

Board Charter

Australian Dairy Nutritionals Limited – ABN: 36 057 046 607 (Company)

Board Charter

1. Introduction

- 1.1 The Company is a listed public company.
- 1.2 The Board is responsible for the corporate governance of the Company and its controlled entities (**Group**).
- 1.3 The purpose of this charter is to:
 - (a) promote high standards of corporate governance;
 - (b) clarify the role and responsibilities of the Board; and
 - (c) enable the Board to provide strategic guidance for the Group and effective management oversight.
- 1.4 This charter is supported by the code of conduct for directors, senior executives and all other employees, the Share Trading Policy and the Market Disclosure Protocol.
- 1.5 For the purpose of this charter, senior executives include all officers and employees who can materially influence the integrity, strategy and operation of the company and its financial performance.

2. Board size, composition and independence

- 2.1 There must be a minimum of 3 directors and may only be a maximum of 10 directors.
- 2.2 The Board should ideally comprise:
 - (a) a majority of independent non-executive directors;
 - (b) directors with an appropriate range of skills, experience and expertise;
 - (c) directors who can understand and competently deal with current and emerging business issues; and
 - (d) directors who can effectively review and challenge the performance of management and exercise independent judgment.
- 2.3 An independent non-executive director is one who:
 - (a) is independent of management;
 - (b) free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their unfettered and independent judgment; and
 - (c) otherwise meets the criteria for independence set out in the *Principles of Good Corporate Governance and Best Practice Recommendations* published by the ASX Corporate Governance Council.
- 2.4 The Board should regularly assess whether each non-executive director is independent, and each non-executive director should provide to the Board all information relevant to his or her assessment.

- 2.5 If a director's independent status changes, this should be immediately disclosed and explained to the market.
- 2.6 While the Company will aim to have a majority of independent non-executive directors, this may not always be practicable given the size of the Board and the circumstances of the Group, including the nature of the Group's business. Accordingly, the directors have absolute discretion to determine the appropriate composition of the Board from time to time.
- 2.7 The Board has developed a Board skills matrix which outlines the knowledge, skills and experience required of the Board based on the current and future strategic objectives of the Group as well as the operational activities of the Group.
- 2.8 Each director is appointed by a formal letter of appointment setting out the key terms and conditions of their appointment to ensure that each director clearly understands the Company's expectations of him or her.

3. The Board's role and responsibilities

- 3.1 The Board acts in the best interests of the Company as a whole and is accountable to shareholders for the overall direction, management and corporate governance of the Company and the Group.
- 3.2 The Board is responsible for:
 - (a) overseeing the Group, including its control and accountability systems;
 - (b) appointing and removing the chief executive officer;
 - (c) monitoring the performance of the chief executive officer;
 - (d) where appropriate, ratifying the appointment and removal of senior executives;
 - (e) ratifying other senior executive appointments, organisational changes and senior management remuneration policies and practices;
 - (f) approving succession plans for management;
 - (g) monitoring senior executives' performance and implementation of strategy, and ensuring appropriate resources are available;
 - (h) reporting to shareholders;
 - (i) providing strategic advice to management;
 - (j) approving management's corporate strategy and key outcomes;
 - (k) determining and financing dividend payments;
 - (l) approving and monitoring the progress of major capital expenditure, capital management, acquisitions and divestitures;
 - (m) approving and monitoring financial and other reporting;
 - (n) reviewing and ratifying systems of risk management, internal compliance and control, and legal compliance to ensure appropriate compliance frameworks and controls are in place;
 - (o) reviewing and overseeing the implementation of the code of conduct for directors, senior executives and all other employees;
 - (p) approving charters of Board committees;

- (q) monitoring and ensuring compliance with legal and regulatory requirements and ethical standards and policies; and
- (r) monitoring and ensuring compliance with corporate governance requirements.

4. Performance of senior executives

4.1 The Board is responsible for:

- (a) regularly reviewing the performance of senior executives against measurable and qualitative indicators as determined by the CEO and approved by the Board; and
- (b) ensuring that induction procedures are in place to allow new senior executives to participate fully and actively in management decision-making at the earliest opportunity.

4.2 New senior executives must have knowledge about the company and the industry within which it operates. An induction program is available to enable senior executives to gain an understanding of:

- (a) the company's financial, strategic, operational and risk management position;
- (b) the rights, duties and responsibilities of senior executives; and
- (c) the respective rights, duties, responsibilities and roles of the Board and senior executives.

5. Board Committees

5.1 The Board may establish committees to assist it in carrying out its responsibilities, to share detailed work and to consider certain issues and functions in detail.

5.2 The charter or terms of reference of each Board committee setting out matters relevant to the composition, responsibilities and administration of the committee must be approved by the Board. Each committee will review its charter from time to time as appropriate.

6. Chairperson of the Board

6.1 The Chairperson of the Board:

- (a) is appointed by the directors;
- (b) must be an independent non-executive director; and
- (c) may not be the same person as the chief executive officer.

6.2 The division of the responsibilities of the Chairperson of the Board and the chief executive officer have been agreed by the Board and are set out in this charter.

6.3 The responsibilities of the Chairperson of the Board include:

- (a) providing leadership to the Board and the Group;
- (b) promoting the efficient organisation and conduct of the Board's functions;
- (c) ensuring the Board considers and adopts strategies designed to meet present and future needs of the Group;
- (d) ensuring the Board has an effective composition, size and commitment to adequately discharge its responsibilities and duties;
- (e) monitoring the performance of the Board;

- (f) facilitating Board discussions to ensure core issues facing the Group are addressed;
- (g) briefing all directors in relation to issues arising at Board meetings;
- (h) facilitating the effective contribution and ongoing development of all directors;
- (i) promoting constructive and respectful relations between Board members and between the Board and management;
- (j) reviewing the Board composition and skills matrix to ensure it aligns with the Group's operational and strategic plans and objectives from time to time;
- (k) ensuring the Board regularly meets to consider the Group's performance and key issues facing it;
- (l) setting the agenda for the Board meetings after consulting with the chief executive officer and company secretary; and
- (m) chairing general meetings.

7. Chief executive officer

- 7.1 Responsibility for day-to-day management and administration of the Group is delegated by the Board to the chief executive officer and the executive team.
- 7.2 The chief executive officer manages the Group in accordance with the strategy, plans and policies approved by the Board.
- 7.3 The chief executive officer is appointed by the Board.
- 7.4 The chief executive officer may not be the same person as the Chairperson.
- 7.5 The responsibilities of the chief executive officer include:
 - (a) developing and recommending to the Board strategies, business plans and annual budgets for the Group;
 - (b) implementing the strategies, business plans and budgets adopted by the Board;
 - (c) providing effective leadership, direction, management and supervision of the executive team to achieve the strategies, business plans and budgets adopted by the Board;
 - (d) reviewing the performance of the executive team in line with the Group's objectives and making recommendations to the Board in relation to the performance incentives for the executive;
 - (e) developing and managing resources, policies and systems to ensure the effective operation of the Group (including developing and implementing policies on risk management, internal controls and human resources);
 - (f) managing resources within budgets approved by the Board;
 - (g) ensuring compliance with applicable laws and regulations;
 - (h) ensuring the Board is given sufficient information to enable it to perform its functions, set strategies and monitor performance; and
 - (i) acting within authority delegated by the Board.
- 7.6 The Board has in place procedures to assess the performance of the chief executive officer and executive team.

- 7.7 Performance is reviewed on an ongoing basis in an informal manner through discussions and feedback between the chief executive officer and the Chairperson or, the chief executive officer and other Directors.
- 7.8 On at least an annual basis, a formal review of the chief executive officer's performance is undertaken, and this typically occurs shortly after the Group's financial results for the relevant Financial Year are released.
- 7.9 A similar performance review process is followed for the executive team save that the chief executive officer is responsible for the review, incorporating feedback from the directors. The chief executive officer also makes recommendations to the Board in relation to performance reviews and incentives applicable to the executive team.

