



# Securities Trading Policy

**Freedom Foods Group Limited**  
ACN 002 814 235

**Updated: 12 February 2020**

## 1. INTRODUCTION

- 1.1 The Board has adopted this Policy in relation to the buying, selling and dealing (**trading**) of Freedom Food Group Limited (**FFG**) shares and other FFG securities (**securities**).
- 1.2 The Policy arises out of the requirements of the *Corporations Act* and the Listing Rules of the Australian Securities Exchange (**ASX**).
- 1.3 The purpose of the Policy is to:
  - (a) explain FFG's policy and procedure in relation to the trading of FFG securities by Directors and employees;
  - (b) ensure that public confidence is maintained in the reputation of FFG, its Directors and employees, and in the trading of FFG's securities; and
  - (c) recognise that some types of trading in FFG securities is also prohibited by law; and
  - (d) highlight the fact that it is the responsibility of each individual to ensure that they comply with this Policy and the insider trading laws generally.
- 1.4 This Policy was adopted by the Board on 12 February 2020.

## 2. APPLICATION

- 2.1 The Policy applies to all employees and Directors of FFG.
- 2.2 Certain aspects of this Policy only apply to **Specified Persons**, which for present purposes includes:
  - (a) FFG's Directors (**Directors**);
  - (b) Senior Management being the Key Management Personnel (**KMP**) (as named each year in FFG's Annual Report);
  - (c) any other first, second and third line reports to the Managing Director (each a **Senior Manager**); and
  - (d) other employees who have been advised by the Managing Director or Company Secretary from time to time that they are "Specified Persons" for the purposes of this Policy (for example, due to their role on a specific project).
- 2.3 This Policy also applies to **Connected Persons** of Specified Persons, which includes the following for each Specified Person:
  - (a) a family member who may be expected to influence, or be influenced by, the Specified Person in his or her dealings with FFG or FFG securities (this would include the Specified Person's spouse, partner and dependant children, the dependant children of the Specified Person's partner, or other dependants of the Specified Person or his or her partner); and
  - (b) a company or any other entity which the Specified Person has an ability to control (for example, a family trust or family company).
- 2.4 It is the responsibility of each Specified Person to determine who are their Connected Persons.

- 2.5 Specified Persons must inform their Connected Persons of the restrictions that apply to them under the Policy and request that they comply with the Policy in respect of their dealings in FFG securities.
- 2.6 For the purposes of the Policy, “securities” are the:
- (a) shares of FFG as well as financial products issued or created over shares by third parties, structured financial products, swaps, futures contracts, contracts for difference, spread bets, options, rights, warrants, depository receipts, or other derivatives over or related to the acquisition or the performance of shares; and/or
  - (b) securities of other companies, as noted in Sections 3.4 and 4.2 below.
- 2.7 Failure to comply with the Policy will be regarded as serious misconduct and result in disciplinary action, up to and including summary dismissal.

### 3. OVERVIEW OF INSIDER TRADING LAWS

- 3.1 Insider trading is strictly prohibited under the *Corporations Act*. The prohibition applies to *all* employees, not just to FFG’s Directors, KMPs, Senior Managers and/or Specified Persons.
- 3.2 Insider trading involves trading in securities by a person who has information about those securities which is not generally available to the market but which, if it was generally available, a reasonable person would expect it to have a material effect (upwards or downwards) on the price or value of the securities (**Inside Information**). Examples include information relating to:
- (a) the financial performance of the company (including profit and loss statements);
  - (b) a material acquisition or disposal of assets, or takeover or merger;
  - (c) an actual or proposed dividend or change in dividend policy;
  - (d) a significant change in senior management; and/or
  - (e) entering into or terminating a material contract.

Inside Information may be obtained from **any** source. It need not have been obtained through the employee’s role at FFG.

