

11 February 2015

**Guinness Peat Group plc
(‘GPG’ or ‘the Company’)**

Securities Trading Policy

In accordance with Listing Rule 12.9, Guinness Peat Group plc releases to the Australian Securities Exchange a copy of its Securities Trading Policy.

Stuart Morgan
Company Secretary
Guinness Peat Group plc

11 February 2015

Share Dealing Policy

Effective from February 2015

Introduction

As Guinness Peat Group plc ("**GPG**") is a listed company, the freedom of its and its subsidiaries (including Coats plc) (together, the "**Group**") and certain of the Group's directors, senior managers and employees to deal in Shares is restricted in a number of ways.

Most notably, under the Listing Rules ("**LRs**") and Disclosure Rules and Transparency Rules ("**DTRs**") of the Financial Conduct Authority (the "**FCA**"), Persons Discharging Managerial Responsibilities ("**PDMRs**"):

- are restricted from dealing in Shares in certain circumstances; and
- must disclose any dealings in Shares to be made.

This Share Dealing Policy deals with the restrictions on dealings by PDMRs.

If you are a director of GPG or are informed in writing that you are a PDMR, you should also make sure that you are familiar with the provisions of DTR 3 and ASX Listing Rule 3.19A, which require you to disclose certain dealings to the Group. (Note that the meaning of dealing under DTR 3 is different to the meaning it has in the Share Dealing Policy.)

While in New Zealand legislation generally requires directors or senior managers to disclose relevant interests and dealings in relevant interests in shares, the Group's directors and senior managers are exempted from this requirement under an exemption specifically provided for overseas listed issuers. A senior manager for the purposes of New Zealand legislation is to an individual who exercises significant influence over the administration of the company (i.e., similar to a PDMR).

In addition, any person must notify the Group if the percentage of Shares which he or she holds or is interested in (whether as a shareholder, through direct or indirect holdings of qualifying financial instruments or through financial instruments with a similar economic effect) reaches, exceeds or falls below 3% (or any whole percentage figure above 3%) of the voting capital of GPG. Form TR-1 on the FCA website should be used for these purposes. Similar Australian laws apply from 5%.

The Share Dealing Policy set out below is based on the Model Code in the LRs. It is designed to ensure that PDMRs of the Group do not abuse, and do not place themselves under suspicion of abusing, inside information.

Please read this Policy carefully to ensure that you are aware of your responsibilities with regard to dealing in Shares.

This Policy is subject to change. You should therefore ensure that you are familiar with its contents on each occasion that you propose to deal in Shares. You should also familiarise yourself with the Disclosure Policy and the Summary Inside Information Guide.

Nothing in this Policy sanctions any breach of the laws relating to market abuse, insider dealing or any other relevant legal or regulatory requirements in any applicable jurisdiction.

The definitions for the words and terms used in this document appear in the attached schedule.

Key points to remember:

- PDMRs may not deal in Shares without first obtaining clearance from the specified person
- Dealing has a very wide meaning (see the definition in the schedule to this Policy)

- The *Request for Authorisation to Deal in GPG Shares* Form should be used to seek clearance
- Clearance may only be given by the person (or people) specified in this Share Dealing Policy
- Clearance cannot be given in the run up to a results announcement (i.e. a Close Period) OR when there is inside information relating to the Group
- Once clearance is given, the dealing by them may only apply take place within TWO BUSINESS DAYS thereof
- A written record must be kept of any clearance that is given
- PDMRs must notify the Group of any dealings in Shares on the relevant forum within four business days of dealing
- People connected to a PDMR must also not deal in the run up to a results announcement and must notify the Group whenever they deal in Shares

1. **Who are Restricted Persons?**

If you are a director of GPG or are informed in writing that you are a PDMR, a Permanent Insider or a Project Insider, you will be a "Restricted Person" for the purposes of this Share Dealing Policy.

2. **Dealings by Restricted Persons**

As a Restricted Person you must not deal in the Shares without obtaining clearance to deal in advance, in accordance with paragraph 3 of this Share Dealing Policy.

3. **Clearance to deal**

Who can give you clearance to deal will depend on your role in the Group:

- (a) **Directors of GPG:** a director of GPG must not deal in any Shares without first notifying the Chairman and receiving clearance to deal from him.
- (b) **Chairman of GPG:** the Chairman of GPG must not deal in any Shares without first notifying the Chief Executive Officer (or the Chair of the Audit and Risk Committee) and receiving clearance to deal from him.
- (c) **Directors, Chief Executive and Chief Financial Officer of Coats plc and Company Secretary:** a director, the Chief Executive of Coats plc, the Chief Financial Officer of Coats plc and the Company Secretary must not deal in any Shares without first notifying the Chairman and receiving clearance to deal from him.
- (d) **Other Persons Discharging Managerial Responsibilities:** Persons Discharging Managerial Responsibilities (who are not directors of GPG) must not deal in any Shares without first notifying the Company Secretary and receiving clearance to deal from him.