8. Directors

- 8.1 Directors are expected to attend and participate in Board meetings and meetings of committees on which they serve.
- 8.2 Directors are expected to spend the time needed, and meet as often as necessary, to properly discharge their responsibilities.
- 8.3 Directors are expected to review meeting materials before Board meetings and committee meetings.
- 8.4 Directors are encouraged to ask questions of, request information from, and raise any issue of concern with, management. Directors are encouraged, where possible, to ask any questions and raise issues of concern before a meeting so that management is prepared to address them.
- 8.5 Directors must exercise independent judgment when making decisions.
- 8.6 Publicly, directors are expected to support the letter and spirit of Board decisions.
- 8.7 Directors must keep Board information, discussions, deliberations, and decisions that are not publicly known, confidential.
- 8.8 Directors must comply with their legal duties when discharging their responsibilities as directors. Broadly, these duties are:
 - (a) to act in good faith and in the best interests of the Company; and
 - (b) to act with care and diligence;
 - (c) to act for proper purposes;
 - (d) to avoid a conflict of interest or duty; and
 - (e) to refrain from making improper use of information gained through the position of director or taking improper advantage of the position of director.

9. Non-executive directors

- 9.1 Non-executive directors should consider the benefits of conferring regularly without management present, including at scheduled sessions.
- 9.2 These discussions of non-executive directors can be facilitated by the chair or lead independent director (if any).

10. Conflicts

- 10.1 Directors are expected to be sensitive to conflicts of interest or duty that may arise and mindful of their fiduciary obligations.
- 10.2 Directors must:
- (a) disclose to the Board any actual or potential conflict of interest or duty that might reasonably be thought to exist as soon as the situation arises;
 - (b) take necessary and reasonable action to resolve or avoid any actual or potential conflict of interest or duty; and
 - (c) comply with the *Corporations Act 2001 (Cth)* and the Company's constitution in relation to disclosing material personal interests and restrictions on voting.
- 10.3 If a conflict exists, it is expected that any director to whom the conflict relates will leave the room when the Board is discussing any matter to which the conflict relates.
- 10.4 Directors are expected to inform the Chairperson of the Board of any proposed appointment to the Board or executive of another company as soon as practicable.

11. Access to information and independent advice by directors

- 11.1 Directors have access to any information they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions.
- 11.2 Directors have access to:
- (a) management to seek explanations and information from management; and
 - (b) auditors, both internal and external, to seek explanations and information from them without management being present.
- 11.3 Directors may seek any independent professional advice they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions in accordance with the procedure agreed by the directors.
- 11.4 If the Chairperson of the Board consents, the Company will pay a director's costs of seeking independent professional advice. That consent may not be unreasonably withheld or delayed.

12. Retirement of directors

- 12.1 At the end of every annual general meeting, one-third of the directors (to the nearest whole number) must retire.
- 12.2 A director must retire at the end of the third annual general meeting after the director's appointment even if it means that more than one-third of directors retire at an annual general meeting.
- 12.3 Those directors who have been longest in office since their last appointment must retire by rotation. Directors appointed on the same day may agree among themselves or determine by lot who must retire.
- 12.4 The chief executive officer or a director appointed to fill a casual vacancy or as an addition to the Board is not subject to retirement by rotation and is not considered when determining how many directors must retire by rotation. A director appointed to fill a casual vacancy or as an addition to the Board must retire at the next annual general meeting after their appointment.

13. Codes of conduct

- 13.1 The Group has adopted a corporate code of conduct setting out its legal and other obligations to all legitimate stakeholders including employees, customers and the community.
- 13.2 The Group has adopted a code of conduct for directors, senior executives and all other employees setting out required standards of behaviour, for the benefit of all shareholders.
- 13.3 Each director, officer and employee will be given a copy of the code of conduct applicable to their position when joining the Group.

14. Communication of information

- 14.1 The Board will:
 - (a) communicate effectively with shareholders;
 - (b) give shareholders ready access to balanced and understandable information about the Group and its corporate goals; and
 - (c) make it easy for shareholders to participate in general meetings.
- 14.2 The Board has adopted a communications strategy to facilitate and promote effective communication with shareholders and encourage participation at general meetings.

15. Review of Board performance

- 15.1 The Chairperson is responsible for the review and evaluation of the performance of the Board.
- 15.2 Performance of the Board is reviewed on an ongoing, informal basis considering the strategic objectives and operational activities of the Group. Issues or concerns are considered as they arise and discussed with the other Directors.
- 15.3 On an annual basis, the Chairperson will conduct a formal review of:
 - (a) the Board's role;
 - (b) the processes of the Board and any Board committees;
 - (c) the Board's performance;
 - (d) the Board composition and skills matrix; and
 - (e) each director's performance.
- 15.4 The formal review is typically done in house with the assistance of external consultants or advisors if required.

Remuneration Policy

Australian Dairy Nutritionals Limited – ABN: 36 057 046 607 (Company)

Remuneration Policy

1. Introduction

- 1.1 The Company is a listed public company.
- 1.2 The Board is responsible for the remuneration policy of the Company and its controlled entities (**Group**).
- 1.3 The Company is committed to ensuring that its remuneration practices enable the Group to:
 - (a) appropriately compensate employees for the services they provide to the Group;
 - (b) attract and retain employees with skills required to effectively manage the operations and growth of the business;
 - (c) motivate employees to perform in the best interests of the Group and its stakeholders, particularly its shareholders;
 - (d) provide an appropriate level of transparency; and
 - (e) ensure a level of equity and consistency across the Group.
- 1.4 This charter is supported by the code of conduct for directors, senior executives and all other employees, the Share Trading Policy and the Market Disclosure Protocol.
- 1.5 For the purpose of this charter, senior executives include all officers and employees who can materially influence the integrity, strategy and operation of the company and its financial performance.

2. Accountabilities

- 2.1 The Board is responsible for reviewing the remuneration policy and procedures for the Group. More specifically, the Directors are required to:
 - (a) review this Remuneration Policy and agree any changes to remuneration policy and practices for all employees whose remuneration is not determined through Awards or Enterprise Bargaining Agreements;
 - (b) set the remuneration for non-executive Directors;
 - (c) review the remuneration for the Chief Executive Officer and members of the Executive Team, being those executives reporting to the Chief Executive Officer;
 - (d) review and set targets for the Group's financial and operational performance as they relate to incentive plans, and the performance-based (at risk) components of remuneration; and
 - (e) review and make allocations made under all equity-based remuneration plans.
- 2.2 The Board of Directors has authority to approve remuneration matters brought before it, subject to any shareholder approvals that may be required by law.
- 2.3 Managers and supervisors are responsible for:
 - (a) ensuring accurate role descriptions are in place, with sufficient detail on elements required to allow consistent assessments and comparison to be undertaken;

- (b) conducting effective assessments of employee performance both on an ongoing, informal basis and as part of the Group's formal performance management process; and
- (c) negotiating relevant enterprise agreements, to optimize alignment with the Company's remuneration practices and other employment matters. Approval for agreements will be in line with the Group's Delegation of Authority policy.

3. Non-Executive Director Remuneration

- 3.1 Non-executive Directors are remunerated by way of fees paid, including fees paid in recognition of membership on Board sub-committees (if relevant), superannuation and participation in the shareholder approved Long Term Incentive Plan.
- 3.2 The overall level of annual non-executive Director fees is approved by shareholders in accordance with the requirements of the Corporations Act. Directors decide on actual fees, set by reference to the market and within the bounds of the shareholder approval.

4. Employee Remuneration Principles

- 4.1 AHF sets its remuneration with the following principles:
 - (a) nature of the role performed within the Group;
 - (b) type and amount of experience of the relevant individual;
 - (c) comparison with comparable organisations and industries for roles at all levels of the Group.
- 4.2 A systematic role evaluation methodology is used to establish each employee's appropriate level of remuneration. Remuneration comprises elements of fixed remuneration and performance-based (at risk) remuneration.
- 4.3 All employees have a fixed component of their remuneration, including superannuation. Some employees also have the potential for an element of additional, at-risk remuneration, based on pre-agreed performance criteria or targets (Targets) to be achieved. Typically a portion of the Targets relate to the employee's own performance in their role and a portion relate to the overall performance of the Group.
- 4.4 The Targets are set based on the forecast financial performance of the Group for the relevant financial year as well as the strategic and operational objectives of the Group, both on a short- or medium-term basis to ensure alignment with medium and long-term shareholder interests. The Board signs off the Targets for the CEO and provides input in relation to the Targets of the Executive Management who report to the CEO.
- 4.5 Typically, the inclusion of a variable proportion of an employee's total remuneration occurs with seniority and with the individual's ability to impact the performance of the Company. The long-term incentive structure also encourages retention of high-performance employees in the organisation.

