
Corporate Governance Charter

(Adopted 10 February 2020)

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Corporate Governance Charter

Mackay Sugar Limited ACN 057 463 671

Definitions and interpretation

1.1 Definitions

In this document:

Term	Definition
AGM	means the annual general meeting of the Company.
ASIC	means the Australian Securities and Investments Commission.
Audit and Finance Committee or AFM Committee	means the Committee responsible for internal controls, risk management and oversight of financial management and financial matters generally, as set out in section 5.
Authorised Officer	means the person identified in paragraph 4.5(b).
Board	means the board of Directors.
Board Charter	means the charter of corporate governance in relation to the Board, set out in section 2.
CEO	means the executive officer (by whatever title known, whether chief executive officer, managing director or otherwise) with sole responsibility for the strategic and operational management of the Group.
CFO	means the chief financial officer or equivalent officer of the Company (by whatever title known).
Chairman	means the Chairman of the Board.
Code for Securities Transactions	means the code of conduct for transactions in Securities set out in section 4.
Code of Conduct	means the code of conduct set out in section 3.
Committee	means a committee of the Board.
Company	means Mackay Sugar Limited ACN 057 463 671.
Constitution	means the constitution of the Company.
Controlling Member Director	has the meaning given in the Constitution.
Corporations Act	means Corporations Act 2001 (Cth).
Director	means a Director of the Company.
Group	means the Company and its controlled entities.
Group Operating Policies and Procedures	means the policy and procedures applicable to the Group from time to time, adopted by the Board.
Grower Director	has the meaning given in the Constitution.
Grower Director Nominations Committee	means the committee established in accordance with section 2.8(h).

Term	Definition
Non-Executive Director	is a member of the Board of Directors who does not form part of the Management Team. He or she is not an employee of the company.
Remuneration and Nominations Committee	means the Committee responsible for ensuring that the Company has fair and responsible remuneration policies and practices to attract and retain Directors, Senior Executives and employees who will create value to Shareholders, and to review Board composition, performance and succession planning.
Restricted Person	means a person to whom the Code for Securities Transactions applies identified in section 4.1.
Secretary	means the Secretary of the Company.
Security	has the meaning set out in section 4.2(a).
Management Team	means the management team (excluding Board members), being those who have the opportunity to materially influence the integrity, strategy and operation of the Company, and its financial performance.
Shareholder	means a holder of shares in the Company.
Written Clearance	means the authority in written or electronic format to trade given under section 4.5.

1.2 Interpretation

Concepts not defined in this document which are given a meaning in the Corporations Act have the same meaning as in the Corporations Act.

2 Board Charter

2.1 Introduction

- (a) This Charter sets out the functions and responsibilities of the Board and the management of the Company. It outlines the main corporate governance practices that are in place for the Company and to which both the Board and each Director are committed.
- (b) The conduct of the Board is also governed by the Constitution. If the Constitution is inconsistent with this document, the Constitution prevails to the extent of the inconsistency.

2.2 Guiding principle

Each Director has an overriding responsibility to act in good faith and in the best interests of the Company. In assessing the Company's best interests the Board may however, have regard to the interests of:

- (a) Shareholders (with a view to building sustainable value for them);
- (b) employees of the Group; and
- (c) other people or entities with whom the Group deals.

2.3 Function

The Board's broad function is to:

- (a) Set the strategic direction and policy, and the financial targets for the Group with the aim of increasing Shareholder value;
- (b) monitor the implementation and execution of strategy and performance against financial targets; and
- (c) appoint and oversee the performance of the CEO,

and generally to take an effective leadership role in relation to the Group. The Board is accountable to shareholders for the overall performance of the Group.

2.4 Responsibilities of the Board

The Board has other responsibilities, these include responsibility for:

- (a) ensuring that there is an effective framework to balance the role of management in operating the Company and the role of the Board in monitoring, guiding and providing oversight;
- (b) delegating responsibility for the day to day operation and management of the Company to the Chief Executive Officer and senior management.
- (c) the composition of the Board including appointment and retirement or removal of Directors;
- (d) board succession planning to ensure an appropriate mix of skills, experience and diversity;
- (e) oversight of the Company including its control and accountability systems;
- (f) appointment and removal of the CEO or equivalent;
- (g) where appropriate, ratifying the appointment and the removal of Senior Executives;
- (h) approving and reviewing succession planning for the CEO and senior executives;
- (i) approval of the overall remuneration policy, including any incentive plans upon the recommendation from the Remuneration and Nominations Committee;
- (j) reviewing, ratifying and assessing the integrity of the Company's systems of risk management and internal control, codes of conduct, and legal compliance;
- (k) monitoring the CEO's implementation of strategy, and ensuring appropriate resources are available;
- (l) approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and sales;
- (m) approving and monitoring annual report, statements as to future financial performance or changes to the policy or strategy of the Company;
- (n) monitoring industry developments relevant to the Company and its business;
- (o) having input in and granting final approval of corporate strategy and performance objectives developed by management;
- (p) the overall corporate governance of the Company including its strategic direction and goals for management, and monitoring the achievement of these goals;

- (q) disclosure of information in accordance with the Corporations Act to ensure shareholders and other stakeholders are informed of all material developments affecting the Company;
- (r) oversight of Committees.

