

## MaxiTRANS INDUSTRIES LIMITED CODE OF PRACTICE

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### 1. INTRODUCTION

The freedom of directors and certain employees of MaxiTRANS Industries Limited (**'MaxiTRANS'**) to deal in MaxiTRANS' securities is restricted in a number of ways – by statute, by common law and by the requirements of the Listing Rules of the ASX. The purpose of this Code of Practice is to ensure that directors, certain employees and persons associated with them (within the meaning of that term in the Corporations Act 2001) do not abuse, and do not place themselves under suspicion of abusing, price-sensitive information that they may have or be thought to have, especially in periods leading up to the announcement of results. Company directors, like other individuals, are prohibited from insider trading by the Corporations Act 2001. Under that Act, it is a civil and criminal offence for an individual who has information as an insider to deal in securities whose price would be significantly affected if the information were made public. It is also an offence to encourage insider dealing and to disclose inside information with a view to others profiting from that information.

This Code sets out the policy and procedures relating to the dealing by any of the directors and senior management employees of the MaxiTRANS Group of Companies (**'Directors'**) in the securities (shares, preference shares and options) of MaxiTRANS (**'Securities'**). The policy and procedures have been developed having regard to Australian law and best corporate governance practice. The purpose of the Code is to provide Directors with strict guidelines to be complied with in any proposed dealing in MaxiTRANS Securities. Dealing includes subscriptions, redemptions, purchases, sales and any agreement to effect the same.

### 2. SUMMARY OF THE LAW

The Corporations Act 2001 (Division 3 of Part 7.10) prohibits a person who is in possession of price sensitive information that is not generally available from:

- dealing (i.e. buying or selling) in securities (such as MaxiTRANS Securities);
- procuring another person to deal in the securities; or
- communicating the information to another person if that person is likely to deal in the securities.

Information is price-sensitive if a reasonable person would expect it to have a material effect on either the price or value of the securities.

The prohibition directly affects Directors dealing in MaxiTRANS Securities, either for personal gain or for the gain of any other person. However, a person does not need to be a director or employee of the MaxiTRANS Group of Companies to be guilty of insider trading in relation to MaxiTRANS Securities. It also affects all companies of which they are directors, dealings by directors and employees through nominees, agents or other associates, such as family members, family trusts and family companies and any other person who is encouraged to deal in MaxiTRANS Securities by the Directors.

Penalties for breach of the prohibition include:

- in the case of a natural person, a penalty up to \$20,000 or imprisonment for 5 years or both;
- in the case of a body corporate, a penalty up to \$1,000,000; and
- for both a natural person and a body corporate, unlimited civil liability.

The prohibition does not apply to subscriptions for shares by directors or employees made under an employee share scheme, shares issued under a dividend reinvestment plan or any new issues in which all shareholders are entitled to participate.

### 3. POLICY

It is the policy of the MaxiTRANS Group of Companies that no Director must deal in MaxiTRANS Securities unless the procedures set out below have been strictly complied with.

### 4. DEFINITIONS

In this policy the following definitions, in addition to those contained in the Listing Rules, apply unless the context otherwise requires:

**'MaxiTRANS'** means **MaxiTRANS Industries Limited ACN 006 797 173**.

**'close period'** means any of the periods when a director is prohibited from dealing as specified in paragraph 7 of this Policy.

**'dealing'** includes any sale or purchase of, or agreement to sell or purchase, any securities and the grant, acceptance, acquisition, disposal, exercise or discharge of an option (whether for the call, or put, or both) or other right or obligation, present or future, conditional or unconditional, to acquire or dispose of securities or any interest in securities.

**'director'** means a director of MaxiTRANS.

**'prohibited period'** means any period to which paragraph 6 of this policy applies.

**'relevant employee'** means any employee of MaxiTRANS or director or employee of a subsidiary undertaking who, because of his office or employment in MaxiTRANS or a subsidiary undertaking is likely to be in possession of unpublished price-sensitive information in relation to MaxiTRANS or a subsidiary undertaking.

**'securities'** means any securities issued by MaxiTRANS, including shares, preference shares and options.

**'unpublished price sensitive information'** means information which:

- ) relates to particular securities or to a particular issuer or to particular issuers of securities and not to securities generally or issuers of securities generally (and, for these purposes, information shall be treated as relating to an issuer of securities which is a company not only where it is about the Company but also where it may effect the Company's business prospects);
- ) is specific or precise;
- ) has not been made public; and
- ) if it were made public would be likely to have a significant effect on the price or value of any securities,

and it should be assumed without prejudice to the generality of the above that any information regarding transactions required to be notified to the Company Announcements Office of ASX in accordance with Listing Rules is price-sensitive.

