



29 April 2014

Via electronic lodgement

SECURITIES TRADING POLICY

David Jones Limited (ASX: DJS, "the Company") released its updated Securities Trading Policy to the market today. This policy supersedes all pre-existing Securities Trading Policies issued by the Company.

Susan Leppinus
Company Secretary

**DAVID
JONES**

David Jones Limited A.C.N. 000 074 573
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DAVID JONES LIMITED ABN 75 000 074 573

SECURITIES TRADING POLICY

SECURITIES TRADING POLICY

PART 1 – INTRODUCTION

1. PURPOSE OF THIS POLICY

- 1.1 This David Jones Limited Securities Trading Policy (**policy**) has the following purposes:
- (a) To set out the rules for David Jones Limited (**Company**) directors and key executives regarding their owning and dealing in Company securities, to ensure that those persons respect the confidentiality of Company information and do not take actions which may be seen as undermining the Company's reputation in the financial markets, and to keep the market informed of dealings;
 - (b) To establish rules to minimise the risk that directors and key executives deal when in possession of unpublished price sensitive information and so to give confidence to the market and investors that the Company respects the integrity of the market;
 - (c) To ensure that the Company's other employees, consultants and all Connected Persons (see clause 3.3 below) are aware of the restrictions on dealing in shares, options or other securities which apply to them as a result of their involvement with the Company.
- 1.2 The rules in this policy are not intended to be applied in a prescriptive manner, but rather seen as principles to support the Company's public reputation, and should be applied accordingly.
- 1.3 The requirements imposed by this policy are separate from, and additional to, the legal prohibitions in the *Corporations Act 2001* (Cth) on insider trading.

2. CONSEQUENCES OF BREACHING THIS POLICY

- 2.1 It is illegal for a person to deal or procure another person to deal, in the Company's securities when he or she possesses unpublished price-sensitive information concerning the Company. It is also illegal to communicate that information to someone who might deal in the Company's securities. This is regardless of whether the terms of this policy have been complied with.
- 2.2 Insider trading has serious legal consequences including criminal liability (penalties include heavy fines and imprisonment) and civil liability (being sued by another party or the Company for loss suffered as a result of insider trading).
- 2.3 In addition, even a suspicion that insider trading may have occurred may lead to serious reputational damage.
- 2.4 Accordingly, a breach of this policy or the relevant laws will be regarded as serious misconduct which will lead to disciplinary action including dismissal.

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3. WHO THIS POLICY APPLIES TO

3.1 Does this policy apply to me?

This policy regulates dealings by the Company's: Directors; Group Executives and their Executive Assistants; the Executive Leadership Team and their Executive Assistants; consultants and other employees (together **you or your**).

Some restrictions in this policy may not apply to your dealings in securities. Clause 3.2 below tells you which of the restrictions in this policy apply to dealings by you or your Connected Persons (see clause 3.3 below) in securities.

