consent by Employees (other than KMP)

- 5.7 Employees (other than KMP) are not prohibited or restricted from trading during a Black-Out Period unless otherwise prohibited or restricted by this Securities Trading Policy (e.g. under clause 2.1 (*Insider Trading*)).
- 5.8 Employees (other than KMP) may seek consent to Deal in Securities in circumstances that would otherwise breach clause 2.9(b) (*Short Term Trading*).
- 5.9 Requests for consent must be made to the Company Secretary sufficiently in advance of the date that the Dealing is sought to be effected. The Company Secretary will notify the relevant Employee whether or not consent is granted. The Company Secretary may inform himself or herself in any manner he or she thinks fit in relation to whether or not to grant consent, and may consult with the Chairman of the Board on whether or not to grant consent.

Duration of clearance to trade

- 5.10 If consent is provided to Deal in Securities, the person providing consent will specify the period for which such consent is valid. Other than in exceptional circumstances, the consent will be expressed to expire after a short period of time, generally less than one week.

When consent will not be granted

- 5.11 Without limiting the circumstances in which consent can be withheld (see clause 5.12), consent may only be sought for conduct that would otherwise breach clause 3.1 (*Dealing during a Black-Out Period*) or clause 2.9(b) (*Short term trading*). Consent should not be sought for, and will not be granted for, a Dealing or conduct that will otherwise breach:
 - (a) clause 2.1 (*Insider Trading*); or
 - (b) clause 2.5 (*Hedging of remuneration by Employees (other than KMP)*); or
 - (c) clause 2.6 (*Margin lending and other secured financing arrangements*); or
 - (d) clause 3.3 (*Hedging of remuneration by KMP*); or
 - (e) clause 2.7 (*Short selling*); or
 - (f) clause 2.9(a) (*Short Term Trading*) (but may be sought and granted in respect of clause 2.9(b)).

General rules around consent

- 5.12 Consent can be given, delayed or withheld by a person in their discretion, without giving reasons. Consent is likely to be withheld if Exceptional Circumstances are not demonstrated.
- 5.13 Consent can be withdrawn, including prior to the specified expiry date, if new information comes to light or there is a change in circumstances.
- 5.14 A decision to refuse consent is final and binding on the person seeking consent.
- 5.15 If consent is refused, the person seeking consent must keep that information confidential and not disclose it to anyone.
- 5.16 If consent is given, it is not an endorsement or inducement for the Employee or Director to Deal in Securities. The giving of consent is not a representation that the Dealing will not breach insider trading laws and even if consent is provided, an Employee or a Director must not Deal in Securities if the Employee or Director possesses Inside Information.

6. BREACH

- 6.1 Strict compliance with this Securities Trading Policy is mandatory for all Employees and Directors.
- 6.2 To the extent that a Securities Trading Policy is expressed to impose an obligation or restriction on a person's Closely Related Party, the person must ensure that:
- (a) the Closely Related Party has received, read and understood this Securities Trading Policy (including any variation, supplement or replacement to it); and
 - (b) the Closely Related Party complies with this Securities Trading Policy as if it was binding on them.
- 6.3 Contravention of the Corporations Act is a serious matter which may result in criminal or civil liability.
- 6.4 In addition, breaches of this Securities Trading Policy may damage the reputation of the Company and undermine confidence in the market for financial products of the Company. Accordingly, breaches will be taken very seriously by the Company and the Employee or Director will be subject to disciplinary action, including possible termination of an Employee's employment or engagement or a Director's appointment (as the case may be).

7. GENERAL

Review and Variation

- 7.1 The Board will review the Securities Trading Policy regularly.
- 7.2 The Board may vary or replace this Securities Trading Policy from time to time and the varied or replacement policy will be binding on all Employees and Directors (but will not have retrospective effect).

Waiver

- 7.3 Any waiver by the Company of any one breach or default by an Employee or Director operates as a specific waiver and will not constitute a waiver of any other breach or default (whether or not of the same kind). A waiver by a party is only effective if it is in writing.

