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**McPHERSON'S LIMITED - SECURITIES TRADING POLICY**

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**July 2021**

## 1. INTRODUCTION AND DEFINITIONS

This policy sets out the Company's requirements on the sale and purchase of shares and other securities in McPherson's Limited (**Company** or **McPherson's**) by its employees generally and its "key management personnel" (KMP) and other Senior Executives in particular.

The Australian Securities Exchange (ASX) Listing Rules deem the Company's KMP to be those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including directors of the Company, whether executive or otherwise. Specific references are made in this policy to KMP in recognition of the Guidance Note provided by the ASX on the issue of insider trading which recognises the increased likelihood of KMP having access to price sensitive information concerning McPherson's, as referred to below.

The purpose of this policy is to assist all of the Company's employees, including its KMP and other Senior Executives, to avoid engaging in "insider trading".

This policy document provides a basic explanation of what constitutes insider trading and the Company's policy to help prevent it, including:

- A description of what conduct may constitute insider trading; and
- The approval requirements applicable to all KMP and other Senior Executives when considering buying or selling securities (including derivatives) in McPherson's.

In this policy:

**KMP** means those persons designated from time to time as having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

**Senior Executive** means an employee who is a member of the Company's senior leadership team or who reports directly to the managing director.

## 2. POLICY SUMMARY

McPherson's Limited Securities Trading Policy:

- Applies to all of the Company's employees and Directors;
- Is designed to assist in avoiding "Insider Trading";
- Prohibits the buying and selling of securities in the Company at any time when in possession of price sensitive information;
- Prohibits trading in the Company's securities:
  - (a) From 30 November until the day after the day that the half-year results are announced (usually toward the end of February); and
  - (b) From 31 May until the day after the day the full year results are announced (usually toward the end of August);
- Requires Directors, KMP and Senior Executives to seek approval from the Chairman or Company Secretary which must be granted in writing before buying or selling the Company's securities is permitted. Such approval will be valid for five (5) business days from and including the date it is granted, unless the person requesting the approval comes into possession of price sensitive information during that period. In that event the approval will cease to apply immediately from the time that person comes into possession of any price sensitive information; and

- Provides that trading in the Company's securities during any prohibited period may be permitted (i) if they are deemed Acceptable Dealings as set out in paragraph 3.4 or (ii) in other exceptional circumstances as discussed in paragraph 4.2, and if such trades are authorised in writing by the Company Secretary.

### **3. WHAT IS INSIDER TRADING?**

#### **3.1 Prohibition**

Insider trading is a criminal offence. A person will be guilty of insider trading if:

- (a) that person possesses information in relation to a company which is not generally available to the market, and if it were generally available to the market, a reasonable person would expect it to have a material effect on the price or value of that company's shares (i.e. information that is "price sensitive"); and
- (b) that person:
  - (i) buys or sells shares or other securities in the company, or agrees to do so;
  - (ii) procures someone else to buy or sell shares or other securities in the company, or agrees to do so; or
  - (iii) passes on that information to a third party where that person knows, or ought reasonably to know, that the third party would or would be likely to deal in the shares or securities, procure someone else to deal in the shares or securities of the company or agree to do any of those things.

#### **3.2 Examples**

To illustrate the prohibition described above, the following are possible examples of price sensitive information which, if made available to the market, would be likely to affect the price of McPherson's shares:

- McPherson's financial results exceeding or falling short of the market's expectations;
- The likely winning (or loss) of a major customer contract; or
- McPherson's negotiating the acquisition or disposal of a business.

#### **3.3 Dealing Through Third Parties**

A person does not need to be an employee or KMP or Senior Executive of McPherson's to be guilty of insider trading in relation to shares in the Company. The prohibition extends to dealings through nominees, agents or other associates, such as family members, family trusts and family companies.

#### **3.4 Acceptable Dealings**

Acquiring shares under the terms of the McPherson's Dividend Reinvestment Plan (**DRP**) does not fall within the prohibitions in the Company's trading policy, but directors, KMP and Senior Executives may not opt into or out of the DRP, or vary their DRP participation level, during a blackout period.

