
PRO-PAC GROUP

Securities trading policy

Adopted by resolution of the Board on [21 MARCH 2005]

1 Policy objectives

- 1.1 Directors and other officers are encouraged to be holders of the Company's shares.
- 1.2 The objective of this policy is:
 - 1.2.1 to ensure that the Directors and employees of the Company do not inadvertently breach the insider trading provision of the Corporations Act 2001 when dealing in securities in the Company (including shares and options); and
 - 1.2.2 to assist in maintaining market confidence in the trading of the Company's securities.

2 Who does this policy apply to?

- 2.1 This policy applies to all Directors, the Company Secretary and to all executives and employees and their associates.
- 2.2 Persons covered by this code must not trade through any member of their family, or through a trust or company over which they have influence or control, in circumstances where they would have been prohibited from trading in their own name.
- 2.3 This policy applies to all securities including ordinary shares, preference shares, debentures, convertible notes and options.
- 2.4 It does not apply to any acquisition of securities as part of a new issue or dividend reinvestment plan where the issue is available pro rata to all holders of securities of the relevant class.

3 What is insider trading?

Insider trading

- 3.1 If a person covered by this policy has Inside Information relating to the Company it is illegal for the person to:
 - 3.1.1 Buy, sell or otherwise deal in securities (shares or options) in the Company;
 - 3.1.2 Advise, procure or encourage another person (for example, a family member, a friend, a family company or trust) to buy or sell the Company's securities; or

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- 3.1.3 Pass on information to any other person, if you know or ought to reasonably know that the person may use the information to buy or sell (or procure another person to buy or sell) the Company's securities.

Inside information

- 3.2 Inside information is information which is not generally available to the market and, if it were generally available to the market, would be likely to:
- 3.2.1 have a material effect on the price or value of **any** company's securities (not just the Company's securities); or
- 3.2.2 Influence persons who commonly invest in securities in deciding whether or not to buy or sell the Company's securities.
- 3.3 Information is generally available if:
- 3.3.1 It consists of readily observable matter;
- 3.3.2 It has been made known in a manner likely to bring the information to the attention of people who commonly invest in securities of a kind whose price or value might be affected by the information, and, since it was made known, a reasonable period for it to be disseminated among such persons has elapsed;
- 3.3.3 It is derived from information which has been made public; or
- 3.3.4 It consists of observations, deductions, conclusions or inferences made or drawn from the other generally available information.

4 Policy

No trading when in possession of inside information

- 4.1 No person to whom this policy applies may deal in any security at any time if they have inside information.

Authorised trades

- 4.2 A person covered by this policy may trade in securities at any time if they are personally satisfied that they are not in possession of Inside Information.

Disclosure to the Company

- 4.3 Directors must provide the necessary information to enable the Company to comply with its obligations to notify ASX in writing of any changes in the holdings of Securities or interest in Securities by Directors.