



PPK GROUP LIMITED

TRADING POLICY

1. INTRODUCTION

- 1.1 During the performance of an employee's or director's duties, the employee or director may become aware of, or come into contact with, information regarding the activities or potential activities of PPK Group Limited ("PPK") and its controlled entities ("the Company") that is not publicly available.
- 1.2 The *Corporations Act 2001* (Cth) ("*Corporations Act*") and common law fiduciary duties prohibit employees and directors from trading in the Company's securities when they possess information which, if declared publicly, would be likely to affect the price or value of the securities. This form of illegal conduct is commonly referred to as *insider trading*. The consequences for breaching the wide ranging legislative provisions of the *Corporations Act* and common law duties which prohibit insider trading are serious.
- 1.3 In addition to the legal requirements, PPK has developed a policy which restricts Directors and Senior Executives trading in company securities in certain circumstances.
- 1.4 For the purposes of this Policy:
- | | |
|---------------------|---|
| 'Associate' | means Nominee Company, family trust, spouse, partner and dependent children. |
| 'Director' | means non-executive and executive directors (including the Managing Director) and alternate directors of the Company. |
| 'Relevant Interest' | means the power to dispose of, or control the disposal of, that security. |
| 'Senior Executive' | means Group General Manager, Financial Controller and Company Secretary. |
- 1.5 This document:
- 1.5.1 provides an outline of the insider trading and other relevant provisions of the *Corporations Act*;
- 1.5.2 sets out the rules relating to dealings by employees and directors in securities issued by PPK Group Limited ("*PPK Trading Policy*").
- 1.6 The *PPK Trading Policy* is designed to assist in the prevention of breaches of the insider trading provisions of the *Corporations Act*. Ultimately, it is the responsibility of the employee and director to ensure compliance with the law when trading in company securities.



PPK TRADING POLICY

2. INSIDER TRADING PROHIBITION

The Nature of the Prohibition

- 2.1 Section 1043A (of Part 7.10, Division 3) of the *Corporations Act* makes it an offence for a person in possession of information that is not generally available but which, if generally available, might materially impact the price or value of a company security to:
- trade in (that is, apply for, acquire or dispose of, or enter in to an agreement to do any of these things); or,
 - procure another person to trade in company securities.
- 2.2 It is also an offence to “tip” the information to another person with the knowledge that the person could deal in company securities. Accordingly, the effect of this Section cannot be avoided by simply getting another person to deal on your behalf.
- 2.3 Accordingly, it will be inappropriate for a director or employee of the company who is in possession of confidential information to procure others (for example, family members) to trade when that director, officer or employee is precluded from trading in company securities.

How you become aware of the information is irrelevant

- 2.4 It is irrelevant how and in what capacity the person came in to possession of the information. This means that the prohibition will apply to any employee or director who acquires inside “information” in relation to company securities regardless of the capacity in which that information is received.

Information which might effect price value

- 2.5 The prohibition referred to in paragraph 2.1 and in 4.4 refers to ‘unpublished’ information which, if generally available, might materially impact the price or value of the company’s securities.

What does information include?

- 2.6 “Information” includes matters of supposition or speculation of matters relating to the intentions or likely intentions of a person.

What information might materially affect price or value?

- 2.7 This means information that a reasonable person would expect to have a material effect on the price or value of the company securities. A reasonable person would be taken to expect information to have a material effect on price or value if the information would be likely to influence persons who commonly invest in the company securities whether or not to do so.

PPK TRADING POLICY

2.8 Examples of this type of information may include:

- proposed changes in the capital structure, capital returns and buy backs of financial products;
- information relating to the company's financial results;
- a material acquisition, divestment or realisation of assets;
- proposed dividends and share issues;
- changes to the Board;
- possible events which could have a material impact on profits (negatively or positively) for example, the loss or gaining of a major customer;
- proposed changes in the nature of a business of the company;
- notification of the ASX of a substantial shareholding; and,
- any information required to be announced to the market pursuant to Listing Rule 3.1

What does “unpublished” mean?

