

## **STUDENT TRANSPORTATION INC.**

### ***INSIDER TRADING POLICY***

The following insider trading policy was adopted by the board of directors of Student Transportation Inc. (the “**Issuer**”) on November 8, 2012.

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No one with any knowledge of a material change in the affairs of the Issuer that has not been generally disclosed to the public should purchase or sell any securities of the Issuer, inform anyone of such material change (other than in the necessary course of business) or advise anyone to purchase, sell, hold or exchange securities of the Issuer (or any other securities whose price or value may reasonably be expected to be affected by material changes affecting the Issuer) until the information has been generally disclosed to the public, and sufficient time has elapsed for such information to have been adequately disseminated to the public.

#### **Guidelines**

For the purpose of implementing the foregoing principles, the following guidelines have been adopted. These guidelines should be followed by all members of the board of directors, officers and employees of the Issuer and its subsidiaries and their respective associates (including immediate family members) and Student Transportation of America Holdings, Inc. (“**STA Holdings**”) and its officers and employees and their respective associates (including immediate family members).

1. Do not at any time actively “trade” in the securities of the Issuer (which include securities exchangeable into securities of the Issuer). For this purpose, “trading” means purchasing or selling with the expectation of making profit on a short term rise or fall of the market price. To limit the possibility of any suspicion of improper trading, any purchase or sale of securities of the Issuer should only be made for investment, and not speculative, purposes.
2. Do not undertake any trade (purchase or sale) of the securities of the Issuer without informing the legal counsel of the Issuer of such proposed trade; provided however that should such officer be unavailable to the person wishing to inform the Issuer of such trade, that person may inform the Chief Executive Officer of the Issuer.
3. Purchases and sales of securities of the Issuer may not be made from five calendar days following the end of each of the fiscal quarters until 24 hours after the general release of the financial results for the quarter, and may not be made from five calendar days following the end of each fiscal year until 24 hours after the general release of the financial results for the year.
4. No purchase or sale of securities of the Issuer should be made with the knowledge of a material change in the affairs of the Issuer for at least 48 hours after the widespread public release of such change.

5. Until the widespread public release of a material change in the affairs of the Issuer, do not inform any other person about such change or discuss it with anyone other than in the necessary course of business.
6. For clarity, when a Normal Course Issuer Bid ("NCIB") in respect of the Issuer's shares is in place, management of the Issuer will have discretion to execute NCIB share buy-backs (for the Issuer's treasury account only) at any time, provided that upon any such repurchases the Issuer is not in possession of any knowledge of any Material Change as defined below, and with the overriding guideline being that any share repurchase by the Issuer has to be in the best interests of the shareholders.

### **Notification of Trades by Restricted Persons**

In addition to these general guidelines applicable to everyone involved with the Issuer, directors, officers and employees of the Issuer or STA Holdings who are routinely in possession of undisclosed material information ("**restricted persons**") shall be required to inform the legal counsel of the Issuer in writing prior to engaging in any trade of securities of the Issuer; provided however that should such officer be unavailable to the restricted person wishing to inform the Issuer in writing prior to engaging in any trade of securities of the Issuer, that restricted person may in writing inform the Chief Executive Officer of the Issuer.

### **"Material Change"**

A "material change" in the affairs of the Issuer means a change in the business, operations or capital of the Issuer that could reasonably be expected to have a significant effect on the market price or value of any of the securities of the Issuer. A "material change" includes a decision to make such a change by the board of directors or by senior management of the Issuer who believe that board confirmation is probable. A "material fact" means a fact that would reasonably be expected to have a significant effect on the market price or value of the Issuer's securities. Material facts and material changes are collectively referred to in this policy as "material information".

### **Potential Sanctions**

The onus of complying with this policy and the relevant insider trading and other securities legislation lies with each individual director, officer and employee of the Issuer and its subsidiaries and their respective associates (including family members), each of whom is expected to be familiar with this policy and such legislation and to comply fully with them.

There are substantial statutory penalties for persons or companies where there has been a breach of the insider trading legislation. These penalties include fines up to \$5 million (or triple any profit made or loss avoided by such contravention, whichever is greater), and prison terms of up to 10 years. In addition to statutory penalties, insider trading could cause the Issuer acute embarrassment and may result in disciplinary action against any employee who violates this policy, which may include in termination of employment.

This policy may not cover all circumstances and exceptions may be justified from time to time. Any questions and all requests for exceptions from this policy should be made to the

Secretary and Chief Executive Officer of the Issuer, who will jointly determine whether or not it is appropriate to vary the policy in such circumstances.