3.2 Which clauses of this policy restrict dealings by you or your Connected Persons?

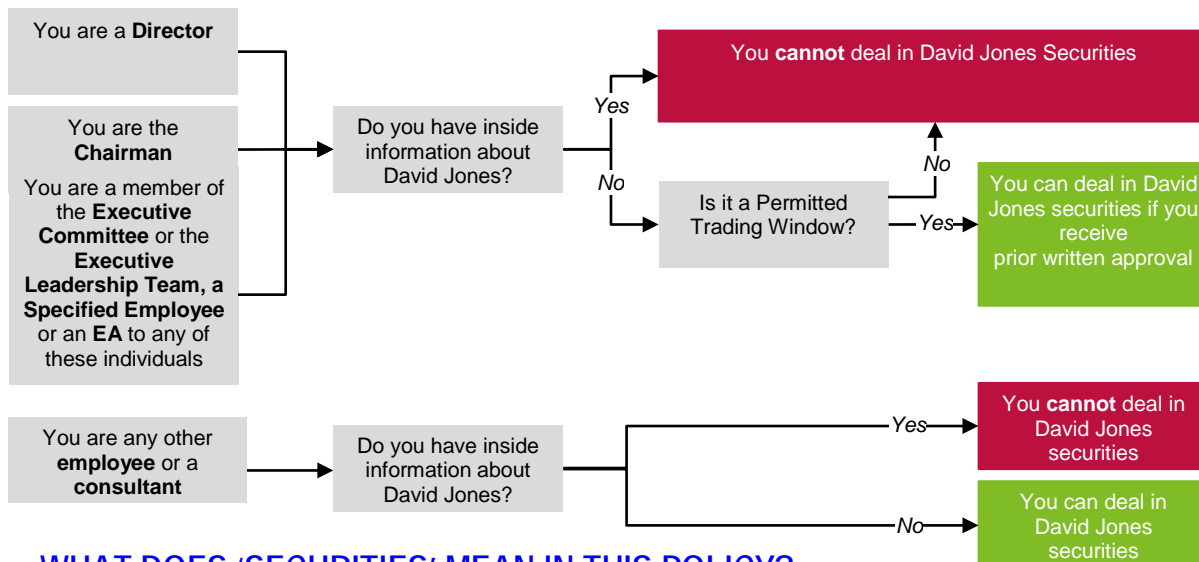
What is your connection with David Jones?	Which clauses of this policy restrict dealings by you?
Directors and the Chairman	<ul style="list-style-type: none"> • Clauses 6, 7, 8 and 13.2(c) set out the main restrictions on you and your Connected Persons (defined in clause 3.3 below). • You should also read clauses 1 to 5 of this policy which contain background and definitions to help you understand those restrictions. • If this policy restricts you from dealing, you can check clause 13 in case it has an exception which you can rely on to deal in the Company's securities. • If there are exceptional circumstances where you need to deal in the Company's securities outside a Permitted Trading Window, you may be able to apply for approval to trade under clause 14. • If you are the Chairman, note the differences specific to you in clauses 8 and 14.2.
Group Executives, the Executive Leadership Team, Specified Employees and their Executive Assistants	<ul style="list-style-type: none"> • Clauses 6, 7 and 8 set out the main restrictions on you and your Connected Persons (defined in clause 3.3 below). • You should also read clauses 1 to 5 of this policy which contain background and definitions to help you understand those restrictions. • If this policy restricts you from dealing, you can check clause 13 in case it has an exception which you can rely on to trade. • If there are exceptional circumstances where you need to deal in the Company's securities outside a Permitted Trading Window, you may be able to apply for approval to trade under clause 14.
Other employees and consultants	<ul style="list-style-type: none"> • Clauses 6 and 7 (except for 7.5 which does not apply to you) set out the restrictions on you and your Connected Persons (defined in clause 3.3 below). • You should also read clauses 1 to 5 of this policy which contain background and definitions to help you understand those restrictions. • If this policy restricts you from dealing, you can check clause 13 in case it has an exception which you can rely on to deal in the Company's securities.

3.3 Connected Persons

This policy also applies to your Connected Persons. This means: your spouse or partner; your dependant children or dependant children of your spouse; your other dependants or other dependants of your spouse; anyone else who is in your family and you may be expected to influence, or be influenced by, in dealings with securities; or a company, trust or entity that you or any of your Connected Persons controls.

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3.4 Diagram illustrating dealing restrictions in the Company's securities



4. WHAT DOES 'SECURITIES' MEAN IN THIS POLICY?

In this policy, "securities" means:

- (a) shares;
- (b) options;
- (c) other securities which the Company may issue, where the Company specifies at the time of issue that they are subject to this policy; or
- (d) financial products issued or created over the Company's securities by third parties. This does not include portfolio products that are not specific to the Company – such as index funds.

If, because of your position with the Company, you become aware of information relating to another company – e.g. the negotiation of a transaction with that company – which are relevant to the price of that company's securities, then "securities" in this policy extends to the above categories with respect to that company as well.

5. BRIEF OVERVIEW OF THE LAW ON INSIDER TRADING

5.1 "Inside information" (also referred to in this policy as "unpublished price-sensitive information") is price-sensitive information which is not generally available and which, if generally available, a reasonable person would expect to have a material effect on the price or value of the Company's (or another company's) securities. Information is considered to be likely to have this material effect if the information would be likely to influence a decision to buy or sell these securities.