Severability

- 7.4 If a provision of this Securities Trading Policy is illegal or unenforceable:
- (a) if the provision would not be illegal or unenforceable if one or more words were omitted, and those words are not essential to the continued operation of this Securities Trading Policy in the form contemplated, the words are severed; and
 - (b) in any other case, the whole provision is severed, and the remainder of this Securities Trading Policy continues in force.

8. DEFINITIONS

8.1 In this Securities Trading Policy:

Black-Out Period means each of the following periods:

- (a) the period commencing one (1) month immediately before:
 - (i) the release of the Company's half yearly or yearly results; or
 - (ii) the Annual General Meeting when it is customary for the Chairman to provide further information about the Company's current performance,until the day one (1) day after these events; and
- (b) any other period which the Board prescribes as a "Black-out Period" for the purposes of this Securities Trading Policy.

Closely Related Party has the meaning given to that term in section 9 of the Corporations Act but as if references to "key management personnel" were references to any person.

Company means Vocus Communications Limited ACN 084 115 499.

Corporations Act means *Corporations Act 2001* (Cth).

Deal means the following conduct (whether engaged in as principal or agent):

- (a) applying for or acquiring Securities; or
- (c) issuing Securities; or
- (d) underwriting the Securities; or
- (e) varying the Securities; or
- (f) disposing of Securities.

Derivative has the meaning given to that term in the Corporations Act and includes:

- (a) warrants;
- (b) options (whether exchange traded or over-the-counter); and
- (c) contracts for differences,

issued over or in respect of Securities.

Exceptional Circumstances may include:

- (a) severe financial hardship; or
- (b) the need to comply with a Court order or Court enforceable undertaking; or
- (c) the need to comply with a binding settlement agreement reached as part of the resolution of a bone fide dispute (such as in a binding financial agreement concluded in connection with a divorce or separation).

The Board has elected not to exhaustively specify all Exceptional Circumstances as it recognises that each Employee's or Director's circumstances are unique and whether consent should be granted on the basis of circumstances existing at that time should be

assessed on a case by case basis.

Employee means:

- (a) KMP (other than a Director);
- (b) Executives;
- (c) all employees and contractors of the Group; and
- (d) all employees of any joint venture companies, operations or arrangements to which any member of the Group is party, and their associates.

Executive means a member of the Group's Executive team.

Group means Vocus Communications Limited and its subsidiaries.

Inside information means information which:

- (a) is not generally available (within the meaning of the Corporations Act); and
- (b) if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of Securities of the Company,

including, without limitation:

- (c) the financial performance of the Company against its budget;
- (d) a possible change in the strategic direction of the Company;
- (e) a possible acquisition or sale of any assets or Company by the Company;
- (f) a possible change in the Company's capital structure;
- (g) a proposed dividend;
- (h) senior management changes; or
- (i) any possible material claim against the Company or other unexpected liability.

Key Management Personnel or **KMP** means, for the purposes of this policy only, all Directors (whether executive or otherwise), and any Executive which has authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

Securities includes:

- (a) a share in, or debenture of, the Company;
- (b) an option or right over issued or unissued shares in, or debentures of, the Company;
- (c) a renounceable or unrenounceable right to subscribe for shares in, or debentures of, the company; and
- (d) derivatives.

8.2 The following rules of interpretation apply to this document:

- (a) headings are for convenience only and do not affect interpretation;
- (b) the singular includes the plural and conversely;
- (c) a gender includes all genders;

- (d) where a word or phrase is defined its other grammatical forms have a corresponding meaning;
- (e) a reference to a person includes a natural person, partnership, joint venture, government agency, body corporate, an unincorporated body or other entity and conversely;
- (f) a reference to a is to a clause of this document;
- (g) the words "written" and "in writing" include any means of visible reproduction of words in a tangible and permanently visible form;
- (h) the word "including" means "including, but not limited to" unless an express contrary intention appears;
- (i) reference to any legislation or to any provision of any legislation includes any amendment, modification, consolidation or re-enactment of, or any legislative provision substituted for, and all legislative and statutory instruments issued under, such legislation or such provision; and
- (j) reference to any document or agreement includes:
 - (i) references to such document or agreement as novated, supplemented, varied or replaced from time to time; and
 - (ii) any attachment, annexure or schedule to the document or agreement, except to the extent excluded by the terms of this document or that other document or agreement.