5. Review of Employee Performance

- 5.1 Performance is expected to be monitored on an ongoing, informal basis throughout the year by the employee's manager. A formal performance review process is undertaken on an annual basis to assess the degree to which each employee is satisfying the requirements of his/her role and the degree to which Targets have been achieved.

- 5.2 For positions where pay is primarily controlled by collective bargaining or industrial agreements, AHF's strategy is to promote and maximize the implementation of "pay-for-performance" scales and structures. These may result in base salaries that include elements of market and performance consideration, but nevertheless reflect the principal strategy of discriminating for superior performance.

6. Remuneration Composition

6.1 Fixed Remuneration

- (a) AHF's principal remuneration strategy for fixed remuneration is to align it with the medians of comparable size, industry and performance. AHF benchmarks its position against broad-banded target market rates, using role evaluation criteria, market surveys and analysis supported by information gathered.
- (b) A systematic assessment of roles at all levels of the organisation is done, using techniques that facilitate comparison with the markets in which AHF competes for employees.
- (c) The Group's performance management system (PMS) assists to determine whether an employee has effectively mastered a role and is performing at a satisfactory level. Where this is not the case, the PMS provides a structure for providing support to achieve the required levels of performance. In general, where an employee has reached a fully satisfactory level in both "workplace effectiveness" and "objective achievement" dimensions of his/her position, individual remuneration will be aligned to or move closer toward the market median for that position. Performance that consistently exceeds expectations can result in remuneration paid at above median levels.
- (d) Fixed remuneration for executives is provided on a Total Cost basis and there is flexibility to receive remuneration as cash, payments to superannuation or non-cash benefits such as vehicles, the amount of the FBT is included in determining the amount allocated to the Total Cost package.

6.2 Performance-Based (At Risk) Remuneration

- (a) In addition to fixed remuneration, a proportion of total remuneration for more senior employees is at risk and only payable based on performance achieving defined hurdles. Performance relative to financial, operational and individual targets set during the annual budget and strategy review process provides the basis for determining payments made as at-risk remuneration.
- (b) Financial performance targets relate to the Group and divisional results relevant to the area which the individual operates and/or is accountable. Individual performance targets relate to key objectives that must be delivered during the relevant period.
- (c) The Board reviews the performance of the Chief Executive Officer against agreed objectives and the Group overall performance. The Chief Executive Officer makes recommendations to the Board in relation to the award of performance-based remuneration to senior executives and the Board reviews and approves these (if applicable).
- (d) The proportion of remuneration that is at risk increases with seniority and can include short-term (payable annually) and long-term (vesting after a defined period) components. The amount of remuneration that is at risk is set at a level that, subject to the achievement of stretch targets for both financial, strategic and or operational performance as well as individual performance, will realise total remuneration comparable to industry positions considering the performance of the Group.

6.3 Equity-Based Remuneration

- (a) Equity-based remuneration is used for delivering components of at-risk remuneration through performance securities issued under terms of the Group's Long Term Incentive Plan.
- (b) Performance securities include issues of shares in the Company (including under a loan scheme with the Company), performance rights and performance options.

7. Termination Payments

- 7.1 Termination payments are based on specific contractual arrangements or governed by the relevant industrial instruments as appropriate for all other employees.
- 7.2 The basis for determining entitlements in the event of termination is consistent with the contractual obligations set out in those documents, which in turn align with market norms and practice.

8. Disclosure of Remuneration

- 8.1 Remuneration is disclosed in accordance with the requirements of the *Corporations Act 2001* (Cth), the ASX Listing Rules and any other requirements which the Group is required to comply with from time to time. The Board also recognises that shareholders value transparency in relation to the remuneration of directors and senior executives.
- 8.2 Total remuneration reported will include appropriate values for all elements of remuneration, incorporating fixed remuneration, performance-based remuneration comprising payments made or value provided for at-risk components, superannuation and value for benefits provided and equity-based components of remuneration. Where possible, reported remuneration will relate to the year in which the remuneration is earned.
- 8.3 Other than disclosure included in this document, annual reports and meeting notices or where disclosure is required by law, remuneration information is confidential between the Company and the employee, and there is a mutual obligation and expectation to retain that confidentiality.
- 8.4 Remuneration data may be used for valid internal benchmarking, review and analysis and may be disclosed pursuant to regulatory and compliance requirements but is otherwise required to be dealt with sensitively and confidentially and in accordance with the company's privacy principles. Similarly, performance data is to be used only for performance management and related review processes.

Risk Management Policy

Australian Dairy Nutritionals Limited – ABN: 36 057 046 607 (the
Company)

Risk Management Policy

1. Introduction

- 1.1 The Company is a listed public company.
- 1.2 The Board is responsible for the corporate governance of the Company and its controlled entities (**Group**).
- 1.3 The purpose of this charter is to:
 - (a) outline the processes for management of risk by the Group;
 - (b) clarify the role and responsibilities of the Board and senior management; and
 - (c) enable the Board to provide effective management and oversight of Group risks.

2. Responsibility for Risk Management

- 2.1 The Board is responsible for assessing and monitoring the Group's risk management system.
- 2.2 The Board determines the Group's risk appetite and is responsible for establishing and overseeing the Group's risk management strategy and framework and assessing the processes and policies for treating and monitoring risks applicable to the Group.
- 2.3 The active identification of risks and implementation of mitigation measures is the responsibility of the management team.
- 2.4 Development of a risk aware culture and adequate reporting in relation to existing and emerging risks is key to ensuring a robust and transparent management of the risks impacting the Group.

3. The Board's role and responsibilities in managing risk

- 3.1 The Board oversees the Group's risk management system by:
 - (a) working with senior management to identify the key risks to the Group and prioritising actions to treat and minimise such risks including ongoing review of existing risks and identification of emerging risks;
 - (b) obtain and review reports by management on the operation and effectiveness of the Group's risk management processes including risk treatments, policies and procedures and insurance arrangements;
 - (c) foster a corporate culture which is open and transparent about the risks facing the Group and adequacy of the controls implemented to treat such risks and strives for continuous improvement in its risk management framework;
 - (d) reviewing and assess the Group's risk management framework, systems, practices and processes, at least annually to ensure effective risk identification and management in compliance with the risk appetite set by the Board as well as external requirements;
- 3.2 The Board is also responsible for identifying and considering risk related requirements set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition) and reporting against such requirements including:

- (a) identification of material exposure to environmental or social risks:
- (b) identification of material exposure to climate change risk; and
- (c) determining whether the Group is required to report in relation to sustainability and environmental requirements.

4. Risk management processes and controls

4.1 The Group's process of risk management and internal assessment and control includes:

- (a) identifying and assessing strategic and operational risks that could impact the ability of the Group to achieve its objectives.
- (b) Monitoring the internal and external environment for emerging risks and changes to the nature or impact of identified risks;
- (c) Formulating risk management strategies and overseeing the development and implementation of risk management controls and procedures;
- (d) Regular assessment of the effectiveness of such risk management controls and procedures; and
- (e) Risk transference including review of the Group's insurance portfolio.

4.2 The Board delegates the responsibility for implementing risk management controls and assessing the effectiveness of such controls to management. Senior managers report to the Board periodically in relation to key risks impacting the area of the business in which they are responsible.

5. Review of risk management system

5.1 The Board reviews the effectiveness of risk management and internal controls at least annually. This review is conducted with the input of the senior management team.