2.9 Unpublished for this purpose means that the information is not generally available. Information is generally available if it consists of readily observable matter, or it has been disseminated in a manner likely to bring it to the attention of investors and a reasonable period has elapsed.

2.10 PPK releases information to the ASX for announcement through the Company Announcements Platform. A copy of all announcements made to the ASX by the company are available on www.asx.com.au or on the company website, following release to the ASX at www.ppkgroup.com.au.

3. OTHER RELEVANT CORPORATIONS ACT PROVISIONS

3.1 Officers¹ and employees of PPK are subject to the duties set out in Sections 182, 183 and 184 of the *Corporations Act*.

3.2 Officers of PPK are subject to additional duties outlined in Sections 180 and 181 of the *Corporations Act*.

3.3 These duties are summarised below.

No improper use of inside information (Sections 183 & 184)

¹ This term includes a Director, Secretary or Executive Officer of PPK Group Limited. An Executive Officer is a person concerned in, or taking part in the management of the company.

PPK TRADING POLICY

- 3.4 An officer or employee, or former officer or employee, must not make improper use of information acquired by virtue of his or her position as such an officer or employee to gain directly or indirectly, an advantage for himself or herself or for any other person, or to cause detriment to the company.

No gain by improper use of position (Sections 182 and 184)

- 3.5 An officer or employee must not make improper use of his or her position as an officer or employee, to gain, directly or indirectly, an advantage for him or herself or for any other person, or to cause detriment to PPK.

Care and diligence (Section 180)

- 3.6 An officer must exercise their powers and discharge their duties with a degree of care and diligence that a reasonable person would exercise in the same circumstances.

Good Faith (Sections 181 & 184)

- 3.7 An officer must exercise their powers and discharge their duties in good faith in the best interests of PPK and for a proper purpose. An officer commits an offence if they are reckless or are intentionally dishonest and fail to exercise their powers and discharge their duties in good faith in the best interests of PPK and for a proper purpose.

4. DEALING IN SECURITIES ISSUED BY PPK

- 4.1 In addition to the legal requirements detailed above, PPK has developed a policy restricting dealing in company securities by Directors and Senior Executives in certain circumstances.
- 4.2 The following section details the circumstances in which Directors and Senior Executives of the Company will be prohibited from trading in company securities.

Restriction on Dealing during certain time periods

- 4.3 Directors and employees are permitted to deal in PPK securities throughout the year *except* during the period which is one (1) calendar month preceding the making of an announcement to the market by the Company relating to:
- the Company's Annual results;
 - the Company's Half Yearly results,
 - the Chairman's Address;
 - any other matter for which disclosure is required to be made under the Listing Rules or *Corporations Act*,

and ending on the day the announcement is released to the market ("Restricted Trading Period").

PPK TRADING POLICY

4.4 Nothing in this Policy affects the right of:

- Company Executives from purchasing company securities pursuant to the PPK Executive Incentive Scheme Rules (as amended from time to time)(a copy of which is located on the Company's website at www.ppkgroup.com.au;
- Directors from purchasing company securities following the exercise of options granted to them with the approval of shareholders; or
- Directors or Company Executives from acquiring PPK shares pursuant to the PPK Group Limited Dividend Reinvestment Plan as amended from time to time.

Requirement to notify before dealing

4.5 Where a Director or Senior Executive wishes to deal in the company's securities during the Restricted Trading Period, the Director or Senior Executive should advise the Chairman and receive approval *prior to* trading. Approval will not be given after the trading has occurred.

4.6 A Director or Senior Executive having received approval to trade in their own capacity or by his/her Associate must provide confirmation of trading in the Company's securities as soon as possible following the trade.

4.7 Directors and Senior Executives should advise the Secretary in writing of all of their dealings in company securities as well as trades by their Associates where that trade is known to the Director or Senior Executive.