The Board is accountable to shareholders for the overall performance of the Group.

2.5 The role of management

The Board has delegated the day to day management of the Company to the CEO supported by the management team. This includes responsibility for:

- (a) managing the day to day operations of the Company in accordance with the strategic plan and policies approved by the Board;
- (b) recommending the Company's annual budget for approval of the Board and implementation of the budget;
- (c) identifying and management of operational and other risks, including internal compliance and control mechanisms;
- (d) recommending to the Board significant capital expenditure, acquisitions or divestments; and
- (e) identification of information which may have the potential to have a material impact on the Company, its financial performance or its securities, and making recommendations to the Board or the relevant subcommittee of the Board in relation to disclosure of information in accordance with the Corporations Act (referred to above set out at 2.4(q) above).

2.6 Board Composition

- (a) The Chairman is responsible for leadership of the Board and for the efficient organisation and conduct of the Board.
- (b) The Chairman should facilitate the effective contribution by all Directors and promote constructive and respectful relations between Directors, and between the Board and the Senior Executives.
- (c) The Board must comprise:
 - (i) members with a broad range of experience, expertise, skills, diversity and contacts relevant to the Company and its business;
 - (ii) no less than six Directors, three of whom must be Grower Directors; and
 - (iii) not more than eight Directors, three of whom must be Grower Directors.

2.7 Controlling Member Directors

- (a) The appointment of Controlling Member Directors will be in accordance with Rule 22 of the Constitution.
- (b) Controlling Member Directors shall not be subject to retirement and re-appointment.

2.8 Appointment and retirement of Grower Directors

- (a) The appointment of Grower Directors will be in accordance with Rules 22 and 23 of the Constitution.

- (b) A Grower Director may not hold office without re-appointment beyond the third AGM following their appointment.
- (c) Any Grower Director who has held office for a total of nine years from the date of adoption of the Constitution, including non-consecutive terms, must resign effective at the conclusion of the next AGM and may not be re-appointed.
- (d) Prior to each AGM, if there would not be a vacancy for a Grower Director on the board, then the Grower Director who has been longest in office since last being elected must retire.
- (e) The directors must call for nominations for a Grower Director position not more than 90 days and not less than 30 days before an AGM.
- (f) If a person nominates themselves for a Grower Director position, the nominee must provide the company with such information as the directors may request to demonstrate the nominee satisfies the requirements in rule 23.1 of the Constitution at the time of the nomination and at the time of appointment, including but not limited to company records, partnership arrangements and trust arrangements (as relevant).
- (g) If the directors determine that the nominee does not satisfy the requirements in rule 23.1 at the time of the nomination, then the nomination as a Grower Director may be rejected. Such a determination by the directors will be final and conclusive.
- (h) When a vacancy arises for a Grower Director, the Board must establish a Grower Director Nominations Committee to consider nominations received in accordance with section 2.8(e).
- (i) The Grower Director Nominations Committee must include at least one Director and may otherwise be constituted by either Company management or external persons at the discretion of the Board.
- (j) The Grower Director Nominations Committee will consider the candidates based on:
 - (i) what may be appropriate for the Company and the Group;
 - (ii) the skills, expertise and experience required;
 - (iii) the mix of those skills, expertise and experience with those of the existing Directors; and
 - (iv) the perceived compatibility of the candidates with the Group and with the existing Directors.
- (k) The Grower Directors Nominations Committee must make a recommendation to the Board in relation to who they recommend is appointed as a Grower Director. The Board ultimately reserves the right to accept or reject a recommendation made by the Grower Directors Nominations Committee.

2.9 Directors' Performance review and evaluation

- (a) The performance of all other Directors is reviewed and assessed every two years by the Chairman, and the performance of the Chairman is reviewed and assessed every two years by the other Directors.
- (b) The evaluation criteria and process to be followed is the same in each case.
- (c) The Chairman determines the evaluation criteria and process.
- (d) A member of the Board whose performance is unsatisfactory may be asked to retire.