- 3.3 The law provides that a person who has Inside Information about a company must not:
- (a) buy or sell securities in a company, or enter into an agreement to buy or sell securities, or exercise options over securities, or otherwise apply for, acquire or dispose of securities (“**trade**”);
  - (b) encourage someone else (for example, a self-managed superannuation fund, company or family trust) to trade in securities in that company; or
  - (c) directly or indirectly provide that Inside Information to another person where they know, or ought to know, that that person is likely to trade in securities or encourage someone else to trade in securities of that company.
- 3.4 These restrictions apply to securities in **all companies**, not just FFG’s securities. This is discussed in more detail in section 4.2 below.
- 3.5 What constitutes “information” is widely defined by the *Corporations Act* and includes matters of supposition, rumours, hints and other matters that are insufficiently definite to warrant being made known to the public and matters relating to the intentions, or likely intentions, of a person.

- 3.6 It is the responsibility of **each individual** to ensure that they do not breach the insider trading laws and that they comply with this Policy.
- 3.7 If any breaches of the insider trading laws occur, then the employee involved and the person who engages in share trading both commit offences under the *Corporations Act*.
- 3.8 A breach of the insider trading laws is a **criminal offence** with severe penalties including significant fines or imprisonment for offenders.

#### 4. RESTRICTIONS APPLICABLE TO ALL EMPLOYEES AND DIRECTORS

##### 4.1 Trading in FFG securities

All FFG employees and Directors must not trade in FFG securities if:

- (a) they are aware of Inside Information;
- (b) they have not received clearance in accordance with section 4.4; and/or
- (c) FFG has notified employees and Directors that they must not trade in FFG securities (either for a specified period, or until FFG gives further notice).

##### 4.2 Trading in another company's securities

FFG employees and Directors may have Inside Information regarding another company (**Third Party Company**). For example, where an employee is involved in confidential negotiations about a material transaction with that Third Party Company or about to enter a major agreement with that Third Party Company. Employees and Directors must not trade in a Third Party Company's securities where they are aware of Inside Information regarding that Third Party Company.

##### 4.3 Front Page Test

4.3.1 It is important that public confidence in FFG is maintained. It would be damaging to FFG's reputation if the market or the general public perceived that FFG employees or Directors who are privy to confidential information are taking advantage of their position in FFG to make financial gains (by trading in securities on the basis of that confidential information).

4.3.2 As a guiding principle, FFG employees and Directors should ask themselves:

*If the market was aware of all the current circumstances, would the proposed trade be perceived by the market as me taking advantage of my position in an inappropriate way? How would it look if the transaction were reported on the front page of the newspaper?*

(the **Front Page Test**).

4.3.3 Note that although it is the employee's or Director's individual responsibility to comply with this Policy and the insider trading laws, the employee or director should consult with the Managing Director or Company Secretary if he or she is unsure whether his or her proposed trading may not satisfy the Front Page Test.

4.3.4 Clearance for a trade will not be provided under this Policy where the trade would not satisfy the Front Page Test.

#### **4.4 Clearance to trade**

- 4.4.1 All FFG employees and Directors must submit a written “clearance to trade” request to the Company Secretary and Managing Director before they or a Connected Person deal in FFG securities. This includes where Specified Persons wish to trade outside a blackout period, or if exceptional circumstances apply during a blackout period (as set out in section 5.5 above).
- 4.4.2 The request must confirm that the relevant person is not aware of any Inside Information or any other reason why they should not trade. In the case of a trade by a Specified Person during a blackout period, the reasons why the request is made including an explanation as to the severe financial hardship or other exceptional circumstances.
- 4.4.3 As soon as practicable after receiving a request, the Company Secretary will notify the relevant Designated Officer (set out in Schedule 1). The Designated Officer will consider whether clearance should be given for the proposed trade having regard to the information provided by the person wishing to make the trade, the Front Page Test set out in section 4.3 and any price sensitive information that exists in relation to FFG. In considering whether to approve a request to trade, the Designated Officer will, where necessary or appropriate, request additional information from, or consult with, management to assist with their deliberations. Even where clearance to trade is given, it remains the responsibility of the person making the trade to ensure that they do not breach the insider trading laws and that they comply with this Policy.
- 4.4.4 The Company Secretary or Designated Officer will advise the employee or Director in writing whether clearance has been provided for the trade, including any conditions that apply. Where clearance is given, the employee, Director or Connected Person will have 5 business days to enter into the proposed trade (and will be required to submit a new clearance request if the trade does not occur during this period).
- 4.4.5 Clearance to trade can be given, denied or withdrawn at any time by the Designated Officer in his or her absolute discretion without giving any reason to the employee, Director or Connected Person. If clearance to trade is denied, the employee, Director or Connected Person must keep that information confidential.
- 4.4.6 Where clearance is denied, the employee, Director or Connected Person must not proceed with the proposed trade.