4.8 In addition, any change in the nature of a Director's interest (direct or indirect) in company's securities must be notified to the Company (within 3 days of the change in interest occurring) and to the ASX in accordance with the *Corporations Act* and *Listing Rules* if the director has a Relevant Interest in those securities.

4.9 The Secretary will prepare and lodge on behalf of the Director the relevant notification to the ASX and will confirm its release to the market at the next scheduled Board Meeting following its lodgement.

5. DISCRETION TO WAIVE COMPLIANCE WITH POLICY

5.1 If there are exceptional circumstances, and subject to legal restrictions:

5.1.1 the Chairman, or if absent the Managing Director, in their discretion may waive parts of the Trading Policy, to allow employees to trade in the Company's securities;

5.1.2 the Chairman, in consultation with the Managing Director and the Chairman of the Audit Committee, in their discretion may waive parts of the PPK Trading Policy, to allow Directors to trade in the Company's securities.

5.2 The discretion available under this part will be applied taking into account the hardship of the employee or director weighed against any perceived detriment to the reputation of the Company.

PPK TRADING POLICY

5.3 A person cannot waive compliance with the requirements of this Policy if the waiver is sought in respect of their own intended dealing in Company securities.

6. RELATED PARTIES & RELEVANT INTERESTS

6.1 The restrictions on trading expressed in this Policy relative to employees and directors of the Company apply equally to any trading in the Company's securities by:

6.1.1 their spouses or de facto spouses;

6.1.2 or on behalf of any dependent under 18 years of age; and,

6.1.3 any other person, trust, or other entity in which the director may be considered to have a Relevant Interest.

6.2 It is duty of the employee and director to seek to avoid any such trading at a time when he or she is prohibited from trading in Company securities.

7. EMPLOYMENT & MONITORING OF COMPLIANCE

7.1 The following measures will be taken to promote compliance with the Law, the Listing Rules and this Policy in the context of trading in the Company's securities:

7.1.1 subject to 7.1.2, a summary of this document will be distributed to all employees with a full copy available to each employee upon request;

7.1.2 a copy of the complete Policy will be provided to Directors and Senior Executives (present and future) as persons most likely to receive confidential information regarding the Company;

7.1.3 a copy of the Policy will also be available on the Company website at www.ppkgroup.com.au;

7.1.4 the induction procedures for new employees must require that a summary of this document be provided to each new employee, and in the case of a new Director or Senior Executive, a copy of this Policy must be provided;

7.1.5 all new employees will be required to complete a form of acknowledgment to the Personnel Manager for filing in the employee's personnel file;

7.1.6 all new directors will be required to provide this form to the Company Secretary for filing in the Director's Interest Register;

7.1.7 the Managing Director will ensure that the insider trading prohibition and related *Corporations Act* provisions are drawn to the attention of employees and directors by written memorandum, at least once in every 12 month period;

7.1.8 at least once in every 12 month period, the Board will review the Company's compliance with the procedures set out in this document.

PPK TRADING POLICY

8. CONCLUSION

- 8.1 Compliance with the terms of this Policy is mandatory.
- 8.2 Contravention of the insider trading provisions is a serious issue.
- 8.3 The consequences for breaching the law in this area may include a substantial monetary penalty, imprisonment or both.
- 8.4 If an employee or director receives or possesses information regarding the activities or potential activities of the Company that is not publicly available, they are not to make use of that information or enable any other person or party to make use of that information for the purpose of trading in the Company's securities.
- 8.5 Any employee or director who does not comply with the law or the terms of this Policy will be considered to have engaged in serious misconduct which may result in the termination of their employment or services (as the case may be) with the Company.



Colin Ryan
Chairman



David Hoff
Managing Director

CURRENT VERSION B ■ DATE MODIFIED: 1 SEPTEMBER 2006

APPROVED BY: BOARD OF DIRECTORS

PREVIOUS VERSION: A ■ DATED: 20 APRIL 2004