



The Rice Food Experts

Share Trading Policy

Ricegrowers Limited

ACN 007 481 156

Approved 21 February 2019

Executive Summary

This document sets out the security trading policy (“**Policy**”) that applies to Ricegrowers Limited (“the **Company**”) and its subsidiaries (together, “the **Group**”).

Some aspects of this Policy apply to all Group employees (“**Employees**”) and directors (“**Directors**”), while other aspects only apply to the following Designated Personnel (each a “**Designated Person**”):

- Directors;
- Employees who are members of the Corporate Management Team of the Company (“**Senior Executives**”); and
- in certain circumstances, other Employees who have been identified by the Chairman of the Company (“**Chairman**”) or the Company Secretary of the Company (“**Company Secretary**”) as having, or potentially having, information that is or may become inside information.

For the purpose of this Policy, (“**Securities**”) may include shares, options, derivatives, managed investment products, and any other securities of the Company that are able to be traded on a financial market.

A. Ricegrowers Limited

The B Class Shares of the Company are listed on the Australian Securities Exchange (“**ASX**”). This means that the Company must comply with both the *Corporations Act 2001* (Cth) (“**Act**”) and the rules governing the listing of securities on the ASX (“**Listing Rules**”).

B. Australian Law

The Listing Rules and the Act contain several provisions which require listed bodies to make immediate disclosure of material information to the market via the ASX. The ASX is responsible for maintaining and enforcing compliance with its Listing Rules. Compliance with the Listing Rules is a requirement for admission to the official list and for continued listing. The Listing Rules are therefore contractually binding and may be enforced under the Act.

C. Trading Policy

Listing Rule 12.9 requires the Company to have a trading policy that regulates trading in its Securities by its Designated Personnel during a prohibited period and to give a copy of that trading policy to ASX for release to the market. The trading policy must comply with the requirements of Listing Rule 12.12. Under Listing Rule 12.12, the trading policy must include, at a minimum, the Company’s closed periods, the restrictions on trading that apply to the Company’s Designated Personnel, any trading that is not subject to the trading policy, any exceptional circumstances in which the Company’s Designated Personnel may be permitted to trade during a prohibited period with prior written clearance and the procedures for obtaining such prior written clearance.

D. Directors to Notify ASX of Interests

Listing Rule 3.19A.2A requires the Company to notify ASX, within 5 business days, of any changes to a notifiable interest of a Director of the Company, including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided.

E. Review of Policy

The Policy will be reviewed on a regular basis by the Disclosure Committee, who may suggest proposed amendments to the Policy. It is likely that this Policy will change over time to reflect legislative changes and developments of best practice.

1. Purpose

The Company recognises the importance of preventing insider trading and ensuring market confidence in trading of the Company's Securities.

The purpose of this Policy is to:

- reinforce the Company's commitment to the restrictions on Securities trading imposed by law and to describe the process implemented by it to ensure compliance;
- ensure that all Employees and Directors are aware of the legal restrictions of trading whilst in possession of inside information;
- ensure that all Employees and Directors comply with the Act and Listing Rules, and ensure they are aware of the consequences of breaching the restrictions on share trading;
- provide guidance to all Employees and Directors on the type of information that would be considered inside information;
- provide guidance to the Directors on when to disclose any interest to the ASX; and
- preserve confidence in the ASX market on which the Company's Securities are quoted.

2. Prohibition on Insider Trading

2.1 General

The insider trading provisions of the Act take effect when an insider possessing inside information about the Group (i.e. information that is not generally available to the public) uses the information to acquire or dispose of a Security, either directly or indirectly.

2.2 Interpretation

Section 1042A of the Act defines “**inside information**” as follows:

1. Inside information means information in relation to which the following are satisfied:
 - (a) the information is not generally available; and
 - (b) if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of a Security.
2. For the purposes of Section 1042C of the Act, information is considered to be “**generally available**” if:
 - (a) it consists of readily observable matter; or
 - (b) both of the following subsections apply:
 - (i) it has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in Securities of a kind whose price might be affected by the information; and
 - (ii) since it was made known, a reasonable period for it to be disseminated among such persons has elapsed; or
 - (c) it consists of deductions, conclusions or inferences made or drawn from either or both of the following:

- (i) information referred to in paragraph 2(a);
- (ii) information made known as mentioned in paragraph 2(b)(i).

Under Section 1042D of the Act, a reasonable person would be taken to expect information to have a material effect on the price or value of a particular Security if the information would, or would be likely to, influence persons who commonly acquire the Security in deciding whether or not to acquire or dispose of the Security.

2.3 Prohibited Conduct by Persons in Possession of Inside Information

Section 1043A(1) of the Act states that a person (an insider) who possesses inside information and the insider knows, or ought reasonably to know that the information is inside information, the person must not:

1. apply for, acquire, or dispose of a Security, or enter into an agreement to acquire, or dispose of a Security; or
2. procure another person to apply for, acquire or dispose of a Security, or enter into an agreement to apply for, acquire, or dispose of a Security.

