



Board Charter

1. Introduction

- 1.1 This Charter sets out the role, responsibilities, structure and operation of the Board of HRL Holdings Limited (**Board**). This Charter has been developed to promote high standards of corporate governance.
- 1.2 The Board is governed by the constitution of HRL Holdings Limited (**HRL**), which is available on the HRL website at www.hrlholdings.com.

2. Role of the Board

- 2.1 The primary roles of the Board are the creation of long-term shareholder value while having regard for the interests of all stakeholders including customers, employees, suppliers and local communities, and the oversight of the Group's senior management and the corporate governance framework.
- 2.2 This is achieved by:
 - development of the strategic direction of the Group;
 - efficient financial control;
 - effective oversight of senior management;
 - implementation of internal delegations and controls;
 - promoting high standards of ethical behaviour;
 - respect for employees' aspirations;
 - good corporate governance and commitment to constant improvement of corporate governance practice; and
 - acting as a good corporate citizen.

3. Board Composition and Structure

- 3.1 The constitution of HRL Holdings Limited provides that there will be a minimum of three directors.
- 3.2 The Board should comprise members:
 - with an appropriate range of skills, experience and expertise;
 - with a proper understanding of, and competence to deal with, current and emerging issues;
 - who can effectively review and challenge the performance of senior management; and
 - who exercise independent judgement.
- 3.3 At each Annual General Meeting (**AGM**) one-third of the directors (or if their number is not three nor a multiple of three, then the number nearest to one-third) and any other director who has held office for three years or more, but excluding the Managing Director, must retire from office but may stand for re-election. The Board confirms to shareholders at each AGM whether it supports the re-election of each retiring director in a statement that accompanies the Notices of Meeting.
- 3.4 When a Board vacancy occurs or where it is considered that there is a gap in necessary expertise, the Board reviews potential candidates, with advice from external consultants where considered necessary. The Board invites the most suitable candidate to join the Board as a casual vacancy until they are proposed for election by the Group's shareholders at the next AGM.



4. Board Conduct

- 4.1 The Board will at all times act honestly, fairly, diligently and in accordance with the Constitution and the law.
- 4.2 Directors are required to comply with Board policies in relation to disclosing and managing conflicts of interests, dealing in HRL securities and other rules adopted by the Board from time to time.
- 4.3 Each Director is expected to observe the highest standards of ethical behaviour and act in a manner consistent with HRL's core values and the *Code of Conduct*. Directors are expected to contribute towards a climate of trust and candour, foster a culture of open constructive discussion and dissent and exhibit individual accountability.
- 4.4 Directors may express their view on how a matter is being handled by management at any time by raising the issue with the Executive Director and Chief Executive Officer. The Executive Director and Chief Executive Officer will investigate the matter and discuss the outcome of his investigations with the relevant Director.

5. Responsibilities of the Board

5.1 Strategic Planning

- Approve, monitor and update the long term strategic plan for the Group, acknowledging that does not mean that the Board intends to manage the business, but is responsible for overseeing management and holding it to account.
- Oversee the processes management have in place to identify and manage business opportunities.
- Determine the extent and types of financial risk that are acceptable.
- Approve operational plans and budgets.
- Review with management how the strategic environment is changing, key issues that emerge and modify the strategic direction.

5.2 Financial Performance

- Evaluate, approve and monitor senior management's performance in the implementation and achievement of the Group's business objectives and financial strategies and plans.
- Approve all financial reports for the Group.
- Approve the distribution policy and distribution payments for the Group.
- Evaluate, approve and monitor annual budgets and business plans.
- Evaluate, approve and monitor all Group projects to a value in excess of executive delegated authorities.
- Approve any change to the capital structure of the Group.
- Approve and monitor the progress of major capital expenditure, capital management and acquisitions and disposals.

5.3 Risk Management

- Review material business risks, risk management strategies and relevant internal controls for the Group.
- Approve and monitor risk management resources, structures and processes.
- Approve and monitor compliance with corporate policies and protocols.
- Approve and monitor compliance with regulatory requirements.



5.4 Board and Executive Management

- Work with senior management as collaborators in advancing the interests of the Group.
- Nomination and selection process for appointment of non-executive directors to the Board.
- Induction programmes for non-executive directors.
- Succession plans for Board members.
- Appoint, monitor and evaluate the Executive Director and Chief Executive Officer.
- Succession planning for the Executive Director and Chief Executive Officer and the Chief Financial Officer.
- Where appropriate, ratify the terms of employment for members of the executive management team.
- Review and monitor policies and frameworks for paying and rewarding senior management.
- Approve employee and executive incentive schemes.
- Approve delegated authorities to management.

5.5 Corporate Values

- Set the style in relation to the reputation, status and positioning of the Group.
- Ensure the Group's values are articulated.
- Do the 'right things' in relation to the Group's stakeholders and the wider community.
- Maintain high standards of conduct, ethical behaviour and compliance.
- Approve and monitor adherence with Group policies and the *Code of Conduct*.

5.6 Board Committees

- Establish Board committees as it considers appropriate to assist in the execution of its functions including Audit and Risk, Remuneration and Nomination.

5.7 Reporting

- Approve recommended disclosure in the annual report and other published financial information.
- Approve any publicly available information about the Group policies.
- Approve any departures from the ASX best practice recommendations.

5.8 Conflicts of Interest

- Each director must act in the best interests of the Group and its security holders and comply with the requirements of section 8 of this Charter in relation to conflicts of interest.

5.9 Evaluating Board Performance

- Review the Board's role and composition.
- Review Board processes and the Committees appointed to support the Board.
- Review the Board's performance including the performance of its Committees and the performance of directors individually.



6. The Board and Management

- 6.1 The Board has delegated to the Executive Director and Chief Executive Officer responsibility for the day to day management of the Group and the implementation and delivery of the Board's strategic direction.
- 6.2 The Board delegates authority to the Executive Director and Chief Executive Officer and senior management in accordance with a formal delegation document.
- 6.3 The Board has implemented appropriate procedures to assess senior management's performance in conjunction with any established Remuneration Committee.

7. Role of Chair

- 7.1 The Chair is a non-executive director appointed by the Board.
- 7.2 The Board recognises the importance of ensuring that the Chair and the Chief Executive Officer have defined roles within the organisation and function within clear functional lines. Board policy is that the role of Chair and the role of Chief Executive Officer must be exercised by separate individuals.
- 7.3 The role and responsibilities of the Chair include:
 - providing leadership to the Board and ensuring the Board works effectively in discharging its responsibilities;
 - taking a leadership role in the formulation of Group policy and ensuring that the agenda is forward looking and concentrates on strategic matters;
 - lead the Board in the assessment of the Group's financial position and performance, the detection of any material adverse developments and the monitoring of management;
 - chairing Board meetings and meetings of members, including the AGM;
 - ensuring Board meetings occur with appropriate frequency and that there is sufficient time allowed for the discussion of all matters on the agenda;
 - encouraging the active engagement of all Board members through a full and frank exchange of views at Board meetings and ensuring that the views of all directors are heard;
 - assisting with the development of Board members and the effectiveness of the Board as a whole;
 - being the primary channel of communication between the Chief Executive Officer and the Board;
 - promoting consultative and respectful relations between the Board and management; and
 - monitoring Board performance annually.