5.2 On a quarterly basis the Group's risk register is reviewed to ensure that the appropriate risk score has been applied to that risk considering the impact of the risk and the likelihood of occurrence. Both the Board and management discuss any emerging risks which need to be incorporated into the risk register and material movements in the score applied to existing risks.

5.3 Where possible, risk management initiatives are incorporated into the objectives of senior management to ensure accountability for such risks.

5.4 Pursuant to the Corporate Governance Principles and Recommendations the Group will disclose if it has any material exposure to environmental and social risks and, if applicable, how such risks are identified and managed.

5.5 When considering the Group's annual and half year financial statements the Board receives a written statement signed by the Chief Executive Officer and the Finance Consultant (external CFO) that the Group's financial reports give a true and fair view, in all material respects, of the Group's financial positions and comply in all material respects with relevant accounting standards.

6. Risk Appetite Statement

6.1 The risk context in which the Group operates is characterised by several key factors including:

- (a) the unpredictable nature of climate and its impact on agriculture both domestically and internationally;
 - (b) the nature of food products and the accessibility of international markets in general as well as to those foods products;
 - (c) the regulation of food sales and marketing particularly infant formulas and food products for children;
 - (d) the level of marketing investment required to launch new brands and the effectiveness of such marketing investment both domestically and internationally;
 - (e) the prevailing economic and market conditions from time to time both domestically and in key international markets;
 - (f) the need to deliver financial returns in an increasingly competitive environment; and
 - (g) the variety of strict regulatory regimes which apply to the Group including the rules of the Australian Securities Exchange, dairy and broader food safety and quality regulation, international market access requirements.
- 6.2 The Group has developed a risk appetite statement outlining the level of risk which it is willing to accept to both strategic and operational risks. The appetite recognises that given the nature of agribusiness the Group's performance is dependent on external factors which are often outside the Group's control or ability to influence.
- 6.3 The Group is cognisant of the dynamic nature of risk and seeks to implement strategic commercial actions designed to capitalise on opportunities and minimise potential negative outcomes. Notwithstanding this, the nature of the Group's business operations and strategy and its growth stage requires it to accept significant levels of residual strategic and operational risk at this point.

7. Management of Risks

- 7.1 The Group's risk management framework is based on the ISO31000 standard for risk management. The standard aims to prioritise the risks facing the Group based on a risk score and this determines the review and implementation of appropriate risk mitigation and control strategies.
- 7.2 Within the framework, and in addition to daily management of business activities, each business unit is required to formally profile its risk environment every 6 months including identification of key risks, assess risk score applied to such risk, assess existing risk controls and operation, identify improvements and initiatives to address risks.
- 7.3 The Board has responsibility for considering management's monthly risk reports and reviewing and evaluating the 6 monthly review of the risk management framework.
- 7.4 The Board also reviews the Group's insurance policy framework on an annual basis to determine its application to the Group's risk management policy and risk controls and design.

8. Risk Profile

- 8.1 The Group's activities give rise to a broad range of risks to the Group's financial performance, enterprise value and ongoing commercial viability.
- 8.2 The Group adopts an enterprise view of the risks impacting the Group and both the Board and management have a role in identifying risks including emerging risks. Identified risks are given a

score based on the impact of the risk (against qualitative and quantitative factors) and the likelihood of occurrence.

- 8.3 The Group's risk register outlines the risks impacting the Group and are typically categorised into Strategic, Operational, Financial and Legal & Regulatory. Each risk is given a risk score and outlines existing controls and areas for change and improvement.
- 8.4 In line with the principles set out in ISO:31000 Risk Management Policy risks are prioritised according to their risk score, which is reviewed on an ongoing basis to adapt to prevailing internal and external circumstances.



Share trading policy

Australian Dairy Nutritionals Limited – ABN: 36 057 046 607
(Company)

Share trading policy

1. Introduction

1.1 Shares in the Company are listed on ASX.

1.2 This policy outlines:

- (a) when directors, senior management and other employees may deal in Company Securities;
- (b) when directors, senior management and other employees may deal in listed securities of another entity (because they may obtain inside information about another entity's securities while performing their duties for the Group); and
- (c) procedures to reduce the risk of insider trading.

2. Defined terms

In this policy:

Approving Officer means:

- (a) for a Designated Officer who is not a director, the chief executive officer (CEO);
- (b) for a director (except the chairperson of the Board), the chairperson of the Board; and
- (c) for the chairperson of the Board, an independent director of the Board.

ASX means ASX Limited.

Company Shares includes ordinary shares in the Company, rights or options over those shares and any other financial products of the Company traded on ASX from time to time.

Designated Officer means a director or person engaged in the management of the Group, whether as an employee or consultant.

Group means the Company and each of its controlled entities.

3. Insider trading

3.1 If a person has information about securities and the person knows, or ought reasonably to know, that the information is inside information, it is likely to be illegal for the person to:

- (a) deal in the securities;
- (b) procure another person to deal in the securities; or
- (c) give the information to another person who the person knows, or ought reasonably to know, is likely to:
 - (i) deal in the securities; or
 - (ii) procure someone else to deal in the securities.

- 3.2 Insider trading is a criminal offence. It is punishable by substantial fines or imprisonment or both. A company may also be liable if an employee or director engages in insider trading.
- 3.3 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.

4. What is inside information?

- 4.1 Inside information is information that:
- (a) is not generally available; and
 - (b) 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.
- 4.2 Information is generally available if it:
- (a) is readily observable;
 - (b) 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
 - (c) consists of deductions, conclusions or inferences made or drawn from information falling under paragraphs 4.2(a) or 4.2(b).

5. What is dealing in securities?

- 5.1 Dealing in securities includes:
- (a) applying for, acquiring or disposing of, securities;
 - (b) entering into an agreement to apply for, acquire or dispose of, securities;
 - (c) granting, accepting, acquiring, disposing, exercising or discharging an option or other right or obligation to acquire or dispose of securities; and
 - (d) entering transactions or arrangements which operate to limit the economic risk of securities which are held in the Group.
- 5.2 A decision to join, or subscribe for shares under, any dividend reinvestment plan is not dealing in Company Shares.

6. When employees may/may not deal

- 6.1 An employee (who is not a Designated Officer) may deal in Company Shares or 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 Company Shares or those securities of the other entity.
- 6.2 An employee (who is not a Designated Officer) may not deal or procure another person to deal in Company Shares or the listed securities of another entity if he or she has information that he or she knows, or ought reasonably to know, is inside information in relation to Company Shares or those securities of the other entity.

7. Trading by Designated Officer's

- 7.1 A Designated Officer must not deal in the Company Shares during the following periods (each, a **Closed Period**):
- (a) during the week prior to, and 48 hours after the release of the Group's Quarterly Reports (if applicable);
 - (b) during the two weeks prior to, and 48 hours after the release of the Group's Half Year Report; and
 - (c) during the two weeks prior to, and 48 hours after the release of the Group's Annual Report,
 - (d) during the two weeks prior to, and 48 hours after the Group holds its annual general meeting (assuming an update of the full year's results is given at the meeting).
- 7.2 A Designated Officer may not deal or procure another person to deal in Company Shares if:
- (a) he or she has information that he or she knows, or ought reasonably to know, is inside information in relation to Company Shares; or
 - (b) if he or she has not complied with paragraph 8.
- 7.3 A Designated Officer may not deal or procure another person to deal in the listed securities of another entity if he or she has information that he or she knows, or ought reasonably to know, is inside information in relation to those securities.

8. Clearance from the Approving Officer

- 8.1 Before dealing in Company Shares, a Designated Officer must first inform the Approving Officer and obtain clearance.
- 8.2 The Approving Officer may only give clearance during a Closed Period in exceptional circumstances.
- 8.3 The Approving Officer may not give clearance if:
- (a) there is a matter about which there is inside information in relation to Company Shares (whether or not the Designated Officer knows about the matter) when the Designated Officer requests clearance or proposes to deal in Company Shares; and
 - (b) the Approving Officer has any other reason to believe that the proposed dealing breaches this policy.
- 8.4 The Approving Officer must:
- (a) keep a written record of:
 - (i) any information received from a Designated Officer in connection with this policy; and
 - (ii) any clearance given under this policy; and
 - (b) send a copy of the written record to the Group Secretary for keeping.
- 8.5 The Group Company Secretary must keep a file of any written record referred to in paragraph 8.4.