2.4 Communication of Inside Information to Others

Communication of inside information to another is also prohibited by Section 1043A(2) of the Act. An insider who knows or ought reasonably to know that the information is inside information, must not directly or indirectly communicate the information, or cause the information to be communicated, to another person if the insider knows or ought reasonably to know that the other person would be likely to:

1. apply for, acquire, or dispose of, a Security or enter into an agreement to apply for, acquire, or dispose of, a Security; or
2. procure another person to apply for, acquire, or dispose of a Security or enter into an agreement to apply for, acquire, or dispose of, a Security.

2.5 Exception to the Insider Trading Provisions

Sections 1043B to 1043K of the Act set out a number of exceptions to the insider trading provisions outlined in sections 2.1 to 2.4 above. These exceptions include:

1. allowing underwriters to subscribe for and sell Securities and communicate information in accordance with the terms of an underwriting agreement;
2. the acquisition of Securities pursuant to a legal requirement imposed by the Act;
3. a situation where a Chinese wall arrangement was in operation to ensure that the information was not communicated to the person who made the decision;
4. a situation where a natural person or body corporate enters into a transaction or agreement in relation to a Security issued by another person and the person or body corporate is aware that they propose to enter into or has previously entered into a transaction or agreement in relation to the Security;
5. a situation where a director or employee is acting on behalf of a body corporate or natural person that falls within exception of paragraph 4 of this section 2.5 above; and
6. in certain circumstances where a financial services licensee or a representative of a financial services licensee acts as an agent in a transaction on behalf of another person.

3. The Group's Policies

3.1 Insider Trading Restrictions on All Employees and Directors

All Employees and Directors are prohibited from trading in the Company's Securities while in the possession of inside information concerning the Group. Trading includes applying for, acquiring or disposing of the Company's Securities.

In addition, while in possession of inside information the Employees and Directors must not advise others to trade in the Company's Securities, or communicate information to another person knowing that the person may use the information to trade in, or procure someone else to trade in, the Company's Securities.

Inside information is information regarding the Company, of which the market is not aware and that a reasonable person would expect to have a material effect on the price, or value of the Company's Securities.

3.2 Blackout Periods for All Employees and Directors

All Employees and Directors must not buy or sell the Company's Securities during any of the following **"blackout periods"**:

1. the period from the close of trading on the ASX on 30 April each year, or if that date is not a trading day, the last trading day before that day, until the day following the announcement to ASX of the Group's annual results;
2. the period from the close of trading on the ASX on 31 October each year, or if that date is not a trading day, the last trading day before that day, until the day following the announcement to ASX of the Group's half yearly results; and
3. any other period specified by the board of directors of the Company ("**Board**") from time to time.

3.3 Restrictions on Short-Term Trading

The Company encourages all Directors and Employees to adopt a long-term attitude to their investment in the Company's Securities. Consequently, they should not engage in short-term or speculative trading in the Company's Securities.

3.4 Further Restrictions on Trading by Designated Personnel

1. Designated Personnel may only buy and sell the Company's Securities during the following periods ("**trading windows**"), as long as they are not in possession of any inside information that has not been disclosed to ASX:
 - (a) the period of 4 weeks commencing on the next trading day following the release to ASX of the Company's half yearly results;
 - (b) the period of 4 weeks commencing on the next trading day following the release to ASX of the Company's annual results;
 - (c) the period 4 weeks commencing on the next trading day following the Company's Annual General Meeting (provided that a results update is given at that meeting);
 - (d) the duration of the offer period for an offer of the Company's Securities made pursuant to a prospectus, product disclosure statement, cleansing notice or other form of disclosure document issued by the Company; and

- (e) any other period determined by the Board.
- 2. All other times of the year (to those outlined above), including the blackout periods, are referred to as “**prohibited periods**” and, subject to the provisions of this Policy, Designated Personnel are not permitted to buy or sell the Company’s Securities at any of those times.
- 3. During the trading windows outlined in paragraph 1 of this section 3.4, the Board may impose an embargo upon trading in the Company’s Securities if it considers it appropriate.

3.5 Special Circumstances Exception

The Company may, in very limited circumstances, provide written approval to an Employee or a Designated Person seeking to trade in the Company’s Securities during a blackout period or a prohibited period (as applicable to them under sections 3.2 and 3.4).

A request for approval must be submitted to the Chairman (or in the case of an application from the Chairman, to the Finance and Audit Committee) in writing and must provide evidence that each of the following requirements is satisfied:

- 1. the person is experiencing severe financial hardship or other exceptional circumstances (“**special circumstances**”);
- 2. after investigating all reasonable alternatives, the sale of the Company’s Securities is the only practical way of addressing the special circumstances;
- 3. the person does not possess any inside information.