8. Conflicts of Interest

- 8.1 Directors must:
 - disclose to the Board any actual or potential conflicts of interest which may exist as soon as they become aware of the issue;
 - take any necessary and reasonable measures to try and resolve the conflict; and
 - comply with the *Corporations Act 2001* requirements in relation to the disclosure of interests and restrictions on voting.



- 8.2 Unless the Directors decide to the contrary, if a conflict or potential conflict situation exists, the conflicted director will be excluded from all considerations of the matter by the Board including any segment of the Board papers or other documents containing any reference to the matter.
- 8.3 Directors are expected to advise the Chair of any proposed Board or executive appointment to other organisations as soon as practicable.
- 8.4 Refer to the Group's *Conflicts of Interest Policy* for further details.

9. Access to Information and Independent Advice

- 9.1 Directors may access such information and seek such independent advice as is considered necessary to fulfil their relevant Board duties and responsibilities.
- 9.2 Directors will be entitled to:
- full and free access to members of the senior management via the Executive Director at any time to discuss Board matters or request relevant and additional information; and
 - independent professional advice at the Group's expense with the prior approval of the Chair, which will not be unreasonably withheld.
- 9.3 Directors may share relevant information and advice received with the other directors where appropriate.

10. Board Meetings and Procedures

- 10.1 The Board will meet as often as is deemed necessary by the directors in order to fulfil their duties and responsibilities. A Director may at any time, and the Company Secretary must on the written request of a Director, convene a meeting of the Board.
- 10.2 A quorum for Board meetings is two directors entitled to vote.
- 10.3 The Board may with the approval of the Chair conduct meetings by telephone or videoconference provided that all Board members involved in the meeting are able to participate in discussion.
- 10.4 Directors must comply with their legal, statutory and equitable duties and obligations when discharging their responsibilities as directors.
- 10.5 All proceedings of the Board, including papers submitted and presentations made to the Board, will be kept confidential and will not be disclosed to any person other than Board members, except as required by law or as agreed by the Board.

11. Board Committees

- 11.1 The various powers, duties and responsibilities of the Board set out in this Charter may be delegated to one of more committees of the Board.
- 11.2 All Board committees will have a charter approved by the Board setting out the composition, duties and responsibilities of that committee.
- 11.3 Minutes of the proceedings of all meetings of Board committees will be maintained and copies of those minutes will be distributed to all directors at the next Board meeting following the committee meeting.



12. Review of Board Performance

12.1 The performance of the Board is to be reviewed annually by the Chair. The Remuneration Committee (if established) may also assist the Chair in evaluating the Board's performance.

12.2 The evaluation will:

- assess performance in terms of key Board functions and Board processes including the Board as a whole and Board committees;
- assess the role of the Board including Board structure and the way roles are executed;
- review Board performance in line with continuous improvement and assessment against established values, culture and reputation;
- assess performance in terms of corporate governance;
- ensure corporate values are well articulated and understood; and
- recommend any proposed amendments to Board policies and charters.

13 Publication of Charter

13.1 A copy of the Board Charter is available at www.hrlholdings.com. The Charter is also made available to shareholders upon request.

All queries regarding issues raised in this policy should be directed to the Company Secretary

This Charter was reviewed and approved by the Board on 24 November 2014.

Director Induction Policy

1. Introduction

1.1 The purpose of this Policy is to set out the induction procedures for new Directors of Hot Rock Limited (Company) and its controlled entities. The Board recognises that the appointment of new Directors is a means of enhancing the performance of the Board and the Company, through the inclusion of additional skills and experience. The Board also recognises the importance of providing new Directors with the opportunity to build their knowledge of the Company quickly, so that they are able to make an effective contribution to the work of the Board. This Policy has been approved by the Board to promote these objectives.

1.2 Before induction of a new Director, the Chairman and the Executive Director will work to determine a time-effective program for the formal induction process. The induction will be tailored for each new Director (depending on their requirements, skills, qualifications and experience) and will as a minimum include:

(a) Providing the Director with detailed information about the Company and its structure, corporate governance regime, business plans and strategy. In particular, and as soon as possible following the new Director's appointment, the Company Secretary will provide the Director with the following materials:

(i) Company structure chart.

(ii) Constitution.

(iii) Corporate & Governance Principles and Practices Manual – This Manual includes documents such as Board Charter, Board Code of Conduct, Employee Code of Conduct, Conflict of Interest Policy, Securities Trading Policy, Committee Charters and Continuous Disclosure and ASX Announcements Policy. It is expected that the Director will become familiar with all of the material in this Manual.

(iv) Disclosure Agreement & Declaration Form – The Director will be required to complete the disclosure agreement and disclosure form, detailing any interests in the Company's securities. The form of these documents will be substantially as set out in the Attachments to Guidance Note 22 to the ASX Listing Rules.

(v) Copies of papers for the last 3 Board meetings – The Board papers are provided to assist the Director to gain familiarity with the Company's operations, current issues and risks affecting the Company.

(vi) Latest financial statements of the Company – The latest financial statements together with the annual and half-yearly reports for the last 2 financial years are provided to assist the Director to gain familiarity with the financial performance, operations and risk management position of the Company.

(vii) The Company Auditor's last 2 reports to the Board.

(viii) All ASX announcements for the year preceding the new Director's commencement date (excluding statutory lodgments such as Directors' shareholding notices).

(ix) All current standing notices of interest from other Directors – These will be provided in accordance with the Company's Conflict of Interest Policy.

(b) Providing additional information relating to the Director's role and responsibilities, including payroll documentation and superannuation information.

(c) Facilitating introductions to and structured meetings with other Board members, the Executive Director, the Company's senior management team, the Company Secretary and the Company's external auditors with a focus on key issues for Board awareness and decision-making.

(d) Providing information about the Committees established by the Board which are currently:

(i) Audit & Risk Committee.

(ii) Nomination, Remuneration and Governance Committee,

(iii) Operational Risk and Sustainability Committee

(iv) Contracts Committee

and their charters and their responsibilities.

(e) Providing the Director with the opportunity to visit the Company's major operational sites within a short period after commencement.

(f) Providing access to management for briefings to the Director on strategic, financial and other matters.

1.3 A copy of this Policy will be provided to all Directors as part of the Company's induction procedures. A copy can also be found on the Company's website (www.mtgibsoniron.com.au).

1.4 References in this document to the "Executive Director" are also taken to include a person acting in the role of "Chief Executive Officer".

Adopted by the Board on 26 February 2013

2 Chairman's role

2.1 As part of the induction process, the Chairman will hold a meeting or meetings with the new Director to provide an opportunity for the Chairman to formally welcome the new Director and discuss:

(a) Ethics, values, culture and history of the Company and the Board.

(b) Strengths and weaknesses of the Company, the Board and senior management.

(c) Role and responsibilities of the Board and senior executives.

(d) Performance evaluation of the Board and senior executives.

(e) Workload, time and commitment (both at a Board and individual Director level).

(f) The Chairman's expectations, including as to how the new Director can contribute.

(g) Current strategies.

(h) Board meeting procedures and protocols (including the interaction of Directors with each other and with senior management and Board support functions).

2.2 The Chairman will provide the new Director with an overview of the current matters before the Board and will highlight relevant priorities, minutes, discussions and actions.

2.3 [Removed because the review process is already addressed in the Board Charter]

3 Contact details and availability

3.1 Prior to appointment, each Director is required to provide details of a secure street address, email address and facsimile number for the receipt of confidential Company documents and secure telephone numbers at which the Director can be contacted.

3.2 Directors are expected to regularly check their emails as the majority of communications will be conducted by email for convenience.