5.2 "Insider trading" means dealing in any securities, or procuring others to do so, while you hold inside information, or communicating that information to others who may use it to deal in securities. As explained in clause 2 above, insider trading is illegal.

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- 5.3** “Deal” means take part in any transaction associated with buying, acquiring, selling, disposing or, converting or agreeing to do any of these.

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PART 2 – WHAT THIS POLICY RESTRICTS

6. YOU ARE PROHIBITED AT ALL TIMES FROM INSIDER TRADING

6.1 You must not insider trade in the Company's securities

You and your Connected Persons are prohibited from dealing in the Company's securities while in possession of unpublished price-sensitive information concerning the Company.

6.2 You must not procure another person to deal when you are precluded from dealing

You must also not procure another person, including Connected Persons, to deal in the Company's securities when you are precluded from dealing in the Company's securities under this policy or by law.

6.3 You must not communicate price sensitive information

As noted under the David Jones Code of Ethics and Conduct, during the course of your role you may obtain confidential information about operational or financial aspects of the business. This information is confidential and must be treated sensitively. You must not breach the Company's confidentiality or make use of confidential information obtained from the Company for personal gain or in a manner which would be detrimental to the Company. You must only use confidential information in ways which are authorised by the Company. In no circumstances does the Company authorise you to communicate confidential information to another person if you know or should know that the other person would be likely to deal in the Company's securities or to communicate that information to someone who will.

6.4 Outside companies

You and your Connected Persons are prohibited at all times from dealing in the securities of outside companies about which you hold unpublished price-sensitive information by virtue of your position with the Company.

Consistent with the confidentiality obligations under the David Jones Code of Ethics and Conduct, you must treat the confidential information of third parties (such as suppliers) with the same level of respect and care as you treat information relating to the Company.

7. OTHER RESTRICTIONS AND OBLIGATIONS WHICH APPLY TO YOU AT ALL TIMES

The restrictions and obligations in this clause 7 apply at all times, irrespective of whether it is a Permitted Trading Window, even when you do not have any inside information and irrespective of any other provision of this policy.

7.1 You must keep a register of dealings

You must keep a register of any dealings you or your Connected Persons conduct in the Company's securities. This should be in the form of a collection of a record of every dealing, together with supporting material such as contract notes or their equivalent.

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The Company is entitled to audit compliance with this policy, and upon request by the Company you must provide a copy of the register of your dealing.

7.2 You must ensure Connected Persons are aware of this Policy

You must ensure that your Connected Persons are aware of the content of this policy and that they abide by the rules set out in clause 7 and other clauses as appropriate.

7.3 No speculative dealings

You and your Connected Persons are prohibited at all times from speculative dealing in the Company's securities, such as dealing for a short term gain. This includes buying and selling securities within a six month period, and entering into other short term dealings (e.g. forward contracts). However, a sale of shares received following vesting of employee incentives with a vesting period of over six months is not considered speculative for this purpose.

You must not engage in short selling or in dealing through contracts for difference or derivatives linked specifically to the Company's securities.

7.4 No transactions which operate to limit the economic risk of security holdings

You and your Connected Persons are prohibited at all times from entering into transactions in financial products which operate to limit the economic risk of security holdings in the Company over unvested entitlements or vested entitlements subject to a holding lock or restriction on dealing (restricted entitlements or restricted securities), including, without limitation, any hedging or similar arrangement in respect of unvested entitlements or restricted entitlements held or granted under any equity based remuneration scheme.

7.5 Margin loans

If you are a director, a Group Executive, a member of the Executive Leadership Team or a Specified Employee, you and your Connected Persons are prohibited at all times from entering into any stock borrowing or margin loan arrangement in relation to security holdings in the Company, transferring securities in the Company into an existing margin loan account and selling securities in the Company to satisfy a call pursuant to a margin loan.

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PART 3 – DEALING RULES WHICH APPLY TO YOU

You must comply with whichever category in clauses 8 to 10 below applies to you.