9. Exceptional circumstances

- 9.1 The Approving Officer may give clearance for a Designated Officer to trade Company Shares in exceptional circumstances where the Designated Officer would otherwise not be able to do so under this policy. For example:
- (a) to sell (but not buy) Company Shares if the Designated Officer has a pressing financial commitment that cannot otherwise be satisfied; or
 - (b) transfer Company Shares already held in a superannuation fund or other saving scheme in which the Designated Officer is a beneficiary;
 - (c) make an investment in, or trade in units of, a fund or other scheme where the assets of the fund or other scheme are invested at the discretion of a third party (except for a fund or scheme that only invests in the Group);
 - (d) acquire ordinary securities in the Group as a result of the exercise of an option or other convertible security held under an employee incentive plan.
- 9.2 The Approving Officer may not give clearance under the exception in paragraph 9.1 if there is a matter about which there is inside information in relation to Company Shares (whether or not the Designated Officer knows about the matter) when the Designated Officer requests clearance or proposes to deal in Company Shares.
- 9.3 The Approving Officer will decide if circumstances are exceptional.

10. Dealings by associated persons and investment managers

- 10.1 If a Designated Officer may not deal in the Company Shares, he or she must prohibit any dealing in the Company Shares by:
- (a) any associated person (including family or nominee companies and family trusts); or
 - (b) any investment manager on their behalf or on behalf of any associated person.
- 10.2 For the purposes of paragraph 12.1, a Designated Officer must:
- (a) inform any investment manager or associated person of the periods during which the Designated Officer may and may not deal in Company Shares; and
 - (b) request any investment manager or associated person to inform the Designated Officer immediately after they have dealt in Company Shares.
- 10.3 A Designated Officer does not have to comply with paragraphs 10.1 and 10.2 to the extent that to do so would breach their obligations of confidence to the Group.

11. Communicating inside information

- 11.1 If an employee (including a Designated Officer) has information that he or she knows, or ought reasonably to know, is inside information in relation to Company Shares or the listed securities of another entity, the employee must not directly or indirectly communicate that information to another person if he or she knows, or ought reasonably to know, that the other person would or would be likely to:
- (a) deal in Company Shares or those securities of the other entity; or
 - (b) procure another person to deal in Company Shares or the securities of the other entity.

11.2 An employee must not inform colleagues (except the Approving Officer) about inside information or its details.

12. Speculative dealing

A Designated Officer may not deal in Company Shares on considerations of a short-term nature.

13. Transaction in associated products

Designated Officers are prohibited from entering into transactions in associated products which operate to limit the economic risk of security holdings in the Group over invested entitlements.

14. Breach of policy

A breach of this policy 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.

15. Distribution of policy

This policy must be distributed to all Designated Officers.

16. Assistance and additional information

Employees who are unsure about any information they may have in their possession, and whether they can use that information for dealing in securities, should contact the Group Company Secretary.

Updated: 31 August 2023

Shareholder Communication Policy

Australian Dairy Nutritionals Limited – ABN: 36 057 046 607
(Company)

Shareholder Communication Policy

1. Introduction and purpose

- 1.1 AHF recognises that shareholders and other stakeholders are entitled to be informed in a timely and readily accessible manner of all major developments affecting AHF.
- 1.2 The purpose of this Shareholder Communication Policy is to promote effective communication with shareholders and other stakeholders and to ensure effective participation at AHF's General Meetings.
- 1.3 This policy supplements AHF's Market Disclosure Policy and Code of Conduct, which are available at the investor centre on AHF's website (www.adnl.com.au) (**Website**).

2. Methods of Communication

- 2.1 Information is provided to shareholders and other stakeholders through:
 - (a) releases to the Australian Securities Exchange (**ASX**) in accordance with continuous disclosures obligations;
 - (b) news releases and shareholder emails;
 - (c) investor presentations;
 - (d) AHF's Website;
 - (e) AHF's annual, half-yearly and quarterly cash flow reports; and
 - (f) the Annual General Meeting or other shareholder meetings.
- 2.2 AHF encourages shareholders to receive Group information electronically by registering their email address online with the Group's shareholder registry (Link Market Services).
- 2.3 Other methods of communication available to shareholders and other stakeholders include: telephone mail and email.

3. ASX Releases

- 3.1 AHF makes announcements to the ASX in a timely manner in accordance with the ASX Listing Rules (see also: AHF's Market Disclosure Policy).
- 3.2 All announcements made to the ASX are available to shareholders:
 - (a) via a link on AHF's website to its Announcements on the ASX; or
 - (b) under the Announcements section of the ASX website.

4. AHF's Website

- 4.1 The Group's website includes:
 - (a) Group policies and key corporate documents;
 - (b) the half-yearly and yearly results announcements;

- (c) the Annual Report and Notice of Annual General Meeting;
- (d) general information on the Group and its activities.

4.2 The Corporate Governance section includes:

- (a) AHF's Corporate Governance Statement;
- (b) information about AHF's Directors;
- (c) the constitution of ADNL;
- (d) the trust deed of the Australian Dairy Farms Trust;
- (e) the Board charter; and
- (f) other Group policies that are likely to be of interest to shareholders and other stakeholders.

5. Half-Year and Full-Year Results

- 5.1 The financial results for the Half-Year ended 31 December are reported in February each year. The financial results for the Full-Year ended 30 June are reported in August each year.
- 5.2 The Half-Year and Full-Year Results are announced to the ASX pursuant to the Listing Rules and are available to shareholders in the same manner as other ASX announcements. The Full Year Results are also available in the Corporate Governance section of AHF's website.
- 5.3 Presentations made to investors and analysts will be available to all shareholders under the Announcements section of AHF's website and are released to the ASX prior to the presentation being given.
- 5.4 Details of all meetings and conversations with analysts are kept in a central location along with notes of each discussion.

6. Annual Report

- 6.1 The Annual Report contains key financial, operating and corporate information about AHF.
- 6.2 Where a shareholder has requested to receive a copy of the Annual Report, a copy will be either emailed or posted in accordance with the shareholder's stated preference prior to the Annual General Meeting within the timeframe set by the Corporations Act.
- 6.3 The Annual Report for the current year and previous years is available under the Investor Centre of the AHF website. Shareholders can also contact the AHF Share Registry if they require a copy of the Annual Report. A copy will be mailed to shareholders free of charge.

7. Annual General Meeting

- 7.1 The Annual General Meeting (**AGM**) provides an important opportunity for shareholders to ask questions of and express their views to the AHF Board and management and to vote on Board proposals. All shareholders are encouraged to attend the AGM.
- 7.2 The AGM will be conducted in accordance with the Constitution and the Corporations Act. The Constitution provides for the AGM to be held using technology available to the Group provided shareholders are afforded a reasonable opportunity to participate in the AGM.
- 7.3 The date, time and location of the AGM will be provided:

- (a) in the Notice of Meeting for the AGM; and
 - (b) on the AHF website.
- 7.4 The Notice of Meeting and proxy form will be distributed to all shareholders prior to the AGM in the timeframe set by the Corporations Act and in accordance with the communication preference provided by each shareholder. The full text of the Notice of Meeting will also be available in the Investor Centre section of AHF's website.
- 7.5 At the AGM, shareholders will be invited to ask questions about or comment on the results, operations, strategy and/or management of AHF and/or on the conduct of the audit and preparation and content of the auditor's report. The Chairman will provide shareholders present a reasonable opportunity to ask questions and discuss resolutions. The auditor will be available at the meeting to answer questions and comment on matters relating to the audit.
- 7.6 The Chairman's address and CEO's address will be lodged with the ASX just prior to the commencement of the AGM and will be available to shareholders in the same manner as other ASX Announcements.