3.3 Directors who plan any extended holiday or business travel and will not be contactable in the usual manner are expected to notify the Company Secretary in advance, provide alternative contact details and indicate any periods when they will not be available.

4 Director Remuneration

4.1 Non-Executive Director remuneration will be paid to their designated bank accounts in accordance with the terms and conditions of the Appointment Letter. Non-Executive Directors remuneration is generally paid on a monthly basis in arrears. Non-Executive Directors will normally receive a pay slip each quarter confirming that the remuneration has been paid into their designated bank account.

4.2 In accordance with the Constitution, each Director will also be entitled to be paid all reasonable travel, accommodation and other expenses incurred in attending meetings of the

Adopted by the Board on 26 February 2013

Company, the Board or Board Committees or while otherwise engaged on the business of the Company.

5 Indemnities, insurance and access to information

5.1 Each new Director will have the opportunity to sign a directors' deed of indemnity, insurance and access (Deed) following their appointment.

5.2 The Deed will provide (amongst other matters) that:

(a) To the extent permitted by the law, the Company will indemnify the Director against liability as an officer of the Company. The indemnity will also extend to legal costs and the costs of responding to administrative investigations or appearing as a witness in legal proceedings, if related to what the Director does (or did) as an officer of the Company.

(b) The Company will procure directors' and officers' insurance for the Director with a reputable insurer on usual commercial terms.

(c) The Director is entitled to access the Company's records after retiring from the Board, in certain circumstances and subject to maintenance of confidentiality.

(d) If the Director needs to take independent professional advice on any matters arising in the course of their Board or Committee duties, reimbursement for the cost of that advice may be obtained in accordance with the Board Charter.

5.3 The Chief Financial Officer will promptly notify the Company's insurer of the appointment of the new Director.

6 Disclosure

6.1 The Corporations Act and the Company's Conflict of Interest Policy permit a Director to give standing notice to other Board members of interests that the Director may have. In accordance with the Conflict of Interest Policy, a form of this standing notice will be provided to the Director by the Company Secretary. This must be completed by the Director and returned to the Company Secretary to arrange distribution to the other Board members as soon as possible.

6.2 Further information regarding standing notices is provided in the Conflict of Interest Policy.

Adopted by the Board on 26 February 2013

7 Notifications

7.1 The Company Secretary will promptly arrange all required filings with the Australian Securities and Investments Commission and ASX, in accordance with the Corporations Act and ASX Listing Rules.

8 Questions

8.1 Directors who have any questions about this Policy or any aspect of the induction process should seek clarification from the Chairman or the Company Secretary.

9 Review

9.1 The Nomination, Remuneration and Governance Committee is to review this Policy annually and make recommendations to the Board on whether changes are required. The Board must consider any recommendation received from the Committee and, where appropriate, amend this Policy.



Continuous Disclosure Policy

The Board of directors (**Board**) of HRL Holdings Limited (**Company**) has established a Continuous Disclosure Policy (**Policy**). The Policy is intended to enhance the Company's compliance with the continuous disclosure requirements of the *Corporations Act 2001* (Cth) (**Act**) and the Australian Securities Exchange Limited (**ASX**) *Listing Rules* in accordance with the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (**Principles**).

1. The Policy

- 1.1 The Company has obligations under the Act and ASX *Listing Rules* to keep the market fully informed of information that may have a material effect on the price or value of the Company's securities and to correct any material mistake or misinformation in the market. The Company fulfils these obligations by releasing information to the ASX in the form of an ASX release or disclosure in other relevant documents.
- 1.2 This policy:
 - (a) describes how the Company will ensure compliance with its continuous disclosure obligations under the Act and ASX *Listing Rules*; and
 - (b) sets out the key processes, systems and measures that the Company will apply to:
 - (i) *identify material, price-sensitive information;*
 - (ii) *report material price-sensitive information to the Company Secretary for review;*
 - (iii) *ensure that the Company complies with its continuous disclosure obligations under the Act, ASX Listing Rules and the Principles by timely disclosure of material, price-sensitive information; and*
 - (iv) *ensure that individual officers and directors do not contravene the Act or ASX Listing Rules.*

2. Identifying Material, Price-Sensitive Information

- 2.1 Material, price-sensitive information is information concerning the Company that a reasonable person would expect to have a material effect on the price or value of any securities issued by the Company.
- 2.2 Information has a material effect on the price or value of any of the securities issued by the Company if the information would, or would be likely to, influence persons who commonly invest in such securities in deciding whether or not to subscribe for, or buy or sell, these securities.
- 2.3 The ASX *Listing Rules* do not explain when information will be regarded as having this effect, however guidance on the types of information that may be price sensitive is provided in ASX *Listing Rules Guidance Note 8*.

3. Obligation to Disclose Material, Price-Sensitive Information

- 3.1 The Company's continuous disclosure obligations are contained in the following sources:
 - (a) the ASX Listing Rules, in particular, 3.1 and 3.1B; and
 - (b) the continuous disclosure provisions contained in the Act, particularly section 674.
- 3.2 ASX Listing Rule 3.1

The Company must immediately notify the ASX of any information of which the Company is or becomes aware, concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities.



3.3 ASX Listing Rule 3.1B

If ASX considers that there is or is likely to be a false market in the Company's securities and asks the Company to give it information to correct or prevent a false market, the Company must give ASX the information needed to correct or prevent the false market.

3.4 ASX Listing Rule 15.7

The Company must not release information that is for release to the market to any person until it has given the information to the market and has received an acknowledgment that ASX has released the information to the market.

4. Internal Procedures for Disclosure

4.1 The Company Secretary has primary responsibility for ensuring that the Company complies with its disclosure obligations and deciding what information will be disclosed.

4.2 The Company Secretary must prepare a draft announcement where there is prior notice of an event that may likely require an announcement to be made.

4.3 As soon as a director, officer or employee of the Company becomes aware of any material, price-sensitive information, that director, officer or employee must provide to the Company Secretary the following:

- (a) a general description of the matter;
- (b) details of the parties involved;
- (c) the date of the event or transaction;
- (d) the status of the matter (for example, whether the matter is finalised or preliminary);
- (e) an estimated value for the transaction;
- (f) the effect on the Company's finances and operations; and
- (g) the names of any persons advising the Company in the matter.

4.4 The Company Secretary has primary responsibility for determining whether the information is required to be disclosed and if so must ensure that it is disclosed immediately, that is promptly and without delay, recognising that the speed at which a release can be made will vary depending on the circumstances.

4.5 All information disclosed to ASX of an administrative nature must be approved by the Company Secretary or the Chairman prior to its release to ensure accuracy and completeness.

4.6 All information disclosed to ASX of a non-administrative nature must be approved by the Chief Executive Officer and the Chairman (and Board, if deemed appropriate by the Chairman and legally necessary) prior to its release to ensure accuracy and completeness.

4.7 Material, price sensitive information may only be withheld from disclosure in the following circumstances:

- (a) when one or more of the following 5 situations 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 the internal management purposes of the entity; or



- (v) the information is a trade secret; and
- (b) the information is confidential and ASX has not formed a view that the information has ceased to be confidential; and
- (c) a reasonable person would not expect the information to be disclosed.

If the Company Secretary forms a view that the information may be withheld from disclosure, a decision on withholding disclosure must be approved by the Chief Executive Officer and Chairman (and Board, if deemed appropriate by the Chairman and legally necessary).