A request for clearance must be made to the relevant person on the Form entitled *Request for Authorisation to Deal GPG Shares* Form. If clearance is being sought during a Prohibited Period due to exceptional circumstances (as permitted by paragraph 6 of this Share Dealing Policy), details of those exceptional circumstances, justifying dealing as the only reasonable course of action, should accompany the relevant clearance request, if applicable.

A response to a request for clearance to deal must be given to the relevant Restricted Person within five Business Days of the request being made.

The Group must maintain a record of the response to any dealing request made by a Restricted Person and of any clearance given. A copy of the response and clearance (if any) must be given to the Restricted Person concerned.

4. **Dealing once clearance has been obtained**

A Restricted Person who is given clearance to deal in accordance with paragraph 3 must deal as soon as possible and in any event within two Business Days of clearance being received. If dealing does not occur within this period, the clearance lapses and further clearance must be sought before dealing may occur.

Directors of GPG and other PDMRs must also notify the Group of any dealings in Shares within four Business Days of the transaction by completing and submitting to the Company Secretary the form entitled "Notification of Transaction by a PDMR or Connected Persons" which is available at <http://www.fca.org.uk/static/documents/ukla/forms/dtr-notification-responsibilities-form.pdf>.

If a Connected Person of a PDMR deals in Shares, the Connected Person should also make such a notification. See paragraph 13 for further details on dealings by Connected Persons.

5. **Circumstances for refusal**

A Restricted Person must not be given clearance to deal in any Shares:

- (a) during a Prohibited Period (save as set out in paragraph 16 below); or
- (b) on considerations of a short term nature. An investment with a maturity of one year or less will always be considered to be of a short term nature.

6. **Dealings permitted during a Prohibited Period in exceptional circumstances**

A Restricted Person, who is not in possession of inside information relating to the Group, may be given clearance to deal if he is in severe financial difficulty or there are other exceptional circumstances.

Clearance may be given for such a person to sell (but not purchase) Shares when he would otherwise be prohibited by this Share Dealing Policy from doing so. The determination of whether the person in question is in severe financial difficulty, or whether there are other exceptional circumstances, can only be made by the Chairman.

A person may be in severe financial difficulty if he has a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant Shares. A liability of such a person to pay tax would not normally constitute severe financial difficulty unless the person has no other means of satisfying the liability. A circumstance will be considered exceptional if the person in question is required by a court order to transfer or sell the Shares or there is some other overriding legal requirement for him to do so.

The FCA should be consulted at an early stage regarding any application by a Restricted Person to deal in exceptional circumstances.

Where clearance is given to a person to deal in exceptional circumstances (pursuant to this paragraph) in a Close Period, the notification to RIS (see paragraph 3 above) must also include a statement of the exceptional circumstances. The ASX Listing Rules also require additional disclosure where directors trade during Close Periods.

Dealings not subject to the provisions of this Share Dealing Policy

The following dealings are not subject to the provisions of this Share Dealing Policy:

- (a) undertakings or elections to take up entitlements under a rights issue or other offer (including an offer of Shares in lieu of a cash dividend);
- (b) the take up of entitlements under a rights issue or other offer (including an offer of Shares in lieu of a cash dividend);
- (c) allowing entitlements to lapse under a rights issue or other offer (including an offer of Shares in lieu of a cash dividend);
- (d) the sale of sufficient entitlements nil-paid to take up the balance of the entitlements under a rights issue;
- (e) undertakings to accept, or the acceptance of, a takeover offer;