8. Share Registry

- 8.1 Shareholders with any questions related to their shareholding should contact the AHF Share Registry on telephone 1300 554 474 (within Australia) or +61 2 9287 0309 (from outside Australia). Alternatively, shareholders can write to:
- Link Market Services Pty Limited
Office: Level 12, 680 George Street, Sydney NSW 2000
Postal: Locked Bag A14, Sydney South NSW 1235
Website: www.linkmarketservices.com.au
- 8.2 Details of individual securityholdings can be checked by visiting the AHF Share Registry website at www.linkmarketservices.com.au and clicking on the Investor Login button. To register for online access, for security reasons, shareholders are required to key in their Securityholder Reference Number (SRN) or Holder Identification Number (HIN) plus last name and postcode, to enable access to personal information.

Code of Conduct for directors, employees and contractors

Australian Dairy Nutritionals Limited – ABN: 36 057 046 607
(Company)

Code of conduct for directors, employees and contractors

1. Introduction

1.1 This code of conduct applies to:

- (a) the directors of Australian Dairy Nutritionals Limited (the **Company**) including the chief executive officer;
- (b) the chief financial officer of the Company;
- (c) any other employee or officer of the Company and its controlled entities (**Group**) who can materially influence the integrity, strategy and operation of the business and financial performance of the Group;
- (d) all other employees; and
- (e) contractors.

1.2 This code of conduct is supported by the Group's corporate code of conduct.

1.3 In this code of conduct, **Senior Executive** includes the chief executive officer, chief financial officer and any person referred to paragraph 1.1(c).

2. Purpose

As well as the legal and equitable duties owed by directors and Senior Executives, the purpose of this code of conduct is to:

- (a) articulate the high standards of honest integrity, ethical and law-abiding behaviour expected of directors, Senior Executives and all other employees;
- (b) encourage the observance of those standards to protect and promote the interests of shareholders and other stakeholders (including employees, customers, suppliers and creditors);
- (c) guide directors and Senior Executives as to the practices thought necessary to maintain confidence in the Group's integrity;
- (d) set out the responsibility and accountability of directors, Senior Executives and all other employees to this code of conduct, and ensure each of them is committed to implementing this code and accountable for such implementation, and to report and investigate any reported violations of this code or unethical or unlawful behaviour, and that disciplinary measures may be imposed for violation of the code;
- (e) ensure that not only the letter but also the spirit of the law in relation to shareholders' rights are observed;
- (f) that the Company presents and maintains its accounts to give a true and fair view of its financial position in accordance with generally accepted accounting and financial reporting standards;
- (g) encourage each employee use their best endeavours to deal with all stakeholders in a fair and responsible manner;

- (h) demonstrate the Company's commitment to providing clients, customers and consumers with fair value;
- (i) provide a safe workplace for all employees with equal opportunity throughout the Company; and
- (j) not tolerate the offering of bribes, facilitation payments, inducements and commissions in breach of the law or the misuse of Company assets or resources.

3. Honesty and integrity

The Company expects each director, Senior Executive employee and contractor to:

- (a) observe high standards of honesty, integrity and ethical and law-abiding behaviour when:
 - (i) performing their duties; and
 - (ii) dealing with any officer, employee, shareholder, customer, supplier, auditor, lawyer and other adviser of the Group; and
- (b) foster a culture of honesty, integrity and ethical and law-abiding behaviour among other officers employees and contractors.

4. Conflicts of interest or duty

4.1 Each director, Senior Executive employee and contractor must be aware of potential conflicts between (directly or indirectly):

- (a) on the one hand:
 - (i) the interests of the Group; or
 - (ii) their duties to the Group; and
- (b) on the other hand:
 - (i) their personal or external business interests; or
 - (ii) their duties to any third party.

4.2 Each director, Senior Executive employee and contractor must avoid placing himself or herself in a position that may lead to:

- (a) an actual or a potential conflict of interest or duty; or
- (b) a reasonable perception of an actual or potential conflict of interest or duty.

4.3 Each director, Senior Executive employee and contractor must:

- (a) in the case of directors and Senior Executives fully and frankly inform the board or in relation to employees, full and frankly inform his or her supervisor of any personal or external business interest that may lead to:
 - (i) an actual or potential conflict of interest or duty; or
 - (ii) a reasonable perception of an actual or a potential conflict of interest of duty; and
- (b) obtain and follow independent legal advice to avoid or resolve any actual, potential or perceived conflict of interest or duty.

4.4 Each director must:

- (a) leave the room when the board considers any matter in which the director has or may have a conflict of interest or duty; and
- (b) comply with the *Corporations Act 2001* (Cth) and the Company's constitution in relation to the disclosing material personal interests and restrictions on voting by directors.

4.5 Each director must inform the chair of the board of:

- (a) any existing directorship or other office held by the director in another entity outside the Group; and
- (b) any proposed appointment as a director or Senior Executive of another entity outside the Group before accepting the appointment.

5. Corporate opportunities

- 5.1 A director, Senior Executive or employee must not improperly use their position, property or information acquired through their position for personal gain or gain of an associate or to compete with or harm the Group.
- 5.2 A director, Senior Executive or employee may not use the words Australian Dairy Nutritionals, or "Australian Dairy Nutritionals Group (or any combination of those words) or any other business name or trademark used by the Group for a personal or external business transaction.
- 5.3 Each director, Senior Executive employee and contractor must keep their personal or external business dealings separate from the Group's business dealings.
- 5.4 A director, Senior Executive or employee must only use goods, services and facilities received from the Group in accordance with the terms on which they are given.
- 5.5 A director, Senior Executive or employee must not accept any improper gift from the Group's existing or potential customers or suppliers.

6. Confidentiality

- 6.1 Any information acquired by a director, Senior Executive or employee while performing their duties is confidential information of the Group and must be kept confidential. A director must not disclose the information to a third party except where that disclosure is:
 - (a) authorised by the board; or
 - (b) required by law or a regulatory body (including a relevant stock exchange).
- 6.2 The existence and details of any board and management information, discussions, and decisions that are not publicly known and have not been approved by the board for public release, are confidential information of the Group and subject to paragraph 6.1.
- 6.3 Each director's, Senior Executive's employee's and contractor's obligations of confidentiality continue after he or she leaves the Group.

7. Fair dealing

- 7.1 The Company expects each director, Senior Executive employee and contractor to:
 - (a) deal fairly with any officer, employee, shareholder, customer, supplier, competitor, auditor, lawyer or other adviser of the Group; and

(b) encourage other employees and officers to do the same.

- 7.2 A director, Senior Executive or employee must not take unfair advantage of any officer, employee, customer, supplier, competitor, auditor, lawyer or other adviser of the Group through illegal conduct, manipulation, undue influence, concealment, abuse of confidential information, misrepresentation of material facts, or any other unfair-dealing practice.

8. Protection and proper use of assets

- 8.1 The Company expects each director, Senior Executive employee and contractor to use all reasonable endeavours to protect any Group asset and to ensure its efficient use.
- 8.2 A director, Senior Executive or employee may only use a Group asset (for example, a product, vehicle, computer or money) for legitimate business purposes or other purposes approved by the board.
- 8.3 Each director, Senior Executive employee and contractor must immediately report any suspected fraud or theft of a Group asset for investigation.

9. Compliance with laws, regulations, policies and procedures

Each director, Senior Executive employee and contractor must:

- (a) comply with the letter and spirit of any applicable law, rule or regulation;
- (b) comply with the protocols, policies and procedures of the Group, including its corporate code of conduct; and
- (c) encourage other officers employees and contractors to do the same.

10. Reporting of unlawful and unethical behaviour

- 10.1 The Company expects each director, Senior Executive employee and contractor to:
- (a) report promptly and in good faith any actual or suspected violation by an officer or employee of the standards, requirements or expectations set out in this code of conduct or the corporate code of conduct; and
 - (b) encourage other officers or employees to do the same.

- 10.2 A director, Senior Executive or employee may use their own judgment in deciding to whom to report any violation or behaviour referred to in paragraph 10.1, however:

- (a) directors are encouraged to report to the chair of the board or another director; and
- (b) Senior Executives are encouraged to report to their immediate supervisor, the chief executive officer or the chair of the board.

Other employees and officers are encouraged to report to their immediate supervisor or to the chief executive officer.