- 4.8 The Company Secretary must maintain a register of information referred to the Company Secretary. If a decision is made by the Chief Executive Officer and Chairman not to disclose information, this decision and the reasons for it must be documented in the register at the time the decision is made. If an announcement is made, the announcement must be included in the register.
- 4.9 In order to safeguard the confidentiality of corporate information and avoid premature disclosure, the following procedures must be followed:
- (a) all information or presentations provided to, and discussion with, analysts, professional bodies, journalists or any other person must be referred to or approved by the Chief Executive Officer or the Company Secretary;
 - (b) inquiries from analysts, institutional shareholders or journalists must be referred to the Chief Executive Officer or the Company Secretary or to a delegate approved by the Company Secretary; and
 - (c) no unauthorised director, officer or employee of the Company should speak to analysts, institutional shareholders or journalists regarding the Company's financial matters. Only the Chairman, Chief Executive Officer and the Chief Financial Officer (or their delegates) may speak on the Company's behalf on financial matters.
- 4.10 In anticipation of confidential information being leaked, the Company must have in place in respect of each relevant transaction a tailored contingency plan and, as part of this plan, the Company Secretary must have a draft announcement ready.

5. False Market

If ASX considers that there is or is likely to be a false market in the Company's securities, it will ask the Company to give it information to correct or prevent the false market.

A false market may arise, for example, where there is a reasonably specific rumour or media comment in relation to the Company that has not been confirmed or clarified by an announcement to the market and ASX forms the view that the rumour is or is likely to have an impact on the price of the Company's securities.

The Company must disclose to ASX the information needed to correct or prevent the false market as the information may influence persons who commonly invest in such securities in deciding whether or not to subscribe for, or buy or sell, the Company's securities.



6. Trading Halt

- 6.1 The Listing Rules enable the Company to ask ASX to apply a trading halt to assist in managing its continuous disclosure obligations e.g. where there has been media comment that warrants a response, but the Company is not able to make a response immediately.
- 6.2 If a director, officer or employee of the Company becomes aware of information that may warrant a request for a trading halt, they must provide this information to the Company Secretary who must share it with the Chief Executive Officer. If the Chief Executive Officer deems appropriate, this information must be shared with the Chairman. If the Chairman deems appropriate, a meeting of the Board must be convened promptly and a decision made in relation to whether a trading halt will be requested.
- 6.3 The Company Secretary must at all times have a template 'Request for trading halt' letter ready for use if needed.

7. External Communications

- 7.1 The Chairman, Chief Executive Officer, Chief Financial Officer, and Company Secretary have delegated authority to speak on behalf of the Company on matters within their knowledge or respective areas of expertise.
- 7.2 The Company Secretary is the contact person to communicate with ASX given their requisite organisational knowledge.
- 7.3 If an ASX price query is received, the Company Secretary must consult with the Chief Executive Officer, Chief Financial Officer and Chairman (and external legal advisers if appropriate) and arrange for the preparation and approval of the response by the Chief Executive Officer and/or Chairman.
- 7.4 All briefings to analysts should be approved by the Company Secretary or the Chief Executive Officer to ensure that material, price-sensitive information is not selectively disclosed before being announced to the ASX.
- 7.5 All responses to shareholder questions should be referred to or approved by the Company Secretary or the Chief Executive Officer to ensure that material, price-sensitive information is not selectively disclosed.
- 7.6 All media contact and comment should be referred to or approved by the Company Secretary or the Chief Executive Officer.

8. Contravention

- 8.1 The Company will contravene its continuous disclosure obligations by failing to notify ASX of information required by the *ASX Listing Rules*. If the Company contravenes its obligations, the Company and its officers may be guilty of an offence under the Act and incur serious civil and criminal sanctions.
- 8.2 Given the serious consequences associated with the Company contravening its continuous disclosure obligations, directors, officers and employees of the Company must strictly adhere to the terms of this Policy.
- 8.3 The Company will take all necessary steps deemed necessary in the relevant circumstances to impose consequences for those directors, officers and employees who fail to adhere with this Policy.



9. Administrative matters

- 9.1 This Policy must be reviewed annually and any proposed amendments must be approved by the Board. This annual review will be conducted by the Company Secretary, in conjunction with testing of the plan to ensure its effectiveness.
- 9.2 This Policy is available from the Company's intranet site and website.
- 9.3 A copy of this Policy has been provided to all existing officers of the Company and will be provided to all new officers.
- 9.4 The Company Secretary will conduct periodic training in relation to this Policy to ensure that all directors, officers and employees of the Company are fully apprised of its contents.

All queries regarding issues raised in this policy should be directed to the Company Secretary

This policy was reviewed and approved by the Board on 24 November 2014.



Code of Conduct

1. Introduction

This Code of Conduct (**Code**) for the HRL Holdings Limited (**HRL**) and supporting board policies and charters have been developed to ensure high standards of conduct and ethical behaviour in all of our business activities. The Code is intended to provide guidance for directors, senior executives and other employees regarding the standards HRL expects in the conduct of our business. The Code supports our core value of “Integrity & Ethical Behaviour” and provides the link between this value and the way we do our work.

2. Scope of Code

The Code applies to all directors, senior executives, employees and officers of HRL (including contractors and consultants). Adherence to the Code is a term of employment with HRL. A breach of the Code by any employee may be subject to disciplinary action including termination of employment.

HRL acknowledges that it has responsibilities to various stakeholders including shareholders, employees, customers, suppliers, creditors, business partners and the broader community. By maintaining compliance with the Code, HRL will maintain a high standard of integrity and investor confidence.

As well as the legal and equitable duties owed by directors and employees, the purpose of the Code is to:

- outline the high standards of honest, ethical and legal behaviour expected of directors and employees;
- encourage adherence with those standards to protect and promote the interests of all HRL stakeholders;
- guide directors and employees as to the practices considered necessary to maintain confidence in the Group’s integrity; and
- set out the responsibility and accountability of directors and employees to report and investigate any unlawful or unethical practices or behaviour.

3. Core Values

3.1 Act honestly and in good faith

All employees have a duty of due care and diligence in fulfilling the powers and functions of their roles. All employees must act with high standards of honesty, integrity, fairness and equity in all aspects of their employment with HRL. No employee or officer should engage in conduct that is likely to bring discredit upon HRL.

3.2 Not disclose confidential information

Employees may obtain confidential information about HRL during the course of their employment. Employees must not reveal any confidential information concerning HRL (unless express permission has been provided), use that information in a way which may injure or cause loss to HRL or use confidential information to gain an advantage for themselves.

3.3 Make proper use of company assets

Company assets are specifically provided for employees and officers to do their job. Employees must not take advantage of any property, information or their position (or opportunities arising from these) for personal gain or to compete with HRL. Prior authorisation must be obtained before any asset is used outside the scope of an employee’s role.

3.4 Health, safety and environment implications must be regarded before making any business decision



All employees must ensure that our business decisions do not compromise our commitment to avoiding any injury to people or damage to the environment and ensuring we comply at all times with the appropriate laws.

3.5 Avoid conflict of interests

Employees must not enter into any arrangements or participate in any activity that would conflict with the interests of HRL or prejudice the performance of its professional duties. In instances where a personal interest may potentially conflict with those of HRL, the employee must remove or manage the potential conflict in line with existing policies to avoid any potential loss to HRL or our stakeholders. (Refer to the 'Conflicts of Interest Policy' for further details).