- (e) An external assessment of the Board's policies and procedures, and its effectiveness generally must be conducted by independent professional consultants at intervals of three years.

2.10 Board review of Chief Executive Officer

- (a) The Board is responsible for establishing key performance indicators applicable to the CEO.
- (b) A performance review of the CEO is conducted on at least an annual basis.
- (c) The Remuneration and Nominations Committee undertakes the initial evaluation of the performance of the CEO on behalf of the Board.
- (d) The Remuneration and Nominations Committee report to the Board the outcome of their initial review and recommend the remuneration of the CEO for the ensuing financial year for Board approval.

2.11 Training and advice

- (a) Directors must be provided with information about the Company before accepting the appointment and complete an induction after their appointment, in each case appropriate for them to discharge their responsibilities in office.
- (b) Directors must be given access to continuing education in relation to the Company, extending to its business, the industry in which it operates, and other information required by them to discharge the responsibilities of their office.
- (c) Each Director may seek independent legal or other professional advice at the Company's expense. Prior approval from the Chairman is required but may not be unreasonably withheld or delayed.

2.12 Meetings

- (a) Board meetings are normally held at six weekly intervals, and must occur not less than six times in any year.
- (b) Board meetings will be scheduled at appropriate venues at the Company's sites from time to time and include a site visit and presentations co-ordinated by management to aid Directors understanding of the business. Meetings may also be held by telephone or other electronic means of communication.
- (c) Papers for Board and Committee meetings must be circulated, where practical, at least seven days before the relevant meeting.
- (d) Draft minutes of Board and Committee meetings (for consideration and approval at the next relevant meeting) must be circulated within ten days following each meeting.
- (e) The Directors must meet at least once each financial year with the CEO for a private discussion of management issues.

2.13 Secretary

The Secretary is accountable to the Board, through the Chairman, on all corporate governance matters and is responsible for:

- (a) monitoring this policy and any Committee charter, to ensure they are followed; and
- (b) will ensure the timely completion and despatch of:

- (i) Board and Committee agenda and briefing materials;
- (ii) draft minutes of meetings of the Board and all Committees for approval at the next meeting;
- (iii) maintenance of the share registry; and
- (iv) meeting statutory reporting and record keeping requirements in accordance with the relevant legislation.

2.14 Committees

- (a) The Board may establish Committees to assist the Board to carry out its functions effectively and efficiently. The Board will adopt a Charter for each Committee setting the scope of its responsibility and relevant administrative and procedural arrangements.
- (b) The Committees established at the date of this document are the following:
 - (i) Audit and Finance Committee
 - (ii) Health, Safety and Environment Committee;
 - (iii) Remuneration and Nominations Committee;
 - (iv) Grower Director Nominations Committee; and
 - (v) Other Committees on a short term basis from time to time, as required.

2.15 Ethical standards and values

- (a) All Directors and all officers of the Company and each other company in the Group must act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.
- (b) The Directors must comply with the Code of Conduct in the exercise of their duties.

2.16 Dealings in Securities

The Constitution permits Directors to acquire Securities. Company policy prohibits any dealing in, or procuring the dealing in, Securities by Restricted Persons except in accordance with the Code for Securities Transactions.

2.17 Business risks

- (a) The Board is responsible for Company strategy, including ensuring the identification of material risks. This responsibility is fulfilled by the Audit and Finance Committee and the Health, Safety and Environment Committee who review the material financial risks affecting each business segment and develop strategies to mitigate these risks. The Audit and Finance Committee and Health, Safety and Environment Committee report to the Board following each meeting.
- (b) The risks of the Company's and the Group's business are reviewed by the Board following each report by the Audit and Finance Committee. This report is included in the Chief Executive Officer's monthly report and considered at the meeting of the Board. Once a financial risk is identified, an action plan is proposed by management and submitted to the Audit and Finance Committee and, through it, the Board is informed of the action plan.
- (c) The Audit and Finance Committee must approve the action plan and corrective action must be taken as soon as practicable. Material business risks arise from such matters

as actions by competitors, changes in government policy and use of information systems.

- (d) Employees must be provided with and comply with the Group Operating Policies and Procedures. The Group Operating Policies and Procedures contain risk management procedures that aim to address risk management issues including professional indemnity claims.
- (e) The CFO must ensure the Company's risk management and internal compliance and control systems are operating efficiently and effectively in all material respects, and provide a detailed statement to the Board about this with each financial report.
- (f) The Board should regularly review (at least annually) and approve the Group Operating Policies and Procedures.