#### **5. ADDITIONAL RESTRICTIONS APPLICABLE TO SPECIFIED PERSONS**

##### **5.1 No Speculative Trading**

- 5.1.1 Under no circumstances should Specified Persons engage in short-term or speculative trading in FFG securities. Whilst it is impractical to provide a precise definition of what is short-term or speculative trading, the guiding principle is that, at the time of purchase, the person should not intend to resell the securities within 3 months with the aim of realising a capital gain. However, the trading of FFG ordinary shares shortly after their acquisition following the exercise of options or rights pursuant to any FFG Director or employee share plans will not be regarded as short-term trading.
- 5.1.2 The prohibition on short-term or speculative trading includes direct dealings in FFG securities and transactions in the derivative markets involving exchange traded options, share warrants and similar instruments.
- 5.1.3 The entering into of all types of “protection arrangements” for any FFG securities (or FFG products in the derivatives markets) that are held directly or indirectly by Specified Persons (including both in respect of vested and unvested shares in any Director or employee share

plan) are prohibited at any time, irrespective of whether such protection arrangements are entered into outside blackout periods or otherwise.

5.1.4 For the avoidance of doubt and without limiting the generality of the Policy, entering into protection arrangements includes entering into transactions which:

- (a) amount to “short selling” of securities beyond the Specified Person’s holding of securities;
- (b) operate to limit the economic risk of the Specified Person’s shareholding; or
- (c) otherwise enable the Specified Person to profit from a decrease in the market price of shares.

## 5.2 Hedging of incentives

Specified Persons are prohibited from making arrangements to limit the Specified Person's exposure to risk relating to an element of the Specified Person's remuneration that has not vested or is subject to a holding lock. Closely related parties of the Specified Person, which include the Specified Person's spouse and dependant children, amongst other relationships, are also prohibited from making arrangements to limit the Specified Person's exposure to such risk. Further, those Specified Persons who are also KMPs must ensure compliance with the equivalent *Corporations Act* prohibition on such arrangements.

## 5.3 Margin lending

Specified Persons are permitted to take out margin loans over their holdings in FFG shares, however margin calls are not to be met by the sale of FFG shares at a time when they would not be permitted to trade FFG shares under this Policy. FFG shares cannot be sold to meet a margin call during a blackout period or if Specified Persons are in receipt of Inside Information relating to FFG. If a Specified Person’s margin lender sells any of a Specified Person’s FFG shares during a blackout period, whether on that Specified Person’s instructions to do so or not, it will be considered a breach of this Policy. Specified Persons are expected to have sufficient resources to meet a margin call by means other than a sale of FFG shares during a blackout period or period when they are in receipt of Inside Information.

## 5.4 Trading restrictions / Blackout periods

5.4.1 Whilst trading is unlawful at any time if the person has Inside Information, there are particular periods when trading by persons who generally have access to non-public information is unwise due to the perception that they are likely to possess price-sensitive information that is not generally available. For this reason many companies limit the times when Specified Persons (and their Connected Persons) may buy, sell or deal in shares to those periods when the market is likely to be most fully informed.

5.4.2 Subject to section 5.5 below, Specified Persons and Connected Persons must not trade in FFG shares during the following blackout periods:

- (a) the period commencing on 1 January and ending 2 hours following the announcement of FFG’s Half Year results; and
- (b) the period commencing on 1 July and ending 2 hours following the announcement of FFG’s Full Year results; and
- (c) any other period the Board determines.

