



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.

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