- 10.3 If an employee or officer reports, in good faith, any violation or behaviour referred to in paragraph 10.2, each director, Senior Executive or employee must ensure:

- (a) the reporting person's position is protected;
- (b) the reporting person's identity is only disclosed with their consent, except where disclosure is required by law; and

- (c) no disciplinary, discriminatory or other adverse action is taken or tolerated against the reporting person for reporting the violation.
- 10.4 A director, Senior Executive or employee who receives a report of any violation or behaviour referred to in paragraph 10.2 must ensure:
- (a) the alleged violation or behaviour is thoroughly investigated;
 - (b) rules of natural justice are observed in the investigation; and
 - (c) appropriate disciplinary action is taken if the allegation is substantiated.

Effective Date: August 2023

Market disclosure policy

Australian Dairy Nutritionals Limited ABN 36 057 046 607 (**Company**)

Market disclosure policy

1. Introduction

- 1.1 The shares of the Company are quoted on Australian Securities Exchange Limited (**ASX**).
- 1.2 Under the ASX Listing Rules a company must continuously disclose price-sensitive information to the market. Price-sensitive information is information that a reasonable person would expect to have a material effect on the price or value of a company's shares.
- 1.3 The disclosure obligation is given legislative force under the *Corporations Act 2001* (Cth).
- 1.4 The Group is committed to complying with the continuous disclosure obligations contained in the ASX Listing Rules and the *Corporations Act 2001* (Cth).
- 1.5 This policy embraces the principles contained in the ASIC guidance note, *Better Disclosure for Investors*, ASX Guidance Note 8, and the *Principles of Good Corporate Governance and Best Practice Recommendations* published by the ASX Corporate Governance Council.

2. Defined terms

In this policy:

Company Shares includes ordinary shares in the Company, rights or options over those shares and any other financial products of the Company traded on ASX from time to time.

Company Shares

Disclosure Officer means the Company Secretary.

Group means the Company and each of its controlled entities.

3. Objective

The objective of this policy is to:

- (a) ensure the Group immediately discloses all price-sensitive information to ASX in accordance with the ASX Listing Rules and the *Corporations Act 2001* (Cth);
- (b) ensure officers and employees are aware of the Group's continuous disclosure obligations; and
- (c) establish procedures for
 - (i) the collection of all potentially price-sensitive information;
 - (ii) assessing if information must be disclosed to ASX under the ASX Listing Rules or the *Corporations Act 2001* (Cth);
 - (iii) releasing to ASX information determined to be price-sensitive information and to require disclosure; and
 - (iv) responding to any queries from ASX (particularly queries under Listing Rule 3.1B (see paragraph 9).

4. Managing Disclosure

- 4.1 The Board is responsible for approving a continuous disclosure system and monitoring the Group's compliance with this policy.
- 4.2 The Board has authorised the CEO or his or her delegate, or, if one has not been appointed, the Chairman to have responsibility for:
- (a) deciding if information should be disclosed to ASX in accordance with paragraph 6 and subject to any decision of the Board;
 - (b) ensuring compliance with continuous disclosure obligations;
 - (c) establishing a system to monitor compliance with continuous disclosure obligations and this policy;
 - (d) monitoring regulatory requirements so that this policy can be amended to ensure it conforms with those requirements;
 - (e) monitoring changes in the market price of and trading volume of Group's Securities to identify circumstances where a potentially false or disorderly market may have emerged in Company Shares.
- 4.3 The Board will be consulted in relation to the disclosure (or non-disclosure) of matters in accordance with clause 6.
- 4.4 The form and content of any announcement in relation to a major matter will be considered and reviewed by the Board. The form and content of any announcement relating to a matter that is not a major matter requires the consideration and approval of the CEO and Chairman.
- 4.5 Decisions about trading halts or pauses in trading will be made following consultation with the Board in relation to major matters and by CEO and Chairman in relation to other matters (or, if such decision is required to be made on an urgent basis and either the CEO or Chairman are not available, with the Disclosure Officer).
- 4.6 Items of an administrative nature such as change of directors' interest may be made by the Disclosure Officer following consultation with either the CEO or the Chairman (or their delegate).

5. Disclosure Officer

- 5.1 The Board has appointed the Company Secretary to act as the Disclosure Officer.
- 5.2 The Disclosure Officer is responsible for:
- (a) conducting all disclosure discussions with ASX;
 - (b) communicating with ASX about general matters concerning the ASX Listing Rules (in accordance with ASX Listing Rule 12.6);
 - (c) ensuring officers and employees are aware of and adequately understand:
 - (i) the continuous disclosure obligations;
 - (ii) their responsibilities in relation to the continuous disclosure obligations and to protect the confidentiality of information (including, when instructing advisers or conducting negotiations in relation to any matter that may give rise to price-sensitive information); and
 - (iii) this policy; and

- (d) if the Disclosure Officer thinks it necessary, implementing training sessions for officers and employees in relation to the continuous disclosure obligations, their responsibilities in relation to those obligations and the protection of confidential information and this policy.
- (e) implementing and supervising procedures for reporting potentially price-sensitive information; and
- (f) ensuring (using all reasonable endeavours) announcements are:
 - (i) factual, free of emotive or argumentative language, do not contain misleading or deceptive statements (including by omission);
 - (ii) are expressed in a clear and objective manner; and
 - (iii) to the extent they contain financial information, compliant with the requirements of *ASIC Regulatory Guide 230 Disclosing non-IFRS financial information*, that allows investors to assess the impact of the information when making investment decisions.

5.3 The Disclosure Officer must maintain a file (**Disclosure File**) of:

- (a) material disclosed to ASX;
- (b) communications with ASX under Listing Rule 3.19B;
- (c) potentially price-sensitive information that has come to the Disclosure Officer's attention and has not been disclosed to ASX; and
- (d) reasons why any potentially price-sensitive information was not disclosed (including applicable exceptions to ASX Listing Rule 3.1 which may apply to a decision not to disclose potentially material information).

5.1 The Disclosure Officer must report the information referred to in paragraph 5.3 to:

- (a) the CEO; and
- (b) the Board at each regular Board meeting.

6. Deciding if information should be disclosed

6.1 If an employee or officer of the Group becomes aware of any information at any time that should be considered for release to the market (even if the employee or officer is in doubt about whether information is potentially price-sensitive), it must be reported immediately to the Disclosure Officer or the CEO.

6.2 Subject to the Board's overriding authority, the CEO and Disclosure Officer are responsible for deciding if information should be disclosed. Where the CEO and Disclosure Officer determine that disclosure is required, the Disclosure Officer must prepare an announcement for lodgement with ASX disclosing that information and:

- (a) for items of an immaterial nature or, where time does not permit the consideration by the Board, seek the approval of the CEO and Chairman to disclose this information to the market prior to release; or
- (b) for material items, seek Board approval to disclose this information to the market prior to release.

6.3 If the CEO and Disclosure Officer cannot agree as to whether information is price sensitive or if it must be disclosed, the matter must be referred to the Board, who will, if necessary, seek external

legal or financial advice and approve the form of the disclosure of this information to the market prior to release.

- 6.4 If, under clause 6.2 or 6.3, it is determined that the information is price sensitive and needs to be disclosed then the Disclosure Officer must:
- (a) lodge an announcement with ASX disclosing the information; and
 - (b) ensure a copy of the announcement is provided to each director.
- 6.5 If the CEO and Disclosure Officer, or the Board decides information is not price-sensitive, or does not have to be disclosed, the Disclosure Officer must:
- (a) make careful notes setting out:
 - (i) how the information came to their attention; and
 - (ii) why it is not price-sensitive, or why it does not have to be disclosed; and
 - (b) record those notes on the Disclosure File.