5.4.3 The Board may at any time determine that a blackout period is extended.

5.4.4 If a Specified Person and/or Connected Person has Inside Information about FFG they must not trade in FFG shares at any time, including outside a blackout period and including if they receive clearance to trade under section 4.4.

## 5.5 Exceptional circumstances

5.5.1 It is recognised that individual circumstances may require a person to dispose of shares during a blackout period. In exceptional circumstances, and subject always to the prohibition on trading while in possession of Inside Information, Specified Persons and Connected Persons may seek prior written approval for a trade during a blackout period in accordance with the clearance procedures set out in section 4.4.

5.5.2 Exceptional circumstances will be assessed on a case by case basis, and may include:

- (a) severe financial hardship where the Specified Person or Connected Person has a pressing financial commitment that cannot reasonably be satisfied otherwise than by selling the relevant securities; and
- (b) a requirement by a court order or court enforceable undertaking, for example a bona fide family settlement.

## 5.6 Trading excluded from this Policy

5.6.1 Subject to compliance with the insider trading laws, nothing in this Policy precludes Specified Persons or Connected Persons from:

- (a) acquiring shares under the terms of FFG's Dividend Reinvestment Plan<sup>1</sup>. For the avoidance of doubt, opting in or opting out of the Dividend Reinvestment Plan would not fall within this exception and is only allowed outside a blackout period (and only then if the Specified Person or Connected Person has obtained clearance under section 4.4 of this Policy);
- (b) receiving shares under any FFG Director or employee Share Plan. However, any trading in those shares remains subject to the Policy and the provisions of the *Corporations Act*;
- (c) acquiring FFG shares through a share purchase plan available to all retail shareholders;
- (d) acquiring FFG shares through a rights issue;
- (e) disposing of FFG shares through the acceptance of a takeover offer, scheme of arrangement or equal access buyback; and
- (f) any other trades that do not result in an effective change to the beneficial interests in the FFG shares (for example, transfers of FFG shares already held into a superannuation fund or trust to which the Specified Person or Connected Person is a beneficiary).

5.6.2 Specified Persons and Connected Persons are responsible for ensuring that any particular transaction complies with law.

## 6. DISCLOSURE OF CHANGES IN FFG DIRECTOR'S INTERESTS

6.1 Directors and FFG have an obligation to notify the ASX of any change in a Director's notifiable interests, which includes trading in FFG shares.

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<sup>1</sup> This exception applies to shares that are acquired in the ordinary course of the operation of FFG's Dividend Reinvestment Plan (i.e. passive trades).

- 6.2 In order for FFG, as agent for the Director, to notify the ASX in accordance with the ASX Listing Rules, Directors must notify the Company Secretary of the date, quantity, price and type of shares (e.g. ordinary shares), and the name of purchasing entity:
- (a) for trades entered into by the Director, as soon as possible after entering into the trade (even if the trade has not yet settled); and
  - (b) for trades entered into by a Connected Person, as soon as possible after the Connected Person has entered into the trade (even if the trade has not yet settled).
- 6.3 FFG will disclose details of the trade to the ASX where required to satisfy its obligations in accordance with the ASX Listing Rules.

## **7. CONSULTATION**

- 7.1 Any queries about the application of this Policy should be directed to the Managing Director or Company Secretary.

## **8. POLICY REVIEW**

- 8.1 This Policy will be reviewed by the Board least once every two years from the date it was adopted.

**SCHEDULE 1**  
**Designated Officers**

The Designated Officers are:

- (a) for a Director (excluding the Managing Director) or their Connected Person, the Chairman of the Board and the Managing Director;
- (b) for the Managing Director or his or her Connected Person, the Chairman of the Board and the Chairman of the Risk Committee;
- (c) for the Chairman of the Board or his or her Connected Person, the Managing Director and the Chairman of the Risk Committee or, in his or her absence, any two Directors;
- (d) for any other Specified Person or Connected Person, the Managing Director or, in his or her absence, the Chairman of the Board.