

SECURITIES TRADING POLICY

Last Reviewed: 20 June 2015

Policy Owner: Company Secretary

1. INTRODUCTION

1.1 Purpose

The Board of Transpacific Industries Group Ltd (**TPI**) considers it essential that TPI and its employees comply with both the law and high ethical standards at all times. Insider trading is both illegal and unethical.

This policy is designed to:

- Assist directors and employees of TPI and its subsidiaries (the **Group**) to understand the legal restrictions on trading in securities while in the possession of inside information and to otherwise avoid conduct known as 'insider trading'; and
- Minimise the possibility of misperceptions arising in relation to TPI directors and employees dealing in TPI securities, because even the perception of an insider trading event could harm the reputation of the Group, its Directors and employees

1.2 Scope

This policy applies to all executive and non-executive directors (**Directors**) and all employees (**Employees**) of the Group, and extends to dealings through entities or trusts controlled by any of these parties, or in which they have an interest. It contains restrictions on dealing in securities of TPI and other entities in which TPI has an interest.

Additional rules apply to Directors and Executives. These are set out in section 3.3 below.

For the purposes of this policy, **Executives** means:

- The Chief Executive Officer;
- Persons with direct reporting responsibilities to the Chief Executive Officer; and
- Persons with direct reporting responsibilities to one of those persons.

1.3 Consequences of Breach of Policy

TPI takes compliance with this policy seriously. Any breach of terms within this policy will be regarded as serious misconduct and may result in dismissal from employment, where appropriate.

Insider trading is a criminal offence and carries heavy penalties under the Corporations Act, including fines and imprisonment.

Employees requiring further information or guidance on any part of this policy should contact their supervisor or the Company Secretary before dealing in any securities covered by this policy.

2. COMPLIANCE WITH THE LAW

The Corporations Act contains prohibitions against insider trading which means that Insider Trading is **illegal**.

2.1 What is Insider Trading?

In broad terms, you will be guilty of Insider Trading if, at a time when:

- a) you possess 'inside information' (see below) and



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- b) you:
- (i) buy or sell securities in the relevant company;
 - (ii) encourage or procure someone else to buy or sell securities in the relevant company; or
 - (iii) directly or indirectly communicate that information to a third party - including colleagues, family or friends - where you know, or ought reasonably to know, that the third party would be likely to buy or sell the securities or procure someone else to buy or sell the securities of the company.

Inside information means information that:

- is not 'generally available' to the market; and,
- if it were generally available to the market, would be likely to have a material effect on the price or value of any company's securities, or would, or would be likely to influence investors in deciding whether to buy or sell securities.

Information is considered to be 'generally available' if:

- it can be easily observed; or
- made known in a manner that would, or would be likely to, bring it to the attention of people who commonly invest in the company's securities or securities of a kind similar to the company's securities, and a reasonable period has elapsed to allow the information to be disseminated; or
- it may be deduced, inferred or concluded from the above.

Please note, the material effect is **NOT** restricted to TPI's securities only, but also extends to the securities of other listed companies, including customers of, and suppliers to, the Group.

The explanatory notes in section 5 of this policy sets out some examples of what might be considered 'inside information'.

3. TPI POLICY FOR TRADING IN SECURITIES

3.1 Absolute Prohibition

No Director, Executive or Employee of the Group may deal in TPI securities at any time (including during the Trading Windows below) if that person is in possession of inside information.

Directors, Executives and Employees will not be given clearance to deal in TPI securities under sections 3.2 or 3.3 of this policy where price sensitive, non-public information exists in relation to a matter, even though they may not be aware of it.

3.2 Trading Windows for Dealings by Employees (Other than Directors and Executives)

Employees (other than Directors and Executives) must not deal in TPI Securities, except during the following periods (Trading Windows):

- for a period of up to 6 weeks from the trading day after the release of TPI's half-year and full-year results to the ASX;
- for a period of up to 6 weeks from the trading day after the Annual General Meeting has been held;

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- at any time TPI has a prospectus open; or
- at any other time the Board declares trading permissible in a written note to all staff and the ASX.

These Trading Windows will be notified to all Employees by email and communicated on the TPI Portal.

If employees wish to dispose of securities outside these Trading Windows they must obtain prior written approval from the Company Secretary. Approval will only be granted in exceptional circumstances (eg: cases of financial hardship) and where the employee is not in possession of inside information. A request for approval to trade can be refused by TPI in its absolute discretion. Where approval has been obtained, the trade must occur within 7 days, and all details of such trades must be advised in writing to the Company Secretary (making reference to the prior approval) within 24 hours of the trade. Where a request for approval is refused, that refusal must be kept confidential.

3.3 Dealings by Directors and Executives

Before any Director or Executive deals in any TPI securities at any time, including during Trading Windows, he or she must discuss the proposed dealing with (including confirming that they are not in possession of any inside information), and obtain written approval from:

- The Chairman, in the case of Directors and Executives; or
- In the case of the Chairman, the Chairman of the Audit and Risk Committee.

Each Director and Executive must also take all reasonable steps to ensure that their Related Parties do not deal in TPI securities without the Director or Executive obtaining approval in accordance with this section of the Policy.

Related party for this purpose means:

1. An immediate family member (for example a partner, spouse, children or parents) who may be expected to influence or be influenced by the relevant Director or Executive;
2. A company, trust or other entity that is controlled by the relevant Director or Executive; or
3. The trustee of a trust or fiduciary arrangement of which the relevant Director or Executive is a beneficiary.