3.6 Understand how company policy and procedure relates to our work

All employees and officers must be aware of Company policies and procedures and how such relates to their work. This includes a working knowledge of company and divisional delegations of authority, to ensure no employee exceeds their respective limits in committing HRL verbally or in writing.

3.7 Comply with all laws and regulations

HRL takes seriously its obligations as a company to comply with all relevant laws and regulation affecting its business. All employees and officers of the Company are expected to comply at all times with all laws and regulations relevant to their functions and tasks within the Company. Employees and officers should report any breaches of relevant laws or regulations to the Company Secretary for further action.

3.8 Promote and maintain a culture of lawful and ethical behaviour

HRL encourages all employees and officers to report promptly in good faith any violations or suspected violations of this Code of Conduct.

4 Responsibility to Stakeholders

The trust and confidence of our various stakeholders, colleagues and the public is critical to HRL's ongoing success. With this in mind, we must give our stakeholders accurate, timely and honest information and deal fairly with all parties in a lawful and ethical manner. Employees must not misrepresent HRL in any way or take any action which may bring HRL's name into disrepute.

All stakeholders and the investment market generally should have equal and timely access to information concerning HRL and all market sensitive information in relation to the business activities of HRL is lodged with the ASX and placed on the HRL website.

Media and public comment on HRL can only be made by authorised employees nominated by HRL. Employees must inform the Chief Executive Officer or the Company Secretary as soon as any media enquiries are received. All institutional or retail investor queries are required to be referred to the Chief Executive Officer or the Company Secretary. Trading in HRL securities by directors and employees is only permitted within approved trading windows and in circumstances where the employees are not in possession of non-public price sensitive information in relation to the activities of HRL.

Directors and employees must refrain from taking improper advantage of their position in all business dealings and are prohibited from soliciting gifts or benefits from other parties for personal use or gain.

5 Responsibility to the Community

HRL is committed to be an active member of the community and a good corporate citizen by working together towards making a sustainable contribution to the community. HRL takes pride in supplying our community with quality products and services and recognises that it has a social and environmental responsibility to minimise the impact of its properties and projects on the local community and environment.



All HRL directors and employees are expected to deal with customers, suppliers and the larger community in a fair, ethical and respectful manner. HRL is ethical in all its dealings with government and mindful misconceptions, caused by inappropriate donations, could undermine our stakeholders view of HRL's integrity.

HRL is also committed to maintaining a safe work environment for all employees, customers, contractors, visitors and other parties. We encourage and support our staff to participate in community events and activities.

6 Responsibility to Individuals

All directors and employees are required to ensure the confidentiality of all commercially sensitive information relating to HRL and its customers, suppliers and other stakeholders. Information that is not generally available concerning the activities, results or plans of HRL must be used for authorised purposes only. Such confidential information should be treated and communicated with care, and must not be disclosed outside of the HRL Group without permission.

HRL is also committed to ensure that the privacy of individuals is maintained and that appropriate safeguards are in place to protect the personal information of its relevant stakeholders. All directors and employees must comply with relevant privacy protection laws and must observe the *Privacy Policy* when collecting, using, disclosing and providing access to personal information.

All HRL employees must act within the guidelines and authority of their role including compliance with delegated authority levels set down by the Board.

7 Employment Practices

HRL values and respects the diversity of our employees and is committed to creating a workplace where all employees are treated equally and fairly and where we respect and accept individual differences and beliefs. HRL will not tolerate any form of bullying, intimidation, harassment or unlawful discrimination.

HRL will respect the rights and dignity of employees by providing:

- fair, open, honest and non-discriminatory treatment
- a safe and healthy working environment
- training and development to maximise individual potential and contribution to HRL
- fair and equitable remuneration
- the opportunity to give and receive feedback on their work and individual performance

All employees have a responsibility to look after HRL's assets and to ensure that they are not misused in any way. Employees must immediately report any suspected fraud or theft of HRL assets to their immediate supervisor or manager for investigation.

8 Compliance with Legislation

All directors and employees are expected to follow and actively promote compliance with all laws, rules and regulations which govern the operations of HRL, its business environment and its employment practices.

All directors and employees must:

- comply with the letter and spirit of any applicable law, rule or regulation;
- comply with all protocols, policies and procedures of the HRL Group including its code of conduct;
- encourage other employees and officers to do the same



Where employees become aware of a breach, or a potential breach of any law, regulation, company policy or procedure, they must immediately report it to their line manager, for referral to the Company Secretary.

9 Conflicts of Interest

Employees and directors must avoid actual or potential conflicts of interest and declare any actual or potential conflicts that might arise.

A conflict of interest is considered any situation where an employee's personal or professional interests may conflict with the employee's obligations and responsibilities to HRL. It may also include situations where an employee may act in a way or use their influence as an HRL employee that would compromise HRL's reputation or affect the conduct of HRL's business. Conflicts of interest may arise in a number of circumstances such as:

- a manager signing off on their own business related expense
- an employee attempting to obtain a benefit by approving or recommending a transaction
- an employee favouring a particular supplier due to an existing business and/or personal relationship
- an employee using their position to influence an outcome or conduct business with HRL

HRL employees must not solicit, accept or offer any form of gift, service or payment from any customer, supplier or entity with whom HRL conducts business or may conduct business, if such gifts or benefits are likely to influence or could reasonably be perceived to influence judgement. Any gift, favour or other benefit with an economic value of more than \$250 must be declared to your immediate supervisor or line manager.

Bribes, kickbacks, secret commissions and other similar payments are strictly prohibited and unlawful. Making such payments may expose HRL and our employees to criminal prosecution and severe penalties.

10 Compliance with the Code

HRL is committed to promoting and maintaining a culture of honest, ethical and law abiding behaviour. To fulfil this commitment, HRL needs to be able to ensure that violations of these standards, requirements and expectations are detected and reported; and appropriate action is taken in response to any such violations.

HRL encourages all directors and employees to report promptly in good faith any serious violations or suspected serious violations of the Code.

Directors should report any such violations to the Chairman, or failing that, the Executive Director. All other employees should report any such violations to the Company Secretary.

HRL will ensure that reports made in good faith in relation to an actual or suspected violation of the Code will be thoroughly investigated and that:

- the reporting employee's identity will not be revealed without the consent of the employee (except where required by law); and
- no disciplinary, discriminating or other adverse action will be taken against the reporting employee as a consequence of reporting, in good faith, that violation or suspicion.

11 Breaches of Policy

Any employee or officer who breaches this Code of Conduct will face disciplinary action which, depending on the severity of the breach, could include dismissal or legal action, or both. All investigations of suspected or alleged contravention of the code will be handled in a confidential and impartial manner.



All queries regarding issues raised in this policy should be directed to the Company Secretary

This policy was reviewed and approved by the Board on 24 November 2014.



Communications Policy

HRL Holdings Limited (HRL or the Group) seeks to disclose all material information to shareholders as soon as possible and as widely as possible, in keeping and complying with its continuous disclosure requirements, the Corporations Act and the Australian Securities Exchange (ASX) listing rules.

The dissemination of information is primarily achieved through timely announcements to the ASX. Any material information we disclose is released to the ASX before any supplementary announcement is made to the media, shareholders or analysts.

Information released to the ASX is also published on our website immediately. Our website also contains copies of media releases published by HRL as well as information in relation to our businesses and major projects, our people, our financial results and our corporate governance practices and policies.