### 5. PURPOSE OF DEALING

A director must not deal in any securities of MaxiTRANS on consideration of a short-term nature.

## **6. DEALING IN OTHER CIRCUMSTANCES**

A director must not deal in any securities of MaxiTRANS at any time when he/she is in possession of unpublished price-sensitive information in relation to MaxiTRANS or those securities, or otherwise where clearance to deal is not given under paragraph 8 of this Policy.

## **7. DEALING IN CLOSE PERIODS**

Subject to paragraph 12, a director must not deal in any securities of MaxiTRANS during a 'close period'. A close period is:

- ) the period of two months immediately preceding the preliminary announcement of MaxiTRANS annual results or, if shorter, the period from the end of the relevant financial year to and including the time of the announcement; and
- ) if MaxiTRANS reports on a half-yearly basis, the period of two months immediately preceding the announcement of the half-yearly results or, if shorter, the period from the end of the relevant financial period to and including the time of the announcement; and
- ) except as provided in paragraphs 7(a) and (b) for the half-year and end of financial year respectively, if MaxiTRANS also reports on a quarterly basis, the period of one month immediately preceding the announcement of the quarterly results or, if shorter, the period from the relevant financial period end to and including the time of the announcement.

## **8. CLEARANCE TO DEAL**

A director must not deal in any securities of MaxiTRANS without advising the chairman in advance and receiving clearance. In his own case, the chairman must advise and receive clearance from the chief executive officer. The notification and clearance procedures apply at all times, and are to be complied with for all parcels of securities proposed to be bought or sold or otherwise subject of a dealing.

## **9. CIRCUMSTANCES FOR REFUSAL**

A director must not be given clearance (as required by paragraph 8 of this Policy) to deal in any securities of MaxiTRANS during a prohibited period. A 'prohibited period' means:

- ) any close period;
- ) any period when there exists any matter which constitutes unpublished price-sensitive information in relation to MaxiTRANS securities (whether or not the director has knowledge of such matter); or
- ) any period when the person responsible for the clearance otherwise has reason to believe that the proposed dealing is in breach of this Policy.

## **10. CIRCUMSTANCES WHERE CLEARANCE IS MOST APPROPRIATE**

As a matter of practice, the following periods are the most appropriate times for directors to deal in securities of MaxiTRANS:

- a) In the four weeks following the day after the release of the annual accounts;
- b) In the four weeks following the day after the release of the half-yearly accounts; and
- c) In the four weeks following the annual general meeting (on the basis that any developments will be announced by the chairman at the meeting).

Even at these times, it is important to be aware that there may be occasions when it is not proper for directors to deal in MaxiTRANS securities because of their knowledge of impending or actual developments which are not known in the market place. There are, of course, times when a company is considering a major event and will not advise the market of this until the occurrence of the event is more certain. If so, dealing in MaxiTRANS securities will not be permitted.

## **11. CLEARANCE RECORDS**

A written record must be maintained by MaxiTRANS of the receipt of any advice received from a director pursuant to paragraph 8 of this Policy and of any clearance given. If requested by the director concerned, written confirmation from MaxiTRANS that such advice and clearance (if any) have been recorded must be given to the director concerned.

## **12. DEALING IN EXCEPTIONAL CIRCUMSTANCES**

In exceptional circumstances clearance may be given for a director to sell (but not to purchase) securities when he/she would otherwise be prohibited from doing so only because the proposed sale would fall within a close period. Clearance may not, however, be given if the chairman or designated director is aware of any other reason why the director would be prohibited from dealing by this Policy. An example of the type of circumstance which may be considered exceptional for these purposes would be a pressing financial commitment on the part of the director that cannot otherwise be satisfied. The determination of whether circumstances are exceptional for this purpose must be made by the person responsible for the clearance.

## **13. DIRECTOR ACTING AS TRUSTEE**

Where a director is a sole trustee (other than a bare trustee), the provisions of this policy will apply as if he/she were dealing on his/her own account. Where a director is a co-trustee (other than a bare trustee), he/she must advise his/her co-trustees that he/she is a director of MaxiTRANS. If he/she is not a beneficiary, a dealing in MaxiTRANS securities undertaken by that trust will not be regarded as a dealing by the director for the purposes of this Policy where the decision to deal is taken by other trustees acting independently of the director or by investment managers on behalf of the trustees. The other trustees will be assumed to have acted independently of the director for this purpose where they:

- a) have taken the decision to deal by a majority without consultation with, or other involvement of, the director concerned; or
- b) if they have delegated the decision making to a committee of which the director is not a member.