Any request for approval can be refused by TPI in its absolute discretion and is unlikely to be granted outside of Trading Windows (except in exceptional circumstances, eg: severe financial hardship). If an approved share trade is conducted, it must occur within 7 days, and the Director or Executive must provide details of the trade in writing to the Company Secretary (making reference to the prior approval) within 24 hours of the trade. Details of Directors' trades will be notified to the ASX as required by law. Where a request for approval is refused, that refusal must be kept confidential.

3.4 Short term and other Dealings

Directors and Employees must not engage in short-term or speculative trading in TPI securities. Specifically, for the purposes of this policy, this means that Directors and Employees must not deal in the same TPI securities within any three month period.

Directors and employees must not trade in TPI derivatives. This applies to all TPI securities including performance rights issued under TPIs incentive schemes. It means that you cannot enter into any hedging arrangements or acquire financial products (such as equity swaps, caps and collars or other hedging products) over unvested performance rights which have the effect of reducing or limiting exposure to risks associated with the market value of TPI securities.

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3.5 Margin Loan arrangements

Unless the prior written consent of the Chairman of the TPI Board has been obtained all:

- Directors of TPI;
- Executives of TPI;
- Employees of TPI (to the extent that their margin loans are considered material); and
- Related parties of the above persons,

are prohibited directly or indirectly from entering into any margin loan facility against TPI securities.

3.6 Exemptions

The following dealings are excluded from the operation of this policy, however remain subject to the insider trading laws:

- where the trade would result in no change in beneficial interest in the Company's securities (i.e. Company securities already held in an employee's superannuation fund in which the person is a beneficiary are transferred to that person or vice versa
- acceptance of an offer or invitation made to all or most of the Company's Security holders, such as a rights issue, share buy-back or dividend reinvestment plan, where the plan that determines the timing and structure of the offer has been approved by the board; and
- the exercise (but not the sale of securities following exercise) of an option or right under an employee incentive scheme of the Group.

Directors and Executives are still required to advise the Company Secretary of any dealings conducted under the above exceptions within 24 hours of the trade.

4. APPLICATION OF POLICY TO OTHER PERSONS

The restrictions on insider trading in the Corporations Act apply, not just to employees, but to any person possessing inside information, including contractors and other external advisers to TPI or any of its subsidiaries, employees of, or contractors or advisors to, any joint venture entities in which TPI has an interest.

5. EXPLANATORY NOTES

This policy can have broader application than may be first thought, due to the breadth of the definitions which apply to certain key phrases. Some further details are provided below to assist in understanding of this Policy

What are "securities"?

For the purpose of this policy, securities can be more than just shares. They also include options and warrants or even interests in shares. They can include bonds and other financial products.

What are some examples of Inside Information?

The following list is illustrative only and is not exhaustive. Inside information could include:



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- a) The likely gain or loss of a major contract;
- b) A possible acquisition or sale of any assets or business by TPI;
- c) The financial performance of TPI against its budgets or forecasts;
- d) Senior management or board changes;
- e) A possible change in TPI's capital structure;
- f) A proposed dividend; or
- g) A possible substantial claim against TPI or other unexpected liability.

Dealing through third parties

You can still be guilty of insider trading even though you are not the actual person who bought or sold the securities. The prohibition extends to:

- a) dealings by you through nominees, agents or other associates, such as family members, family trusts and family companies;
- b) procuring third parties to deal in the securities, which includes inducing or encouraging those third parties to deal; and
- c) providing to third parties any confidential information which may encourage those third parties to deal.

Information however obtained

It does not matter how or where you obtain inside information - it does not have to be obtained from TPI or about TPI directly to constitute inside information.

Trustees

If you are a trustee of a trust that invests in securities you should ensure that your co-trustees are aware that you are bound by this policy, so as to assist in anticipating potential difficulties. Similar considerations arise if you have investments under management.

What is likely to be considered exceptional circumstances for purposes of granting approval to dispose of shares outside of a trading window?

A Director or Employee may be considered to be in financial hardship for the purposes of this exception if he or she has a pressing financial commitment that can only be satisfied by selling the securities. A tax liability would not normally constitute severe financial hardship, unless the person has no other means of satisfying the liability. A tax liability relating to securities received under an employee incentive scheme would also not normally constitute severe financial hardship or otherwise be considered an exceptional circumstance for the purpose of obtaining prior written consent to sell or otherwise dispose of securities outside of a trading window.

However, exceptional circumstances justifying consent being given may exist if the person is required by a court order, or there are court enforceable undertakings in a bona fide family settlement (for example), to transfer or sell the securities or there is some other overriding legal or regulatory requirement to do so.

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6. SEEKING ASSISTANCE

If you have any questions relating to this policy or wish to discuss a matter covered under this policy, call the Company Secretary on (03) 8397 5105 or email companysecretary@transpac.com.au.

7. REVIEW OF THIS POLICY

This Policy is subject to an annual review and may be amended (as appropriate) with the approval of the Board.

8. ACCESS TO THIS POLICY

This Policy will be available for viewing by employees of the Group on the TPI Portal and by any other person on TPI's website. The Policy must also be circulated by the Company Secretary to Directors, and all Group employees as soon as possible after its review each year.