We also communicate with our shareholders on a regular basis by:

- our annual report, our most comprehensive annual communication;
- our half year financial report which contains summarised financial information and a review of operations during the period since the annual report;
- the release to the ASX of all presentations by executive management made in connection with the half year and full year results and all presentations made to the annual general meeting, as well all other material presentations made during the year; and
- our annual general meeting and the notice of meeting and explanatory notes in relation to the matters to be considered by shareholders at the meeting.

Shareholders are also encouraged to attend and participate in the Group's annual general meeting. The meeting allows us to update shareholders on HRL's performance and provides a valuable opportunity for shareholders to ask questions of the Board, HRL management and the external auditor.

Shareholders can also submit questions to the Chairman, the Executive Director and Chief Executive Officer or the auditor by mail to HRL's registered office prior to the annual general meeting.

Publication of policy

A copy of this policy is available at www.hrlholdings.com. The policy is also available to shareholders upon request.

All queries regarding issues raised in this policy should be directed to the Company Secretary

This policy was reviewed and approved by the Board on 24 November 2014.



Diversity Policy

HRL Holdings Limited (**HRL**) is committed to diversity and equality in the workplace as it adds value to the organisation by actively creating opportunities for all employees to use their knowledge, skills and abilities.

1 Intent

This Policy guides key HRL stakeholders (and its HRL subsidiaries) in understanding objectives and responsibilities to enable and support a diverse workforce and in particular, improve gender diversity. For the purpose of this Policy, diversity includes gender, age, family status, nationality, ethnicity, religion, impairment or disability and all other unique differences.

2 HRL's Commitment

HRL recognises that diversity within the workplace is inherently linked to the continued success of its creating tomorrow strategy. HRL is comprised of employees with diverse backgrounds, experiences, views and skills and as a result, the Company is committed to promoting a corporate culture which embraces diversity and the value it brings. HRL endeavours to provide an environment in which all employees are treated with equal opportunity, fairness and respect regardless of their differences.

3 Recruitment and Selection

HRL seek to recruit from a rich, diverse pool of qualified candidates at all levels. By doing so, it enables HRL to attract people with the best skills and attributes and shape an environment where true talent shines. Appointment is non-discriminatory, merit based and takes into account a number of factors such as achievements, experience, qualifications and the value an individual could bring to a role.

All positions are to be advertised internally unless prior approval is provided by the Executive member. This ensures that HRL provides all employees with an equal opportunity for advancement.

4 Key Objectives

HRL has an objective to increase the number of females senior management positions over the next 3 years (subject to identification of candidates with appropriate skills). No specific target percentage has been set. In accomplishing this objective, a number of key stakeholders play a fundamental role.

5 The Board

The Board is responsible for establishing measurable objectives for achieving gender diversity in the workplace and assess annually both the gender objectives and progress in achieving those objectives. Reporting and accountability in terms of this Policy will be a periodic item on the Board Agenda.

So as to set meaningful objectives, the Board is required to assess HRL's current diversity levels and identify where gaps exist. In order to achieve these measurable objectives, the Board will consider how the achievement of gender diversity should be measured.

6 Employees

HRL recognises the significance to empower and encourage all employees to be accountable for making diversity part of HRL's everyday operations. HRL's aim is for employees to recognise that they are responsible to treat all people with whom they work with respect and fairness (including employees, clients and suppliers), for encompassing diversity and collaborating in an environment free of bias.



7 Executives and Managers

Through an increased number of women represented in leadership roles, diversity becomes a source of competitive advantage and can not only improve HRL's financial performance but strengthen the corporate culture.

Executives and managers need to champion diversity and in particular gender equity. Importantly, senior management is to filter this cultural value through to all levels.

8 Human Resources

Human Resources play a pivotal role in providing advice to Managers on diversity issues as well as assisting in the education and training of employees. HR will annually profile gender within the workplace by division, role and management level to understand the relative proportion of gender at all levels in the organisation and to measure metrics to monitor improvement. Reporting will also include the attrition of high performers by gender to identify the loss of talented women.

9 Communication and Review

HRL commits to the communication of this Policy within the Group, to its stakeholders and the market through disclosing the Policy or a summary of it via its website and internal training.

HRL will monitor and review the effectiveness of this policy and associated procedures.

All queries regarding issues raised in this policy should be directed to the Company Secretary

This policy was reviewed and approved by the Board on 24 November 2014.



Risk Management Policy

1 Introduction

HRL Holdings Limited (**HRL**) recognises the importance of managing risk and controlling its business activities in a manner which enables it to maximise profitable opportunities, avoid or reduce risks which may cause injury or loss, ensures compliance with applicable laws and regulations, and enhances resilience to external events.

Risk management is the process of continuously identifying, evaluating, treating and monitoring exposures.

Risks may be controlled through the introduction of policies, procedures or altered work practices however the most effective long-term method is through the creation of a risk aware culture.

2 Risk Management Strategy

To assist management in performing its oversight role in this area, information regarding the status of a range of risks is regularly reviewed by management. Appropriate policies, procedures, work practices and reporting measures are implemented to manage material risks.

The Board will receive regular updates from management and where relevant, external parties, on material risks faced by the Company and the management of those risks.

3 Responsibilities for Risk Management

It is the duty and responsibility of every staff member to monitor and manage risks within their area. Employees who knowingly and recklessly operate outside the risk management policy will be subject to disciplinary action.

Compliance Officers facilitate the identification and monitoring of risks, assist management to establish sound risk management policies and provides feedback to management on the effectiveness of existing practices and make recommendations for improvement.

External and internal audits may review the effectiveness of existing risk management practices from time to time and recommend improvements when necessary.

Management have primary responsibility for risk identification. Each Manager ensures that they have sufficient processes in place in their business unit to ensure that risks identified by staff are escalated to the Manager as required. Management are responsible for identifying, evaluating and managing risks and reporting to the Board on material risks.

4 Types of Risks

The Company has established a detailed risk register which identifies the material risks facing the business, provides a risk rating, the controls that are in place to manage the risk and the person(s) responsible for implementing and reviewing those controls. Compliance Officers meets with management on a regular basis to discuss whether changes need to be made to the risk profile and whether new risks have been identified.

If an extreme risk is identified, it will promptly be referred to the Chief Executive Officer and Chairman for consideration. Where considered necessary, the Chairman will convene a meeting of the Board to collectively consider how the risk will be managed.



5 Regular Reviews and Board Commitment

The Company's Risk Management Policy and underlying procedures and practices will be reviewed annually by the Board to ensure their continued application and relevance. Compliance Officers also meets with management to review the implementation and effectiveness of this policy on a regular basis.

HRL is committed to effective risk management and recognises it as a core managerial capability.

All queries regarding issues raised in this policy should be directed to the Company Secretary

This policy was reviewed and approved by the Board on 24 November 2014.



Role of Chairman

1 Introduction

- 1.1 This policy outlines HRL Holdings' guiding principle and procedures in relation to the Role of the Chairman. The policy should also be read in conjunction with the role and responsibilities of Directors under the Board Charter and the constitution.

2 Status & Appointment

- 2.1 The Chairman is a non-executive director, appointed by the Board.

3 Separation of function from Chief Executive Officer

- 3.1 The Board recognises that it is important that the Chairman and CEO have defined roles in the organisation and function in accordance with clear functional lines.
- 3.1 The Chairman is responsible for facilitating the development by the Board of:
- the strategic direction of the company; and
 - the tone, style and corporate ethics of the company.