Subject to prior written approval, certain other dealings in the Company's securities may be considered to be acceptable including during blackout periods ("Acceptable Dealings"). The following dealings do not fall within the prohibitions in the Company's trading policy and would generally be considered Acceptable Dealings:

- where securities in the Company already held in an employee's, KMP's or Senior Executive's superannuation fund in which the person is a beneficiary are transferred to that person, or vice versa;
- transfers of securities between a KMP, Senior Executive or employee and someone closely related to them (such as a spouse, minor child, family trust or family company);
- an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the securities of the Company) where the assets of the fund or other scheme are invested at the discretion of a third party;
- where the restricted person is a trustee, trading in the securities of the Company by that trust provided that the restricted person is not a beneficiary of the trust, and any decision to trade during a prohibited period is taken by the other trustees or by the investment managers independently of the restricted person;
- undertakings to accept, or the acceptance of, a takeover offer;
- trading under an offer or invitation made to all or most of the Company's security holders, such as a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal buy back, where the plan that determines the timing and structure of the offer has been approved by the Board. This includes decisions relating to whether or not to take up the entitlements under a renounceable pro rata issue;
- the exercise (but not the sale of securities following exercise) of an option or a right under an employee incentive scheme of the Company, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a period prohibited under clause 4.1; and
- the redemption of an unsecured note or corporate bond issued by the Company, where all notes or bonds in the same class are subject to redemption including where the date of redemption falls during a period prohibited under clause 4.1.

Any employee, KMP or Senior Executive seeking to trade securities (including during any prohibited period) on the basis that the proposed dealing is an Acceptable Dealing which falls within the above exceptions, must provide all relevant information to the Company Secretary demonstrating that the proposed trading of the Company's securities does fall within a specific exception.

The Company Secretary must consult with the Chairman and then provide a written response within three (3) business days of receiving all information required by the Company Secretary, which response must specify whether the employee, KMP or Senior Executive is permitted to trade that person's securities.

## **4. GUIDELINES FOR TRADING IN McPHERSON'S LIMITED SECURITIES**

### **4.1 General Rule**

All employees, directors, KMP and Senior Executives of the Company are prohibited from buying or selling securities (including derivatives) in the Company when they are in possession of price sensitive information which is not generally available to the market. Price sensitive information is information which a reasonable person would expect to have a material effect on

the price or value of Company's securities.

Provided an employee, director, KMP or Senior Executive is not in the possession of unpublished price-sensitive information and subject to the approval requirements set out in clause 4.3 below, they are permitted to trade in the Company's securities (and any derivatives), **apart from the following periods during which trading in Company securities is prohibited:**

1. The period commencing one month before the end of the half year (i.e. from 30 November) until the day following the day on which the Company's half-year results are announced; and
2. The period commencing one month before the end of the full financial year (i.e. from 31 May) until the day following the day on which the Company's full year results are announced.

The blackout periods therefore finish after the market has closed on the day the half or full year results are announced.

Even outside these blackout periods, it is important to be aware that there may be occasions when relevant employees, directors, KMP and Senior Executives will be prohibited from dealing in the Company's shares because of their knowledge of impending or actual developments or transactions which are not known in the market-place. There are, of course, times when the Company is considering a major event (such as those referred to in paragraph 3.2 above) and will not advise the market of this until the occurrence of the event is more certain.

The Company may in its discretion vary these rules in relation to a particular period by general announcement to all employees and subject to compliance with ASX Listing Rule 12.10.

## **4.2 Exceptional Circumstances**

Trading in the Company's securities during any prohibited period will only be permitted if the trading is an Acceptable Dealing described in clause 3.4 or in other exceptional circumstances. Any employee, KMP or Senior Executive seeking to trade during any prohibited period due to exceptional circumstances must provide all relevant information to the Company Secretary, demonstrating that they have an exceptional circumstance and that trading of the Company's securities is the only reasonable course of action available.

The Company Secretary must consult with the Chairman and provide a written response within three (3) business days of receiving all information required by the Company Secretary, which response must specify whether the employee, KMP or Senior Executive is permitted to trade that person's securities.

For the purposes of this clause 4.2, an exceptional circumstance may include:

- (a) severe personal financial hardship, including:
  - (i) a tax liability where the relevant employee, KMP or Senior Executive has no other means of satisfying the liability, but does not include a tax liability relating to securities received under an employee incentive scheme (such as a tax liability arising on the exercise of options or performance rights);
  - (ii) a liability arising from a court order;
- (b) a requirement arising from an enforceable undertaking, including without limitation, a family settlement to transfer or sell Company securities;

- (c) a legal or statutory requirement to transfer or dispose of the Company securities; or
- (d) any other circumstance which has been deemed by the Chairman as an exceptional circumstance.