2.18 Communication with Shareholders

- (a) The annual report is distributed to all Shareholders on request or via the Company's website. The Board ensures that the annual report includes relevant information about the operations of the Group during the year, changes in the state of affairs of the Group, and details of future developments in addition to the other disclosures required by the Corporations Act.
- (b) If resolutions are required to be put to Shareholders before the next AGM, a general meeting will be called with at least 21 days' notice in accordance with the Corporations Act. The Board encourages the full participation of Shareholders at the AGM and at other general meetings to ensure a high level of accountability and identification with the Group's strategy and goals.
- (c) Company announcements are made in a factual, timely, clear, and objective manner, and include any information material to decisions of Shareholders.
- (d) Information concerning the Company and the Group, including copies of the annual report, is made available to Shareholders and prospective investors in the Company on the Company's website. The Company has a continuing commitment to electronic communication with Shareholders and stakeholders generally including through its website.

2.19 Recognition of interests of stakeholders

Directors must recognise that their responsibility is to Shareholders as a whole to continue to build sustainable value for Shareholders. Directors have a responsibility to ensure the Company adheres to appropriate standards and that proper policies are developed to ensure the health and safety of its people and the environment.

3 Code of conduct

3.1 Objective

The objective of this code is to give the Directors mandatory directions to follow when performing their duties, to enable them to achieve the highest possible standards in meeting their obligations, and give them a clear understanding of practice in corporate governance.

3.2 Obligation to comply with code and law

- (a) A Director is obliged, at all times, to comply with this code as well as the law.
- (b) A Board position involves important legal and ethical responsibilities and a commitment to upholding the values of good corporate citizenship, in both individual conduct and

corporate actions. No person should accept a Board position if they have any doubt about their ability to comply with this code.

3.3 General duties

- (a) Directors must:
 - (i) act in good faith, make decisions in the best interests of the Company and for a proper purpose;
 - (ii) avoid any potential conflict of interest or duty;
 - (iii) exercise a reasonable degree of care and diligence;
 - (iv) not make improper use of information; and
 - (v) not make improper use of their position.
- (b) Controlling Member Directors can act in the interests of the Controlling Member, provided they meet their duties to the Company.
- (c) Breaches of these duties under the Corporations Act and at common law may expose Directors to potential liability in damages, fines, disqualification and imprisonment.
- (d) A Director, in the exercise of his or her powers, and in the discharge of his or her duties, must exercise the degree of care and diligence that a reasonable person would exercise if he or she were a Director:
 - (i) in the circumstance prevailing;
 - (ii) occupying the same position; and
 - (iii) with the same responsibilities within the Company as the Director.
- (e) A Director has fiduciary responsibilities and must act with fidelity and trust in Company matters. The Board has been appointed to manage the affairs of the Company on behalf of the Shareholders and is responsible not only to Shareholders but to other third parties including creditors, regulators and the community.
- (f) All Board members are required to attend at least one educational seminar a year to remain fully informed of matters relevant to their position as a Director.
- (g) The Company maintains a directors' and officers' liability insurance. Directors should be aware of the terms of this insurance to ensure that whatever actions they take are covered by the Policy.

3.4 Independent decision making and soundness of decisions

- (a) A Director must be independent in his or her judgement and actions, and must take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board.
- (b) To satisfy this requirement a Director must:
 - (i) make a reasonable effort to become and remain familiar with the affairs of the Group;
 - (ii) attend all Board meetings and Board functions unless there are valid reasons for non-attendance; and
 - (iii) commit the necessary time and energy to Board matters.

- (c) Directors should rely on advice relating to the Company or the Group or their affairs only where that advice is given or prepared by:
 - (i) an employee whom the Director believes on reasonable grounds to be reliable and competent in the relevant subject;
 - (ii) a professional adviser or expert in a subject the Director believes on reasonable grounds to be within the person's professional or expert competence;
 - (iii) another Director or officer on the subject within that Director's or officer's authority; or
 - (iv) a Committee (on which the Director did not serve) on a subject within the Committee's authority.
- (d) Directors should only rely on information or advice if the Director's reliance was made in good faith, after independently assessing the information and advice, considering the Director's knowledge of the Company and Group and the complexity of their structure and operations.