4 Board Operations

The role of the Chairman in respect to Board operations includes:

- 4.1 Adopt a leadership role in the conduct of the Board's responsibilities and lead and manage the Board in the discharge of its duties.
- 4.2 Set the agenda for the performance of the Board's responsibilities
- 4.3 Take a leadership role in the formulation of the policy of the company and ensure that the agenda is forward-looking and concentrates on strategic matters.
- 4.4 Chair Board meetings.
- 4.5 Ensure Board meetings occur with appropriate frequency.
- 4.6 Ensure there is sufficient time allowed for the discussion of complex or contentious issues.
- 4.7 Encourage the active engagement of all Board members through a full and frank exchange of views at Board meetings and ensure that the views of all directors are heard.
- 4.8 Establish agendas for Board meetings in consultation with management. Chair meetings of members including the AGM.
- 4.9 Lead the Board in the monitoring of management, the assessment of the company's financial position and performance and the detection of any material adverse developments and to receive reports from the CEO as necessary.
- 4.10 Be the primary spokesperson at the AGM.



5 Board Members

The role of the Chairman in respect to Board members includes:

- 5.1 Ensure appropriate membership (and balance of composition) of the Board and lead and suggest changes to Board membership as required.
- 5.2 Take the lead in providing an induction program for new directors
- 5.3 Assist with the development of individual Board members and the Board as a whole in terms of its effectiveness.
- 5.4 Ensure the annual process of Board evaluation is conducted and that appropriate action is taken to address any shortcomings identified in that review.

6 Executive Management

The role of the Chairman in respect to executive management includes:

- 6.1 Be the primary channel of communication between the CEO and the Board.
- 6.2 Be kept fully informed by the CEO of all material matters of relevance to the Board.
- 6.3 Provide guidance and mentoring to the CEO - be available as a sounding board for the CEO.
- 6.4 Chair the CEO evaluation process.
- 6.5 Inspect projects regularly.

7 AGM and Disclosure

The role of the Chairman in respect of the AGM and disclosure includes:

- 7.1 Chair the AGM and be the primary spokesperson.
- 7.2 In conjunction with CEO and Group Company Secretary, approve all ASX releases.
- 7.3 Presentation of the half and full year results to shareholders and communication of the results to the media in partnership with the CEO and to the investment community (as required).

All queries regarding issues raised in this policy should be directed to the Company Secretary

This policy was reviewed and approved by the Board on 24 November 2014.



Securities Trading Policy

1. Introduction

HRL Holdings Limited (**HRL**) securities are listed for quotation on the Australian Securities Exchange. This document sets out HRL's policy regarding insider trading and when directors and employees may deal in HRL securities.

The policy aims to:

- protect stakeholders' interests at all times;
- ensure that directors and employees do not use inside information they possess for their personal advantage or to their customers' or HRL's detriment; and
- ensure that directors and employees comply with the insider trading provisions of the *Corporations Act 2001* (C'th) (**Corporations Act**).

The policy applies to all executive and non-executive directors and employees (including contractors) of HRL and any of its subsidiaries. It also extends to the immediate family members of directors and employees and to companies, trusts and entities controlled by the director or employee or their immediate family member.

Every director and employee of HRL has an individual responsibility to ensure that they comply with the law relating to insider trading and this policy. A breach of the law relating to insider trading can have serious consequences, including individual criminal and civil liability and is also a breach of the conditions of employment at HRL.

The policy is not intended to be a substitute for directors and employees obtaining their own legal advice. If any director or employee has any particular concerns on insider trading or dealing in HRL securities, they should contact the Company Secretary.

2. General Prohibition against Insider Trading

During the course of their duties, directors and employees of HRL may become aware of information that could have an impact on the price of shares and other financial products in the market. This information could be **'inside information'**.

This information is usually confidential and subject to an employee's general duties of confidence to HRL and to customers. The insider trading rules in the Corporations Act also affect how directors and employees can use this information.

Where a director or employee is in possession of price sensitive information about any company's financial products which is not generally available to others, under the Corporations Act, they cannot:

- apply for, acquire or dispose of those financial products, or enter into an agreement to do any of those things; or
- procure that another person does any of those things in relation to those financial products.

Where the price sensitive information relates to a company's financial products that are listed on a financial market, then directors and employees must not, directly or indirectly, communicate that information to a person if they know, or they ought reasonably to know, that the person is likely to deal or trade in those financial products.

These rules not only prevent HRL directors and employees from trading, but also prevent directors and employees of HRL from encouraging other people to trade or giving that information to someone else who is likely to trade or encourage others to trade.



This policy applies equally to financial products issued or made available by HRL or its subsidiaries and to financial products issued or made available by customers or other corporate entities with which directors or employees may deal in the course of their duties (e.g. suppliers, sub-contractors or entities in which HRL has an interest).

2.1 Who is an Insider?

You are an insider:

- if you have **information** that is not **generally available** but if it were, a reasonable person would expect it to have a **material effect** on the price or value of **financial products** ('**inside information**'); and
- you know, or ought reasonably to know, that the information is inside information.

2.2 What is a Financial Product?

Financial product has a very wide meaning in the Corporations Act. Not all financial products are subject to the insider trading rules. For the purpose of this policy, a reference to a financial product is only to those products which are subject to the insider trading rules.

The insider trading rules apply to the following financial products:

- securities - including a company's shares, debentures (including convertible notes), managed investment interests made available by it, units of shares or of managed investment interests and exchange traded and over the counter put and call options over any of those securities;
- derivatives - including exchange traded options, equity swaps, futures or options, equity futures or other futures which relate to any financial products of a company;
- managed investment products;
- superannuation products; and
- any other financial product that can be traded on a financial market (that is, tradeable on a stock exchange or futures exchange or other type of licensed financial market).

2.3 What Constitutes Information?

Information means any fact, matter or circumstance and includes:

- matters of supposition (e.g. rumours or innuendo) or which are otherwise insufficiently definite to warrant being made known to the public and;
- matters relating to the intentions, or likely intentions, of a person. The information can be in any form (e.g. written or verbal).

Information is **generally available** if:

- it consists of readily observable matter or;
- it has been made known to people who commonly invest in the type of financial product involved and a reasonable period has elapsed for it to be disseminated to those people, or;
- it consists of deductions, conclusions or inferences made or drawn from readily observable matter or information that has been disseminated.

Information has a **material effect** on the price or value of financial products if the information would, or would be likely to, influence people who commonly acquire financial products in deciding whether or not to acquire or dispose of the particular financial products.



Directors or employees may come into possession of inside information if they become aware of any of the following when it is not generally available:

- actual profit results;
- internal forecasts of profit results;
- changes of strategic direction of the business;
- details of a new service offering or substantial new business contract or project;
- the appointment or resignation of a chief executive officer, executive director or chairman;
- an actual or proposed major acquisition or disposal of assets;
- a float or other share issue, capital raising, takeover, merger, purchase, sale or partial sale of business;
- actual or proposed major litigation;
- any plans involving securities or securities futures or other financial products.

The information may relate to HRL, one of its subsidiaries, a corporate customer or any other company.

2.4 When do you stop being an Insider?

A director or employee will no longer be an insider once the inside information becomes generally available (as described above - see **What Constitutes Information?**).