- (f) dealing where the beneficial interest in the relevant Share does not change;
- (g) transactions conducted between a Person Discharging Managerial Responsibilities and their spouse, civil partner, child or step-child under the age of 18;
- h) transfers of Shares arising out of the operation of an Employees' Share Scheme into a savings scheme investing in Shares following:
 - (i) exercise of an option under a tax-advantaged Schedule 3 SAYE option scheme; or
 - (ii) release of Shares from tax-advantaged Schedule 2 share incentive plan;
- (i) with the exception of a disposal of Shares received by a Restricted Person as a participant, dealings in connection with a tax-advantaged Schedule 3 SAYE option scheme or a tax-advantaged Schedule 2 share incentive plan, or any scheme on similar terms to such a scheme or plan, under which participation is extended on similar terms to all or most employees of the participating companies in that scheme;
- (i) with the exception of a disposal of Shares received by a Restricted Person as a participant, dealings in connection with a HMRC approved SAYE option scheme or share incentive plan, or any scheme on similar terms to such a scheme or plan, under which participation is extended on similar terms to all or most employees of the participating companies in that scheme;
- (j) the cancellation or surrender of an option under an Employees' Share Scheme;
- (k) transfers of Shares by an independent trustee of an Employees' Share Scheme to a beneficiary who is not a Restricted Person;
- (l) transfers of Shares already held by means of a matched sale and purchase into a saving scheme or into a pension scheme in which the Restricted Person is a participant or a beneficiary;
- (m) an investment by a Restricted Person in a scheme or arrangement where the assets of the scheme (other than a scheme investing only in Shares) or arrangement are invested at the discretion of a third party;
- (n) a dealing by a Restricted Person in the units of an authorised unit trust or authorised contractual scheme or in Shares in an open-ended investment company; and
- (o) bona fide gifts to a Restricted Person by a third party.

7. **Awards of Shares and options over Shares**

The grant of options under an Employees' Share Scheme to individuals who are not Restricted Persons may be permitted during a Prohibited Period if such grant could not reasonably be made at another time and failure to make the grant would be likely to indicate that the Group was in a Prohibited Period.

The award by the Group of Shares, the grant of options and the grant of rights (or other interests) to acquire Shares to Restricted Persons is permitted in a Prohibited Period if:

- (a) the award or grant is made under the terms of an Employees' Share Scheme and the scheme was not introduced or amended during the relevant Prohibited Period; and
- (b) either:
 - (i) the terms of such Employees' Share Scheme sets out the timing of the award or grant and such terms have either previously been approved by shareholders or summarised or described in a document sent to shareholders, or
 - (ii) the timing of the award or grant is in accordance with the timing of previous awards or grants under the scheme; and

- (c) the terms of the Employees' Share Scheme set out the amount or value of the award or grant or the basis on which the amount or value of the award or grant is calculated and do not allow the exercise of discretion; and
- (d) the failure to make the award or grant would be likely to indicate that the Group is in a Prohibited Period.

8. Exercise of options

Where the Group has been in an exceptionally long Prohibited Period or the Group has had a number of consecutive Prohibited Periods, clearance may be given to allow the exercise of an option or right under an Employees' Share Scheme where the final date for the exercise of such option or right falls during a Prohibited Period and the Restricted Person could not reasonably have been expected to exercise it at a time when he was free to deal.

Where exercise is permitted in these circumstances, clearance may not be given for the sale of Shares acquired pursuant to such exercise including the sale of sufficient Shares to fund the costs of the exercise or conversion or any tax liability arising from the exercise or conversion unless a binding undertaking to do so was entered into when the Group was not in a Prohibited Period.

9. Qualification Shares

Clearance may be given to allow a director to acquire qualification Shares where the final date for acquiring such Shares falls during a Prohibited Period and the director could not reasonably have been expected to acquire those Shares at another time.

10. Saving schemes

A Restricted Person may enter into a scheme under which only Shares are purchased pursuant to a regular standing order or direct debit or by regular deduction from the person's salary, or where such Shares are acquired by way of a standing election to re-invest dividends or other distributions received, or are acquired as part payment of the person's remuneration without regard to the provisions of this Share Dealing Policy, if the following provisions are complied with:

- (a) the Restricted Person does not enter into the scheme during a Prohibited Period, unless the scheme involves the part payment of remuneration in the form of Shares and is entered into upon the commencement of the person's employment or in the case of a non-executive director his appointment to the board;
- (b) the Restricted Person does not carry out the purchase of the Shares under the scheme during a Prohibited Period, unless the Restricted Person entered into the scheme at a time when the Group was not in a Prohibited Period and that person is irrevocably bound under the terms of the scheme to carry out a purchase of Shares (which may include the first purchase under the scheme) at a fixed point in time which falls in a Prohibited Period;
- (c) the Restricted Person does not cancel or vary the terms of his participation, or carry out sales of Shares within the scheme during a Prohibited Period; and
- (d) before entering into the scheme, cancelling the scheme or varying the terms of his participation or carrying out sales of Shares within the scheme, the Restricted Person obtains clearance in accordance with paragraph 3.

11. Trading Plans

Entering into, amending or cancelling a Trading Plan

A Restricted Person must obtain clearance under paragraph 3 of this Share Dealing Policy to enter into or amend a Trading Plan. Clearance for entering into, or amending, a Trading Plan must not be given during a Prohibited Period.