8. DIRECTORS AND THE CHAIRMAN

It is assumed for the purpose of this policy that the Company's directors and the Chairman are likely to be in possession of price-sensitive information by virtue of their position and that Connected Persons of those persons are at risk of being in possession of price-sensitive information (even though in fact they may not be so).

Accordingly, unless a waiver has been granted under clause 14.1, in addition to the other restrictions contained in this policy, dealing in the Company's securities by directors and the Chairman and their Connected Persons, is prohibited at any time that is not a Permitted Trading Window as set out in clause 11.

You must obtain written approval from the Chairman, or if you are the Chairman from the Chair of the Audit Committee, before you or your Connected Persons do any of the following during a Permitted Trading Window:

- (a) deal in the Company's securities; or
- (b) engage in any transaction or arrangement which may operate to limit the economic risk of your vested and unrestricted holdings in the Company.

You and your Connected Persons must also not deal in the Company's securities even where there is no effective change in the beneficial owner (such as a transfer to a family trust or to a self-managed superannuation fund), notwithstanding the exemption to other persons at clause 13.2(c) below.

9. GROUP EXECUTIVES, THE EXECUTIVE LEADERSHIP TEAM, SPECIFIED EXECUTIVES AND THEIR EXECUTIVE ASSISTANTS

- (a) The same provisions apply to Group Executives and members of the Executive Leadership Team as for directors and the chairman – see clause 8 above. If you are an Executive Assistant to a Group Executive or a member of the Executive Leadership Team, you must also comply with the provisions in clause 8 above.
- (b) Group Executives and members of the Executive Leadership Team can nominate other employees in the Company who they consider are likely to become aware of inside information in the course of their employment (**Specified Employees**) to also follow these procedures. If you are informed that you have been nominated as a Specified Employee or that you are the Executive Assistant to someone who is, you must also comply with the provisions in clause 8 above.

10. OTHER EMPLOYEES AND CONSULTANTS

If you are an employee or a consultant and you do not fall into any of the categories in clauses 8 or 9, you are not required to seek approval or notify the Company of dealings in the Company's securities, and Permitted Trading

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Windows are not relevant to you. However, you must comply with clauses 6 and 7 (except for 7.5 which does not apply to you) of this policy at all times.

11. PERMITTED TRADING WINDOWS

For the purposes of this policy, a Permitted Trading Window is (unless the Board otherwise determines generally or in any particular case):

- (a) within three weeks after the date of release of the Company's half-year results announcement to ASX commencing at 10.00am on the next trading day after the half-year results announcement;
- (b) within three weeks after the date of release of the Company's full-year results announcement to ASX commencing at 10.00am on the next trading day after the full-year results announcement; or
- (c) the rights trading period during which retail holders of the Company's shares may sell rights to subscribe for securities offered by the Company under a rights issue.

12. APPLICATIONS FOR APPROVAL

12.1 Application form

- (a) Prior written approval is to be applied for or made in the form approved by the Board.
- (b) The form will require details of the dealing, transaction or arrangement and the acknowledgements specified below in a form determined by the Board to be consistent with the purposes of this policy.
- (c) The applicant must confirm on the form that he or she does not hold any unpublished price-sensitive information, affirm that the applicant will not deal if he or she obtains unpublished price-sensitive information between applying and transacting the dealing, as well as acknowledgement that the approval may be given or withheld in the discretion of the Chairman without giving reasons.
- (d) To apply, the applicant must obtain the signature on the form of the Chief Executive Officer or, in his or her absence of the Chief Financial Officer, confirming that no announcement to ASX is planned or otherwise reasonably anticipated to be made within the next 10 business days, that it is a Permitted Trading Window and that the Chief Executive Officer or the Chief Financial Officer (as applicable) is not aware of any reason approval should be refused.

12.2 Decisions on applications for approval

- (a) Approval may be given or withheld in the discretion of the Chairman without giving reasons.
- (b) In giving or refusing approval, the Chairman will have regard to (as well as any other matters which the Chairman thinks fit in his or her discretion) whether the Company is considering any market announcement as regards trading results, corporate transactions or otherwise, with the intent that the applicant is not permitted to deal in circumstances where there is a risk that the market will suspect that they had unpublished price sensitive information.
- (c) If approval is granted, written notification (which includes notification by email) will be provided. Approval granted under this policy is valid for two business days from the date the approval is provided.
- (d) Approval is not an endorsement of a proposed dealing. You are individually responsible for your investment decisions and your compliance with law and this policy.