#### **4.3 Company Policy**

It is Company policy that:

- Employees are prohibited from entering into any schemes or arrangements that protect the value of shares, options or performance rights allocated under the Company's incentive schemes prior to them becoming fully vested;
- Directors, KMP and Senior Executives must seek approval from the Chairman or the Company Secretary, which approval must be received in writing before dealing in the securities of the Company is permitted;
- Approval should be requested using the Authorisation Request Form attached as Appendix A to this policy. Directors, KMP and Senior Executives must not deal in any securities of the Company without obtaining written approval in advance to deal.
- The Board recognises that it is the individual responsibility of each employee to ensure that they comply with the spirit and the letter of the insider trading laws. Notification to an officer of the Company outside the specific approval requirements of this policy in no way implies the Company's approval of any transaction;
- This policy applies to all Directors, KMP, Senior Executives and other employees;
- This policy also applies to family members or other third parties contemplating the purchase or sale of shares on behalf of Directors or employees; and
- This policy will be reviewed by the Board at least annually.

#### **5. WHAT DOES "SHARES" OR "SECURITIES" INCLUDE?**

The reference to "shares" or "securities" in this policy includes all shares and securities issued by the Company, including options or performance rights issued under an employee option or performance rights scheme, unsecured notes or corporate bonds and any other derivative instruments, irrespective of whether they are listed on the ASX or not.

#### **6. ASX NOTIFICATION BY DIRECTORS**

Under Section 3.19 A.2 of the ASX Listing Rules, notification of any change in a Director's interest in securities held in, or contracts with, the Company must be given to the ASX within five (5) business days after the change has occurred. Directors should notify the Company Secretary in writing regarding approved trades being completed, who will lodge the necessary notification (an Appendix 3Y) with the ASX. The Company Secretary must circulate any trade notification received or a summary thereof to other Directors at the next board meeting.

7. DOCUMENT CONTROL

<b>Status</b>	Approved and Issued	
<b>Approved By</b>	Board	
<b>Effective Date</b>	27 May 2020	
<b>Approval Date</b>	27 May 2020	
<b>Policy Owner</b>	Company Secretary	
<b>Amendment History</b>		
<b>Version</b>	<b>Date</b>	<b>Author</b>
2020.1	May 2020	Company Secretary
2021.1	July 2021	Company Secretary

**Appendix A**  
**McPHERSON'S LIMITED**

**AUTHORISATION REQUEST FORM FOR ANY DEALING IN THE COMPANY'S SECURITIES**

A director, KMP or Senior Executive of McPherson's must not deal in any securities of the Company without obtaining approval to deal in advance.

**A response to a request for approval to deal will be given by the Company within three (3) business days. If permission is given, dealing must take place within five (5) business days (subject to paragraph 2 of this policy) after which time the approval will lapse.**

Please note that dealing is not allowed during a prohibited period as set out in section 4.1 of the policy or during any other period when there exists any matter which constitutes inside information in relation to the Company.

In exceptional circumstances (such as an employee being in severe financial difficulty or if the other circumstances as set out in paragraphs 3.4 or 4.2 of the policy apply), approval may be given to buy or sell securities during a prohibited period. If an employee believes that exceptional circumstances may exist, please consult with the Company Secretary before taking any action.

Please provide the following information:

1. Name: \_\_\_\_\_
2. Name of family trust/nominee co (if applicable): \_\_\_\_\_
3. Name of connected person (if applicable): \_\_\_\_\_
4. Number of shares to be dealt in: \_\_\_\_\_
5. Type of transaction: *Please tick the relevant box.*
  - (i) Purchase of shares
  - (ii) Sale of Shares
  - (iii) Exercise of rights and sale of all shares
  - (iv) Exercise of rights and no sale of shares
  - (v) Pledge of, or grant of security over, shares
  - (vi) Other (please specify) \_\_\_\_\_

**Declaration**

I declare that the information in this form is true and as far as I am aware I am not in possession of any inside information in relation to the Company's securities. If this should change before the deal is transacted, I undertake to not proceed with the transaction. I also declare that I have read the Company's Securities Trading Policy in relation to restrictions on dealing by the Company's directors, KMP and Senior Executives. Should clearance to deal be given, I understand that dealing must take place within five (5) business days of clearance being given (subject to paragraph 2 of the policy) after which time the approval will lapse, and I agree to notify the Company Secretary in writing as soon as the dealing has taken place.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

When this form has been completed and signed, please scan and e-mail it without delay to the Company Secretary, [pbennett@mcpher.com.au](mailto:pbennett@mcpher.com.au) with a copy to [pwitheridge@mcpher.com.au](mailto:pwitheridge@mcpher.com.au).

**Consent to dealing given / refused\* by:** \_\_\_\_\_ **Date:** \_\_\_\_\_  
(\*delete whichever is not applicable) Company Secretary