A Restricted Person must not enter into a Trading Plan or amend a Trading Plan during a Prohibited Period.

A Restricted Person must not cancel a Trading Plan unless clearance has been given in accordance with paragraph 3 of this Share Dealing Policy for its cancellation. Clearance for cancelling a Trading Plan must not be given during a Prohibited Period, except in the exceptional circumstances referred to in paragraph 6 of this Share Dealing Policy.

Dealing pursuant to a Trading Plan

A Restricted Person may deal in Shares during a Prohibited Period pursuant to a Trading Plan if:

- (a) the Trading Plan was entered into before the Prohibited Period;
- (b) clearance under paragraph 3 of this Share Dealing Policy has been given for entering into the Trading Plan and for any amendment to the Trading Plan before the Prohibited Period; and
- (c) the Trading Plan does not permit the Restricted Person to exercise any influence or discretion over how, when, or whether to effect dealings.

Where a transaction occurs in accordance with a Trading Plan, the Restricted Person must notify the issuer at the same time as he makes the notification required of:

- (a) the fact that the transaction occurred in accordance with a Trading Plan; and
- (b) the date on which the relevant Trading Plan was entered into.

12. Acting as a trustee

Where a Restricted Person is acting as a trustee, dealing in Shares by that trust is permitted during a Prohibited Period where:

- (a) the Restricted Person is not a beneficiary of the trust; and
- (b) the decision to deal is taken by the other trustees or by investment managers on behalf of the trustees independently of the Restricted Person.

The other trustees or investment managers acting on behalf of the trustees can be assumed to have acted independently where the decision to deal:

- (a) was taken without consultation with, or other involvement of, the Restricted Person; or
- (b) was delegated to a committee of which the Restricted Person is not a member.

13. Dealing by Connected Persons and investment managers

A Restricted Person must take reasonable steps to prevent any dealings by or on behalf of any Connected Person of his in Shares on considerations of a short term nature.

A Restricted Person must seek to prohibit any dealings in Shares during a Close Period:

- (a) by or on behalf of any Connected Person of his; or
- (b) by an investment manager on his behalf or on behalf of any Connected Person where either he or any Connected Person has funds under management with that investment fund manager, whether or not discretionary (save as provided by paragraphs 10 and 12).

A Restricted Person must advise all of his Connected Persons and investment managers acting on his behalf:

- (a) that he is a Restricted Person in relation to the Group;
- (b) of the Close Periods during which they cannot deal in Shares; and
- (c) that they must advise the Group immediately after they have dealt in Shares.

The Assistant Company Secretary will circulate an email to all Restricted Persons informing them of the start and end of a Close Period.

14. **Dealings in securities of other listed companies**

Any Restricted Person may not deal in any securities of another company with which the Group is doing business or is in negotiations with if the Restricted Person is in possession of inside information relating to that other company.

15. **Further advice and requesting clearance to deal**

You are advised to seek advice from the Company Secretary, or in his absence such other person as is notified, if you are in any doubt about whether it is appropriate to deal.

Remember that you may not deal in the Shares before clearance has been given or if clearance is refused. Since clearance may be withheld by reason of Inside Information not known to you personally, reasons for refusal of clearance may not be given.

Finally, the following should be noted:

- (a) all Restricted Persons are responsible for compliance with this Share Dealing Policy;
- (b) failure by any Restricted Person to comply with this Share Dealing Policy may result in disciplinary action, up to and including termination of employment. Depending on the circumstances, it may also constitute a civil and/or criminal offence; and
- (c) failure to obtain pre clearance may result in having to reverse the transaction and bear any associated costs. Any gains may be disposed of as the Group sees fit. The failure may also lead to disciplinary action.

Definitions

In this Share Dealing Policy the following definitions apply unless the context requires otherwise:

- (a) the "**Act**" means the Financial Services and Markets Act 2000, as amended;
- (b) "**Business Day**" means any day which is not a Saturday or Sunday, or public holiday in the United Kingdom;
- (c) "**Close Period**" means:
 - (i) the shorter of (1) the period of 60 days immediately preceding a preliminary announcement of GPG's annual results and (2) the period commencing on 31 December and up to and including the time of the preliminary announcement of GPG's annual results; or
 - (ii) (if GPG does not issue a preliminary results announcement), the shorter of (1) the period of 60 days immediately preceding the publication of GPG's annual financial report and (2) the period commencing on 31 December and up to and including the time of such publication;
 - (iii) in respect of GPG's half-yearly results, the period from 30 June up to and including the time of publication of the results; and
 - (iv) (if GPG were to issue quarterly results), the shorter of (1) the period of 30 days immediately preceding the publication of GPG's quarter-yearly results and (2) the period commencing on the end of the relevant financial period and up to and including the time of such publication.
- (d) "**Connected Person**" has the meaning given in section 96B(2) of the Act (which in turn refers to Schedule 11B of the Act). The definition includes:
 - (i) the spouse, civil partner, children or step-children under the age of 18 of the Restricted Person;
 - (ii) any relative of a Restricted Person, who, on the date of the transaction in question, has shared the same household as that person for at least 12 months;