12.3 Records of dealings

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- (a) You must notify the Company Secretary in writing within three business days after any dealings in the Company's securities by you or your Connected Persons made at any time including the entry into, renewal, alteration or closing out of any transaction or arrangement which operates to limit the economic risk of a security holding in the Company.
- (b) Without limiting clause 12.3(a) above, if you are a director, you must inform the Company of any change in your interest in the Company within three business days of the change to enable the Company to comply with ASX listing rule 3.19A.2 with respect to the change.
- (c) You must comply with any other disclosure required by law in relation to your dealings including under the substantial holder notice provisions of the *Corporations Act 2001* (Cth) if you any time hold an interest of 5% or more in the Company's securities

12.4 Register and recording by the Company

- (a) The Company will keep a register of applications for approval and decisions made (including any approvals under clause 14 of this policy), and details of the subsequent dealings.
- (b) Where a director, Group Executive, member of the Executive Leadership Team or a consultant enters into, renews, alters or closes out a transaction or arrangement which operates to limit the economic risk of their vested and unrestricted security holdings, the Company may disclose the transaction or arrangement (e.g. in the Annual Report).

13. EXCLUDED DEALINGS

13.1 Exclusions from general dealing restrictions

Subject to the overriding prohibition against insider trading under clause 6.1, the requirements of the policy do not restrict participation in:

- (a) employee share and option plans;
- (b) the long term incentive plan;
- (c) the dividend reinvestment plan; or
- (d) share purchase plans available to all retail shareholders,

in accordance with the rules of the relevant plan and the terms of any offer (other than in respect of entry into transactions or arrangements which may operate to limit the economic risk of a security holding in the Company and the dealing of the Company's securities to which participants become entitled under those plans).

13.2 Other exclusions

Subject to the overriding prohibition against insider trading under clause 6.1, the requirements of the policy do not apply to and do not restrict participation in:

- (a) the acquisition of the Company's securities through a rights issue;
- (b) the disposal of the Company's securities through the acceptance of a takeover offer;
- (c) except where proposed to be undertaken by a director or their Connected Person, dealings where there is no effective change in the beneficial owner (such as a transfer to a family trust or to a self managed superannuation fund); and

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- (d) subject to compliance with clause 7.5 in relation to margin loans, a sale of the Company's securities that is the result of a secured lender exercising their rights under the margin lending arrangement.

14. EXCEPTIONAL CIRCUMSTANCES WHERE DEALINGS OUTSIDE A PERMITTED WINDOW MAY BE AUTHORISED

14.1 If you or your Connected Person needs to sell or dispose of the Company's securities due to exceptional circumstances but the sale or disposal would breach this policy because it is outside a Permitted Trading Window, you may apply (on your own behalf or on behalf of your Connected Person) to the Chairman for a waiver from compliance with a requirement in this policy to deal only in a Permitted Trading Window.

14.2 If the Chairman is the applicant, the Chairman may apply to the Chairman of the Audit Committee for a waiver.

14.3 What constitutes 'exceptional circumstances'?

Exceptional circumstances include: severe financial hardship; compulsion by court order; or any other circumstance that is deemed exceptional by the Chairman or the Chairman of the Audit Committee.

14.4 Written application required

A written application must be made setting out the circumstances of the proposed dealing and the reason the waiver is requested. A waiver will only be granted under clause 14.1 if the application is accompanied by sufficient evidence that the sale or disposal of the Company's securities is the most reasonable course of action in the circumstances.

14.5 Decision

- (a) The decision to grant a waiver is at the complete discretion of the Chairman or the Chairman of the Audit Committee, as applicable.
- (b) A waiver is valid for two business days from the date the notification.
- (c) For the avoidance of doubt, any waiver granted under this clause 14 is a waiver of breach of the policy only, and the laws against insider trading will still apply.