7. Assessing if information is price-sensitive

- 7.1 The guiding principle is that the Group must immediately disclose to ASX any information concerning the Group that a reasonable person would expect to have a material effect on the price or value of Company Shares.
- 7.2 The reference to immediately means 'promptly and without delay'.
- 7.3 If information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of Company Shares, it is material. However, information could be material in other ways. If there is any doubt, the information should be disclosed to the Disclosure Officer or the CEO.
- 7.4 Examples of the types of information that may need to be disclosed include:
- (a) a change in revenue, or profit or loss, forecasts;
 - (b) a change in asset values or liabilities;
 - (c) a change in tax or accounting policy;
 - (d) a change in the attitude of significant investors to investing in Company Shares;
 - (e) a decision of a regulatory authority in relation to the Group's business;
 - (f) a relationship with a new or existing significant customer or supplier;
 - (g) a formation or termination of a joint venture or strategic alliance;
 - (h) an entry into or termination of a major contract;
 - (i) a significant transaction involving the Group or any of its controlled entities;
 - (j) a labour dispute;
 - (k) a threat, commencement or settlement of any material litigation or claim;
 - (l) the lodging of a document containing price-sensitive information with an overseas exchange or other regulator so that it is public in that country;
 - (m) an agreement between the Group and one of its directors or one of their related parties;
- or

(n) a director's health.

7.5 There are many other types of information that could give rise to a disclosure obligation. For example, a development in a company affiliated with, but not controlled by, the Group may be price-sensitive when related to the Group itself.

8. Exception to disclosure

The Group does not have to give ASX information if:

- (a) a reasonable person would not expect the information to be disclosed;
- (b) the information is confidential and ASX has not formed the view that the information has ceased to be confidential; and
- (c) one or more of the following conditions in ASX Listing Rule 3.1A.3 applies:
 - (i) it would be a breach of the law to disclose the information;
 - (ii) the information concerns an incomplete proposal or negotiation;
 - (iii) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
 - (iv) the information is generated for internal management purposes; or
 - (v) the information is a trade secret.

9. False markets, market speculation and rumours

9.1 Market speculation and rumours, whether substantiated or not, have the potential to impact on the Group. Speculation may also contain factual errors that could materially affect the Group.

9.2 The Disclosure Officer will monitor movements in the price or trading of Company Shares to identify circumstances where a false market may have emerged in Company Shares.

9.3 If ASX asks the Group to give it information to correct or prevent a false market, the Disclosure Officer is responsible for giving the information to ASX after following the procedure in paragraph 6.

9.4 The Group's general policy on responding to market speculation and rumours is that it does not respond to market speculation or rumours. However, the Group may decide to make a statement in response to market speculation or rumours if:

- (a) it considers it is obliged at that time to make a statement to the market about a particular matter; or
 - (b) ASX asks for information,
- to prevent or correct a false market occurring in Company Shares.

10. Public release of disclosed information

10.1 The Group will publicly release all information announced on the ASX Platform to ASX under this policy by placing it on its website.

10.2 The Disclosure Officer must confirm that the Group has received confirmation from ASX that the information has been released to the market, before publicly releasing the information.

11. Trading halts and pauses in trading

- 11.1 The Group may ask ASX to halt trading or place a pause on trading in Company Shares to:
- (a) maintain orderly trading in its securities; and
 - (b) manage disclosure issues.
- 11.2 The Disclosure Officer will make all decisions about trading halts and pauses in trading, where possible in consultation with the Board.

12. Authorised spokespersons

- 12.1 Only the following persons may speak on behalf of the Group to institutional investors, stockbroking analysts and the media:
- (a) the CEO;
 - (b) the Chairman; and
 - (c) any other person authorised in writing in advance to speak on behalf of the Group by the Board.
- 12.2 Those persons may only clarify information that the Group has publicly released and must not comment on price-sensitive information that has not been released to the market.
- 12.3 The Group will not expressly or implicitly give institutional investors or stockbroking analysts earnings forecast guidance that has not been released to the market.
- 12.4 If other employees are asked to comment by an external investor, stockbroking analyst or the media in relation to any matter concerning the Group they must:
- (a) say that they are not authorised to speak on behalf of the Group; and
 - (b) refer the investor, stockbroking analyst or media to the Disclosure Officer.
- 12.5 Before any media release can be issued the Disclosure Officer must:
- (a) review it;
 - (b) disclose it to ASX; and
 - (c) confirm that the Group has received confirmation from ASX that the information in the media release has been released to the market.

13. Open briefings to institutional investors and stockbroking analysts

- 13.1 The Group may hold open briefings with institutional investors or stockbroking analysts to discuss information that has been released to the market.
- 13.2 For the purposes of this policy:
- (a) public speeches and presentations by the chief executive officer or chief financial officer are open briefings; and
 - (b) any meeting that is not an open meeting is a one-on-one briefing.
- 13.3 Price-sensitive information that has not been released to the market must not be disclosed at open briefings.

- 13.4 If a question raised in a briefing can only be answered by disclosing price-sensitive information, employees must:
- (a) decline to answer the question; or
 - (b) take the question on notice and wait until the Group releases the information to the market through ASX.
- 13.5 If an employee participating in a briefing thinks that something has been raised that might be price-sensitive information that has not been publicly released, he or she must immediately inform the Disclosure Officer or the CEO (if the Disclosure Officer is unavailable).
- 13.6 Before any open briefing, the Group will inform the market about the briefing through ASX.

14. One-on-one briefings with institutional investors and stockbroking analysts

- 14.1 It is in the interests of shareholders that institutional investors and stockbroking analysts have a thorough understanding of the Group's business, operations and activities.
- 14.2 The Group may hold one-on-one or group briefings with institutional investors and stockbroking analysts. At these briefings, the Group may give background and technical information to help institutional investors and stockbroking analysts better understand its business operations and activities.
- 14.3 For the purposes of this policy, a one-on-one or group meeting includes any communication between the Group and an institutional investor(s) or a stockbroking analyst(s).
- 14.4 Price-sensitive information that has not been released to the market must not be disclosed at one-on-one or group briefings.
- 14.5 File notes must be made of all one-on-one or group briefings and kept for a reasonable period.
- 14.6 If an employee participating in a one-on-one or group briefing thinks that something has been raised that might be price-sensitive information that has not been publicly released, he or she must immediately inform the Disclosure Officer or the CEO (if the Disclosure Officer is unavailable).
- 14.7 Before any series of analysts or similar type briefings, the Group will inform the market about briefings through ASX.

15. Presentational and briefing materials

Any presentational or briefing materials for open or one-on-one briefings must be given to the Disclosure Officer before the briefing to determine if they contain any price-sensitive information that has not been released to the market.

16. 'Blackout' periods

To protect against inadvertent disclosure of price-sensitive information, the Group will not hold one-on-one and open briefings (except to deal with matters subject to an announcement through the ASX) between:

- (a) the end of its financial reporting periods and the announcement of results to the market;
- and

- (b) sending notice of an annual general meeting to shareholders and the holding of the meeting.

17. Review of reports by analysts

- 17.1 The Group is not responsible for, and does not endorse, reports by analysts commenting on the Group.
- 17.2 The Group does not incorporate reports of analysts in its corporate information, including its website (this also extends to hyperlinks to websites of analysts).
- 17.3 If an analyst sends a draft report to the Group for comment:
 - (a) employees must immediately send it to the Disclosure officer;
 - (b) any response to it will not include price-sensitive information that has not been disclosed to the market;
 - (c) it will only be reviewed to correct factual inaccuracies on historical matters; and
 - (d) no comment will be made on any profit forecasts contained in it.
- 17.4 Any correction of a factual inaccuracy does not imply that the Group endorses a report.
- 17.5 A standard disclaimer will be made in any response to an analyst.

18. Chat Rooms

Neither the Group's Directors nor the Group's employees may participate in chat room discussions on the internet where the subject matter relates to the Group.

19. Informing employees

- 19.1 This policy or a summary of it will be distributed to employees to help them understand the Group's continuous disclosure obligations, their individual reporting responsibilities and the need to keep the Group's information confidential.
- 19.2 The Group's share trading policy will also be distributed to the employees. That policy also relates to the treatment of price-sensitive information.

20. Policy breaches

If an employee breaches this policy, he or she may face disciplinary action, including dismissal in serious cases.

21. Questions

Any questions about the Group's continuous disclosure obligations or this policy should be referred to the Disclosure Officer.