A decision on the approval will be made at the absolute discretion of the decision maker and will have regard to all relevant considerations including legal issues, whether the sale would adversely affect the Company’s interests or reputation and the nature of the special circumstances.

3.6 Blacklisted Securities

From time to time, the Group may be engaged in certain activities where inside information in relation to Securities of another entity may be available to a Designated Person as a result of their role or position within the Group. The Company wishes to minimise the risk that such persons might be perceived to be engaged in inappropriate dealings, and therefore the Company may blacklist certain securities in relation to particular persons.

Where the Board or the Chairman notifies a Designated Person in writing that they are subject to a blacklist in relation to the securities of a particular entity (“**Blacklisted Securities**”), that person must not deal in the Blacklisted Securities from the time period specified in the notice, unless they first comply with the notification requirements set out in section 4 below (as if the Blacklisted Securities were the Company’s Securities), and then always subject to the law.

4. Notification of Proposed Trade in the Company’s Securities

4.1 Application

For all periods during which trading is permitted, the procedures in this section 4 must be complied with before any trading in the Company’s Securities by a Designated Person is undertaken unless it is a dealing under an Exempt Transaction.

4.2 Obligations of the Chairman

Prior to trading in (either buying or selling) the Company’s Securities, the Chairman must notify an Independent Director and the Company Secretary, in writing, of his or her intention to trade and confirm that he or she is not in possession of any inside information.

4.3 Obligations of other Designated Personnel

Prior to trading in (either buying or selling) the Company's Securities, a Designated Person (other than the Chairman) must notify the Chairman and Company Secretary of their intention to trade, in writing, and confirm that they are not in possession of any inside information.

5. Notification of Trade in the Company's Securities

5.1 Obligations of the Directors

Directors must notify the Company Secretary of any trade in the Company's Securities within 2 days of such trade occurring so that the Company Secretary may notify ASX in compliance with Section 205G of the Act and the Listing Rules.

5.2 Obligations of the Company Secretary

1. The Company Secretary will maintain a register of all trades and holdings in the Company's Securities by Directors.
2. The Company Secretary must notify the ASX of the following interests of the Directors:
 - (a) relevant interests in Securities of the Company or another Group entity;
 - (b) contracts:
 - (i) to which the Director is a party or under which the Director is entitled to benefit;
 - (ii) that confer a right to call for or deliver shares in debentures of or interests in a managed investment scheme made available by the Company or another Group entity.

6. Limiting Risk

Designated Personnel are prohibited from trading in Securities issued or created over the Company's Securities by third parties, or trading in associated products. In addition, Designated Personnel may not enter into a transaction that operates to limit the economic risk of their security holding in the Company.

7. Dealings Excluded from This Policy

Sections 3.2, 3.3, 3.4, 3.5 and 4 of this Policy do not apply to the following types of transactions ("**Exempt Transactions**"):

1. transfer of the Company's Securities by a Designated Person to a person closely related to the Designated Person (e.g. spouse or family trust) or to their superannuation fund;
2. disposal of the Company's Securities arising from the acceptance of a takeover offer, scheme of arrangement or equal access buy-back;
3. acquisition of the Company's Securities under a pro rata issue;
4. acquisition of the Company's Securities under a supplier share purchase plan or dividend reinvestment plan;
5. acquisition of the Company's Securities under an employee incentive scheme; and
6. any other transactions identified by the Board for this purpose.

It is important to note that all Exempt Transactions remain subject to the insider trading provisions of the Act.

8. Employee Share Plan restrictions

1. The Company's Employee Share Plan (**ESP**) includes the following restrictions (together, **ESP Restrictions**):
 - (a) the total number of B Class Shares held by Eligible Persons and Employee Holders at any time must not exceed five percent (5%) of the total issued B Class Shares;
 - (b) in order to restrict the number of B Class Shares held by Employee Holders as required by sub-paragraph (a) above, B Class Shares will only be issued to, or for the benefit of, Employee Holders:
 - (i) as participants under the ESP; or
 - (ii) under other offers of B Class Shares for subscription that are approved by the Board from time to time for this purpose; and
 - (c) Employee Holders must not:
 - (i) acquire B Class Shares, or any interest in them, otherwise than by way of an issue of B Class Shares in accordance with sub-paragraph (b) above; or
 - (ii) purchase or otherwise acquire B Class Shares by way of transfer.

"Eligible Persons" refers to an employee of a Group company or a Non-Grower Director of the Company.

"Employee Holders" refers a B Class Shareholder who is currently, or was previously, an employee of a Group company or a Non-Grower Director of the Company, and has been issued with B Class Shares under the ESP (whether or not they continue to hold those Shares) (and their approved superannuation funds).

2. In order to ensure compliance with the ESP Restrictions, for as long as the ESP Restrictions are in effect, all Employees and Non-Grower Directors are not permitted to purchase or otherwise acquire B Class Shares other than as participants under the ESP or under other offers approved by the Board (including not being permitted to purchase B Class Shares on ASX).