

AMPACET ANZ

11/4/2016

EDITION 1, 2016

Investment and Improvement

Progress continues...

2015 was a year of investment and improvement. We made great progress improving our Customer Service, Quality and Quality Systems, Safety, and the talent of our organization in Australia and New Zealand. Our goal is simple – to be the preferred plastic solutions provider. We believe in our growth strategy and market approach and many of our customers (existing and new) do as well as we experienced a ~30% growth over 2014.

Special Announcement

Ampacet is proud to announce that Andrew Marsh is the newly appointed leader of Ampacet ANZ. Andrew accepted the role of Country Manager ANZ effective January 1st 2016.

<u>Investment in Market Capability</u> – Ampacet completed the acquisition of Ocean Plastics. This demonstrates our focus on the ANZ market. The improvements and synergies gained by this business acquisition moves Ampacet toward its goal of being the preferred plastic solutions provider. The addition of resin distribution through partnerships with global companies like Dow will certainly add value to our customer base.

Investment in Production Capabilities – To improve overall safety in our facilities and to provide our customers with state of the art capabilities, in 2015, we purchased and

About Ampacet

With 24 manufacturing sites located in 17 countries, Ampacet Corporation is a global masterbatch leader offering the broadest range of custom colour, special effect, black, white and specialty additive masterbatch for moulding and a multitude of other processes and applications. Headquartered in Tarrytown, N.Y Ampacet Corporation employs more than 2000 people worldwide and operates technical and colour development centres and manufacturing sites throughout the Americas, Asia and Europe.

installed new production line twin screw mega compounding high speed extruders for Australia and New Zealand. Additionally all new pelletizing equipment for all strand lines as well as auxiliary vacuum air knives were purchased and installed. To provide better, more stable, palletized masterbatch, we also purchased and installed new stretch wrap equipment. To further our focus on quality, safety, and customer service, all existing production lines have been rebuilt to factory specifications with new barrels and screws. Investment into repairs and upgrades to our current facility were completed as well. To balance the need for safety and speed to loading and unloading finished goods and raw materials we added a new fleet of fork lifts to our Australian operation. The investment continues in 2016 as we add another new, larger, state of the art mega compounding twin screw extruder we also expect to commission new Lab line due in May'16.

Investment in Technology and Quality – Ampacet has extended its focus of re-investment to the Laboratories as well. New state of the art quality testing equipment was purchased and is operational. We purchased and installed a new molding machine. Upgrades, repairs, and fixes to existing equipment was completed as well.

<u>Investment in Talent and Human Resources</u> – Ampacet recognized very early after the acquisition of ACA, to provide the expected high level of service, quality, and product development improvement necessary to meet Ampacet expectations and, more importantly, market and customer expectations, it was vital to improve the talent of our organization. In 2015, Ampacet provided an improved sales team in Victoria with ANZ new Sales and Marketing leadership, experience, and management, Finance management, additional high level resources in quality, color matching, and sample production in the laboratory, warehouse and inventory control personnel, administrative personnel, production supervisor, and maintenance experience, and improved laboratory resources in New Zealand. That process continues in 2016 with new local top level leadership, the addition of new production shifts, additional sales in SA, WA, and NSW, focus on health, safety, and environmental, and additional laboratory resources.

Improvements in Key Processes – 2015, we improved our quality and safety processes. Improvements in Quality are noted with the additional of standard testing work instructions, standard test frequencies, product specifications, and a working CAR and PAR process. We also are focused on implementing a world class Quality Management System and had made great progress in implementing Ampacet Quality Procedures, internal and external auditing, and continuous improvement.

Improvements in Safety are noted with the implementation of some basic fundamentals. Safety procedures, safety responsibilities to key personnel, safety and housekeeping internal auditing, external safety audits, monthly safety training, safety fix its and improvements in both facilities,

forming of a ANZ employee safety committee, Lock Out Tag Out improvements, Personal Protective Equipment improvements, and annual employee safety testing. Ampacet also made the decision, based on road safety of our sales personnel, to replace all vehicles in the Ampacet fleet in Australia and New Zealand.

Update on Australia Relocation Project – The key piece of our overall strategy was the design and construction of a new, highly advanced, state of the art, manufacturing facility in Australia. The process was complicated. First review of logical locations as it related to our customer base and our employees. Second, meeting with many realtors and builders looking at property from Greenfield to pre-existing. Deciding to move forward with a Greenfield, choice of building partner. Moving to the design phase and completion of the design phase. All of these processes took almost a year. The good news is Ampacet has partnered with Vaughan Construction and is well advanced in the process. The property is located in the Dandenong and excavation commenced 1st February 2016. Plant completion date expected September 2016.

Artistic Impression of Ampacet Australia.







Vaughan Constructions Dandenong South 12 Rodeo Drive Dandenong South Cnr Hammond Road and Rodeo Drive MGM Estate