

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, inside 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. 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 (**'Officers'**) 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 Officers 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) states that if a person has information about securities and the person knows, or ought reasonably to know, that the information is inside information, it is, subject to limited exceptions, illegal for the person to:

- deal (i.e. buying or selling) in the securities (such as MaxiTRANS Securities);
- procure another person to deal in the securities; or
- communicate the information to another person who the person knows, or ought reasonably to know, is likely to deal in the securities or procure someone else to deal in the securities.

Inside information is information that is *not* generally available and if it were generally available, would or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the relevant securities.

Information is generally available if it:

- is readily observable;
- has been made known in a manner likely to bring it to the attention of persons who commonly invest in securities of the relevant type and a reasonable period for that information to be disseminated has elapsed since it was made known; or
- consists of deductions, conclusions or inferences made or drawn from information falling under the above two items.

The prohibition directly affects Officers dealing in MaxiTRANS Securities, either for personal gain or for the gain of any other person. However, a person does not need to be an Officer 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 Officers 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 Officers.

Insider trading is a criminal offence. It is punishable by substantial fines or imprisonment or both.

The Company may also be liable if an employee or Officer engages in insider trading.

Insider trading may also attract civil penalties. A court may impose substantial pecuniary penalties for insider trading and order payment of compensation to persons who suffer loss or damage because of insider trading.

The prohibition does not apply to subscriptions for shares by Officers 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 Officer must deal in MaxiTRANS Securities unless the procedures set out below have been strictly complied with.

4. DEFINITIONS

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

'close period' means any of the periods when an Officer is prohibited from dealing as specified in paragraph 7 of this Code.

'dealing' includes any application for, sale or purchase of, or agreement to apply for, 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.

'prohibited period' means any period to which paragraph 6 of this Code 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 inside information in relation to MaxiTRANS or a subsidiary undertaking.

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

5. PURPOSE OF DEALING

An Officer must not deal in any Securities of MaxiTRANS on considerations of a short-term nature.

6. DEALING IN OTHER CIRCUMSTANCES

An Officer must not deal or procure another person to deal in any Securities of MaxiTRANS or the Securities of another entity if he/she has information that he or she knows, or ought reasonably to know, is inside information in relation to Securities of MaxiTRANS or those

Securities of the other entity, or otherwise where clearance to deal is not given under paragraph 8 of this Code.

An Officer may deal in the listed securities of another entity if he or she does not have information that he or she knows, or ought reasonably to know, is inside information in relation to those securities.

7. DEALING IN CLOSE PERIODS

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

- a) 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
- b) 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
- c) 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

An Officer 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 managing director. 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

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

- a) any close period;
- b) any period when there exists any matter which constitutes inside information in relation to the Securities of MaxiTRANS (whether or not the Officer has knowledge of such matter) when clearance is requested or when the proposed dealing is to take place; or
- c) the person responsible for the clearance has any other reason to believe that the proposed dealing is in breach of this Code.

10. CIRCUMSTANCES WHERE CLEARANCE IS MOST APPROPRIATE

As a matter of practice, the following periods are the most appropriate times for Officers 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 Officers 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 an Officer pursuant to paragraph 8 of this Code and of any clearance given. If requested by the Officer concerned, written confirmation from MaxiTRANS that such advice and clearance (if any) have been recorded must be given to the Officer concerned. All written records must be sent to the company secretary for filing.

12. DEALING IN EXCEPTIONAL CIRCUMSTANCES

In exceptional circumstances clearance may be given for an Officer 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. 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 Officer 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. Clearance may not, however, be given if there is a matter about which there is inside information in relation to the Securities of MaxiTRANS (whether or not the Officer knows about the matter) when the Officer requests clearance or proposes to deal in the Securities of MaxiTRANS.

13. OFFICER ACTING AS TRUSTEE

Where an Officer is a sole trustee (other than a bare trustee), the provisions of this Code will apply as if he/she were dealing on his/her own account. Where an Officer is a co-trustee (other than a bare trustee), he/she must advise his/her co-trustees that he/she is an Officer 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 Officer for the purposes of this Code where the decision to deal is taken by other trustees acting independently of the Officer or by investment managers on behalf of the trustees. The other trustees will be assumed to have acted independently of the Officer for this purpose where they:

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

14. DEALINGS BY CONNECTED PERSONS AND INVESTMENT MANAGERS

An Officer 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 Code) any dealing in Securities of MaxiTRANS during a close period or at a time when the Officer is in possession of inside information in relation to those Securities and would be prohibited from dealing under paragraphs 6 or 9(b) of this Code:

- a) 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 Officer's spouse, de facto, family members, associated trusts, companies or other third parties contemplating the acquisition or sale of Securities on the Officer's behalf); or

- b) 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 Code).

15. OFFICER'S DUTY TO NOTIFY CONNECTED PERSONS

For the purpose of paragraph 14 of this Code, an Officer must advise all such connected persons and investment managers:

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

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:

- a) by or on behalf of an Officer;
- b) by connected persons of an Officer; or
- c) by investment managers on behalf of either an Officer or an associate of an Officer (unless paragraph 13 of this Code applies).

17. EXERCISE OF EMPLOYEE RIGHTS OR OPTIONS

The chairman or in the case of the chairman, the managing director, may allow the exercise of an option or right under an employee 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 Officer 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 Code, the chairman or in the case of the chairman, the managing 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 Code and are consequently subject to the provisions of this Code:

- a) arrangements which involve a sale of Securities with the intention of repurchasing an equal number of such Securities soon afterwards;
- b) dealings between directors and/or relevant employees of MaxiTRANS;
- c) off market dealings; and
- d) 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 Code, the following dealings are not subject to the provisions of this Code:

- 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 Code as though they were Officers. 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. A breach of this Code by an employee is serious and may lead to disciplinary action, including dismissal in serious cases. It may also be a breach of the law.

22. ASX NOTIFICATION BY DIRECTORS

The Company requires any director dealing in MaxiTRANS Securities to notify the Company Secretary within 3 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.