3. Specific Insider Trading Rules

All directors and employees must follow the rules below if they are considered an insider:

- you must not apply for, acquire, or dispose of, financial products of HRL to which the inside information relates, either for yourself or for another person;
- you must not get another person (whether a family member, friend, associate, colleague or your company or trust) to apply for, acquire or dispose of, the financial products for you or for another person or for themselves;
- if the financial products are also listed on a financial market (such as the Australian Securities Exchange) you must not, either directly or indirectly, give the inside information, or allow it to be given, to another person who you know, or should know, would be likely to do any of the prohibited things described above;
- with regard to financial products of a company which is a customer or another person with whom you do business, you must not apply for, acquire or dispose of or offer or agree to acquire or dispose of those financial products or attempt to influence others (including family, associates, colleagues, private company or trustee) to do so;
- you must not give any inside information to any person who is an employee or contractor of HRL and/or its subsidiaries who is a trader in, or distributor of, financial products or get them to buy or sell for you or another person while you remain an insider;
- if you liaise with industry analysts or business journalists working on the business activities of HRL, you must not give them any inside information about HRL, or confirm with them any suspicions or hunches which they may have, even if these hunches are based on their own research and analysis.

This policy applies to all directors and employees regardless of the capacity in which they are acting. For example, a director or employee must not trade through their family or through a trust or company in which they have influence or control in circumstances where they would have been prohibited in trading in their own name.



It is also important to note that information does not need to be obtained from HRL to be inside information. It does not matter how the inside information is obtained, just that the director or employee possess it.

4. Trading in HRL Securities

The above general policy applies to all financial products to which the insider trading rules in the Corporations Act apply.

This part of the policy applies to directors and employees in respect of their dealings with HRL's securities or any other securities or financial products which may be issued by HRL or its subsidiaries, including all securities issued to employees under an HRL incentive scheme or plan.

4.1 Prohibited Trading

- No director or employee can trade in or get someone else to trade in financial products of HRL in breach of insider trading rules.
- At no time can directors or employees engage in short term speculative trading in HRL's financial products. For the avoidance of doubt, the purchase and subsequent sale of HRL's financial products by directors or employees within a six month period will, in the absence of compelling evidence to the contrary, be deemed to be short term speculative trading. This rule is designed to encourage support for HRL's long term objectives and discourage short term actions which could affect the security price or lead to market speculation. This rule does not prevent a director or employee disposing of securities issued on the exercise of employee options or upon the vesting of performance rights (subject to the other terms of this policy).

4.2 Closed Period and Permitted Trading Period

Directors and employees must not trade in HRL's financial products during the following Closed Periods:

- the period from 1 January until 9 am (AEST) on the first business day after the release of HRL's half year results; and
- the period from 1 July until 9 am (AEST) on the first business day after the release of HRL's full year results.

All other days throughout the year constitute the **Permitted Trading Period**.

4.3 Required Approvals

Employees will have different access to price sensitive information depending on their position in HRL. **Designated Employees** are those employees deemed most likely to have access to inside information and these employees are therefore subject to additional restrictions in relation to trading in HRL securities.

The following employees are Designated Employees:

- key management personnel;
- directors, company secretaries and senior executives of principal subsidiaries;
- senior Finance, Legal, Communication or Investor Relations employees;
- corporate and divisional officers reporting directly to any of the above employees;
- confidential secretaries and assistants reporting to any of the above positions;
- employees who have access to the financial results; and
- any other HRL employee designated by the Company Secretary from time to time for the purposes of this policy.



Prior to trading in HRL's financial products within a Permitted Trading Period:

- Designated Employees must obtain approval from the Chief Executive Officer, Company Secretary or Chief Financial Officer;
- Directors must obtain approval from the Chairman; and
- the Chairman must obtain approval from a non-executive director.

Directors and Designated Employees remain subject to the general policy rule that they must not deal in HRL securities if they are in possession of inside information during a Permitted Trading Period.

While it is not compulsory, HRL believes it would be prudent for all directors and employees to maintain a record or register of personal trading in HRL's financial products. All designated employees will have their holdings in HRL financial products monitored through a watch list to ensure compliance with the required approval process for trading in HRL financial products.

4.4 Special Circumstances for Trading outside the Permitted Trading Period

Trading may be permitted outside the Permitted Trading Period where special circumstances exist. Approval must be obtained from the Chief Executive Officer, Company Secretary or Chief Financial Officer in the case of Designated Employees, from a non-executive director in the case of the Chairman or from the Chairman in the case of directors.

Whether special circumstances exist will be a matter for the relevant person to decide, but will generally only apply in limited circumstances such as:

- cases of financial or personal hardship or necessity; and
- legal duties and obligations (e.g., the administration of a deceased estate or transfers under Family Court orders).

The designated approval officer may only exercise discretion to authorise a trade outside the Permitted Trading Period in exceptional circumstances where they are satisfied that the proposed sale or disposal of the relevant securities is considered the only reasonable course of action and that there is no apparent breach of the insider trading laws.

Written clearance to trade (including by email or facsimile) will be provided by the designated approval officer and will be valid for a period of fourteen days unless further extended by agreement.

4.5 Excluded Trading

This policy does not prevent directors or employees from trading in HRL securities in certain situations where the trading occurs under an offer to all or most of the security holders of HRL, where no change in beneficial ownership results from the trade and situations where the director or employee has no control or influence with respect to the trading decision.

The following trading is excluded from the restrictions under this policy:

- the issue of securities under an employee incentive scheme approved by the Board;
- the exercise (but not the sale of securities following exercise) of an option under an employee incentive scheme or the conversion of a convertible security;
- trading under an offer or invitation made to all or most of HRL security holders including an issue of securities under a rights issue, security purchase plan, distribution reinvestment plan, equal access buy-back or other pro rata offer where the plan that determines the timing and structure of the offer has been approved by the Board;
- undertakings to accept, or the acceptance of, a takeover offer;



- transfers of securities already held into a superannuation fund, family trust or other savings scheme in which the director or employee is a beneficiary; and
- the sale of securities in accordance with a margin call under the terms of a margin loan against the relevant HRL securities.

5. Margin Lending Arrangements

Directors and key management personnel, must inform the Company Secretary if they have entered into margin loans (including by way of security lending) in respect of securities in HRL or in an associated entity or subsidiary.

The Company Secretary must in turn inform the Board of the existence of such loans.

Directors and key management personnel may only sell all or part of the securities held that are subject to the margin loan to meet a margin call in accordance with the terms of the policy. Cases of hardship or special circumstances will also be dealt with in accordance with this policy.

6. Use of Derivatives or Hedging

The use of derivative or hedging arrangements by directors or key management personnel in relation to unvested HRL securities or vested HRL securities which are still subject to a HRL imposed holding lock is prohibited.

7. ASX Notification by Directors

The Corporations Act and the ASX Listing rules require director dealings in HRL securities to be disclosed to the ASX. In order to comply with the ASX Listing Rules, each director must inform the Company Secretary in writing of all director dealings as soon as reasonably possible after the date of the transaction and in any event, no later than 3 business days after the transaction.

8. Consequences of Breach of Policy

A breach of this policy by any person will be treated seriously and may lead to disciplinary action including dismissal.

Breaches of the insider trading provisions of the Corporations Act are a criminal offence. Penalties for insider trading include fines of up to \$220,000 for individuals and \$1,100,000 for companies or imprisonment for up to 5 years, as well as potential civil liability for losses caused to other investors.

HRL will involve the authorities if it believes insider trading or other breaches of the law have been committed.

All queries regarding issues raised in this policy should be directed to the Company Secretary

This policy was reviewed and approved by the Board on 24 November 2014.