- (iii) a body corporate with which the Restricted Person is associated. A Restricted Person is associated with a body corporate where:
 - the Restricted Person, or any of his Connected Persons, is a director or senior executive who has the power to make management decisions affecting the future development and the business prospects of the body corporate; or
 - the Restricted Person together with any of his Connected Persons, in aggregate, either are interested in 20 per cent. or more of the equity share capital or control 20 per cent. or more of the voting power of the body corporate;
 - (iv) a person acting in his capacity as a trustee of a trust where the beneficiaries or potential beneficiaries of the trust include any of the categories of persons in (i), (ii) or (iii) above (these restrictions do not apply to employee share schemes or pension schemes);
 - (v) a person acting in his capacity as a partner of the Restricted Person, or of a person who, by virtue of paragraph (i), (ii), (iii) or (iv) above, is a Connected Person of the Restricted Person;
 - (vi) a firm in which:
 - a Restricted Person is a partner;
 - a partner is a person who by virtue of paragraph (i), (ii), (iii) or (iv) above is a Connected Person of a Restricted Person; or
 - a partner is a firm in which a Restricted Person is a partner or in which there is a partner who, by virtue of paragraph (i), (iii) or (iv) above is Connected Person of a Restricted Person;
- (e) **"deal" and "dealing"** includes:
- (i) any acquisition or disposal of, or agreement to acquire or dispose of any of the Shares;
 - (ii) entering into a contract (including a contract for difference) the purpose of which is to secure a profit or avoid a loss by reference to fluctuations in the price of any of the Shares;
 - (iii) the grant, acceptance, acquisition, disposal, exercise or discharge of any option (whether for the call, or put or both) to acquire or dispose of any of the Shares;
 - (iv) entering into, or terminating, assigning or novating any stock lending agreement in respect of the Shares;
 - (v) using as security, or otherwise granting a charge, lien or other encumbrance over the Shares;
 - (vi) any transaction, including a transfer for nil consideration, or the exercise of any power or discretion effecting a change of ownership of a beneficial interest in the Shares; or
 - (vii) any other right or obligation, present or future, conditional or unconditional, to acquire or dispose of any Shares;
- (f) **"DTRs"** means the Disclosure Rules and Transparency Rules issued by the FCA under Part 6 of the Act;
- (g) **"Employees' Share Scheme"** means a share scheme for encouraging or facilitating the holding of Shares in GPG by or for the benefit of:
- (i) the bona fide employees or former employees of the Group; or
 - (ii) the spouses, civil partners, surviving spouses, surviving civil partners or minor children or step-children of such employees or former employees;
- (h) **"Insider List"** means the lists that the Group is required to maintain, pursuant to the DTRs. The lists comprise persons employed or engaged by the Group who have Inside Information relating to the Group and is separated into a Permanent Insider List and Project Insider Lists;
- (i) **"Prohibited Period"** means:

- (i) any Close Period; or
- (ii) any period when there exists any matter which constitutes inside information;
- (j) A **"Person Discharging Managerial Responsibilities"** or **"PDMR"** means:
 - (i) a director of GPG; or
 - (ii) a senior executive of the Group who is not a director of GPG but who has been notified that they are on PDMR because he or she:
 - (a) has regular access to inside information relating, directly or indirectly, to the Group; and
 - (b) has power to make managerial decisions affecting the future development and business prospects of the Group.
- (k) **"Restricted Person"** means a Person Discharging Managerial Responsibilities;
- (l) **"Shares"** means GPG shares and any securities that are convertible into such securities; and
- (m) **"Trading Plan"** means a written plan between a Restricted Person and an independent third party which sets out a strategy for the acquisition or disposal of Shares (or acquisitions and disposals of Shares) by a specified person and which:
 - (i) specifies the amount of Shares to be dealt in and the price at which and the date on which the Shares are to be dealt in; or
 - (ii) gives discretion to that independent third party to make trading decisions about the amount of Shares to be dealt in and the price at which and the date on which the Shares are to be dealt in; or
 - (iii) includes a written formula or algorithm, or computer program, for determining the amount of Shares to be dealt in and the price at which and the date on which the Shares are to be dealt in.