#### **14. DEALINGS BY CONNECTED PERSONS AND INVESTMENT MANAGERS**

A director must (so far as is consistent with his/her duties of confidentiality to MaxiTRANS) seek to prohibit (by taking the steps set out in paragraph 15 of this Policy) any dealing in securities of MaxiTRANS during a close period or at a time when the director is in possession of unpublished price-sensitive information in relation to those securities and would be prohibited from dealing under paragraphs 6 or 9(b) of this Policy:

- ) by or on behalf of any person associated with him (within the meaning of Division 2 of Part 1.2 of the Corporations Act 2001, which includes the director's spouse, de facto, family members, associated trusts, companies or other third parties contemplating the acquisition or sale of securities on the director's behalf; or
- ) by an investment manager on his/her behalf or on behalf of any person associated with him/her where either he/she or any person connected with him/her has funds under management with that investment manager, whether or not discretionary (save as provided in paragraph 13 of this Policy).

#### **15. DIRECTOR'S DUTY TO NOTIFY CONNECTED PERSONS**

For the purpose of paragraph 14 of this Policy, a director must advise all such connected persons and investment managers:

- ) that he/she is a director of MaxiTRANS;
- ) of the close periods during which they cannot deal in MaxiTRANS securities;
- ) any other periods when the director knows he/she is not free to deal in securities of MaxiTRANS under the provisions of this Policy unless his/her duty of confidentiality to the Company prohibits him from disclosing such periods; and
- ) that they must advise him/her immediately after they have dealt in securities of MaxiTRANS (save as provided in paragraph 13 of this Policy).

#### **16. LIST OF DEALINGS**

A list of dealings in the securities of MaxiTRANS since the date of the previous list should be circulated to members of the board with the board papers for each board meeting where such dealings are:

- ) by or on behalf of a director;
- ) by connected persons of a director; or
- ) by investment managers on behalf of either a director or an associate of a director (unless paragraph 13 of this Policy applies).

#### **16. EXERCISE OF EMPLOYEE RIGHTS OR OPTIONS**

The chairman or other designated director may allow the exercise of an option or right under an employees' share scheme, or the conversion of a convertible security, where the final date for the exercise of such option or right, or conversion of such security, falls during any prohibited period and the director could not reasonably have been expected to exercise it at an earlier time when he/she was free to deal.

## **18. SALE OF RESULTING SHARES**

Where an exercise or conversion is permitted pursuant to paragraph 17 of this Policy, the chairman or other designated director may not, however, give clearance for the sale of securities acquired pursuant to such exercise or conversion.

## **19. GUIDANCE ON OTHER DEALINGS**

For the avoidance of doubt, the following constitute dealings for the purposes of this Policy and are consequently subject to the provisions of this Policy:

- ) arrangements which involve a sale of securities with the intention of repurchasing an equal number of such securities soon afterwards;
- ) dealings between directors and/or relevant employees of MaxiTRANS;
- ) off market dealings; and
- ) transfers for no consideration by a director.

## **20. EXEMPT DEALINGS**

For the avoidance of doubt, and notwithstanding the definition of a dealing contained in paragraph 4 of this Policy, the following dealings are not subject to the provisions of this Policy:

- undertakings or elections to take up entitlements under a rights issue or other (including an offer of securities in lieu of cash dividend);
- the take up of entitlements under a rights issue or other offer (including an offer of securities in lieu of a cash dividend);
- allowing entitlements to lapse under a rights issue or other offer (including an offer of shares in lieu of cash dividend);
- the sale of sufficient entitlements nil-paid to allow take up of the balance of the entitlements under a rights issue;
- undertakings to accept, or the acceptance of, a take-over offer; and
- a dealing by a director with a related/associated person whose interest in the securities is to be treated by virtue of the Corporations Act 2001 as the director's interest.

## **21. RELEVANT EMPLOYEES**

Relevant employees must comply with the terms of this Policy as though they were directors. Any employees who are considering the purchase or sale of MaxiTRANS securities should advise the Company Secretary of their intention if they are in any way uncertain as to whether the timing of their intention to purchase or sell securities is appropriate.

## **22. ASX NOTIFICATION BY DIRECTORS**

The Corporations Act 2001 obliges any director dealing in MaxiTRANS securities to notify the Company within 2 days after that dealing. Directors are required to notify the Company Secretary in writing who will lodge the necessary notification with the ASX. The Company Secretary must circulate any notification received to other directors at the next board meeting.