3.5 Confidentiality of Board matters and other information

- (a) Directors must keep confidential any Board matters and all confidential information received by the Directors in the course of the exercise of their duties.
- (b) All information received by a Director to carry out Board duties must be regarded as confidential and is the property of the Company.
- (c) A Director may not disclose information, or allow it to be disclosed, to any other person unless disclosure is authorised by the Company or the information is required by law to be disclosed.
- (d) All discussions and resolutions of the Board must also be kept confidential and their content must not be disclosed, or allowed to be disclosed to persons who are not Directors except in cases where disclosure:
 - (i) has been authorised by the Company; or
 - (ii) is required by law.
- (e) Authorisation by the Company is presumed to the extent the Board or Committee minutes state or imply that it is intended that disclosure should be made to third parties.
- (f) Any Director in any doubt as to his or her obligations of confidentiality or in relation to any matter of disclosure should consult with the Chairman prior to making any disclosure. A Director may also seek independent advice under section 2.11(c) of this document.

3.6 Improper use of information

A Director must not make improper use of information acquired as a Director to gain, directly or indirectly, any personal advantage or any advantage for any other person detrimental to the Company or the Group. A Director may also seek independent advice in accordance with this Corporate Governance Charter.

3.7 Cooperation

- (a) Directors must observe solidarity with the resolutions of the Board and cooperate in their implementation.

- (b) Board members are part of a team. They must work cooperatively with the Chairman and other Directors and with management. Directors must therefore observe solidarity regarding the resolutions of the Board or any Committee. Directors must not speak against a resolution of the Board or any Committee to any person other than fellow Directors. Directors must also support Board resolutions by providing assistance and cooperation in their implementation.

3.8 Personal interests and conflicts

- (a) A Director must not take improper advantage of their position as a Director.
- (b) No Director may allow any personal interest, or the interest of any associated person, to influence or prejudice the Director's conduct or any Board or Committee decision, other than as contemplated by section 3.3(b).
- (c) A Director has a duty to avoid any conflict between:
 - (i) the best interests of the Company and the Group; and
 - (ii) his or her own personal interests or the interests of any third party.
- (d) Every Director must be aware of both actual and potential conflicts of interest. The law requires that a Director with a conflict of interest should refrain from voting, or entering into any discussion, at, or even being present during, relevant Board discussions.
- (e) A Director who has any material personal interest in a matter must not be present at a meeting while the matter is being considered and must not vote on the matter. A personal interest may be either direct or indirect and either pecuniary or otherwise.
- (f) Papers relevant to any matter on which there is a known conflict of interest, or in relation to which there is a material personal interest, will not be provided to any Director concerned.

3.9 Conduct of Directors

- (a) A Director must not engage in conduct likely to discredit the Company or the Group.
- (b) Each Director must be aware of and observe, any standing orders adopted by the Board from time to time for the conduct of Board and Committee meetings.
- (c) Directors must at all times comply with the spirit as well as the letter of the law and with the principles of this code.
- (d) Directors should conduct themselves at all times in a sober, polite, lawful and restrained manner in carrying out their duties, at both Board and Committee meetings, at Company functions and meetings, and where otherwise dealing with matters concerning or involving the Company.

3.10 Board Performance

- (a) The Board will undertake a performance evaluation to review the performance of the Board against the requirements of this charter every two years.
- (b) The Board, with the assistance of the Remuneration and Nominations Committee, will determine the scope of the performance evaluation and how it is carried out.

3.11 Complaints procedure

- (a) In the event Directors are approached by Shareholders, employees or other persons who have a complaint about a matter relating to the Company or the Group, any such

complaint must be handled under the relevant procedure in the Group Operating Policies and Procedures.

4 Code of conduct for transactions in securities

4.1 Who does this code apply to

- (a) This code applies to all employees and officers of the Group, including directors, senior management, consultants and contractors. These individuals are referred to as Restricted Persons in this code.
- (b) A Restricted Person must not trade through any member of their family, or through a trust or company over which they have influence or control unless otherwise permitted by this code.

4.2 Which securities does this code apply to

- (a) This code applies to all securities issued by the Company of any kind including ordinary shares, preference shares, debentures, convertible notes, options, hedging or derivative instruments (**Securities**).
- (b) This code also covers trading in the securities of other companies if:
 - (i) the company is a joint venture or collaborative partner of the Company;
 - (ii) the Company has made (or is planning to make) a takeover offer; or
 - (iii) the Company has a substantial interest (5% or more) in the company.
- (c) The circumstances in which this Policy does not apply are set out in paragraph 4.8.

4.3 Restrictions on trading in The Company Securities

- (a) This paragraph sets out the circumstances in which Restricted Persons cannot trade in Securities.

Inside information

- (b) A Restricted Person must not trade if the Restricted Person has inside information. Section 4.4(b) of this code outlines what constitutes 'inside information'.
- (c) If a Restricted Person trades in Securities while they have inside information, not only are they in breach of this code, but they may also be in breach of the insider trading provisions of the Corporation Act, which is a criminal offence.

Restricted Periods

- (d) A Restricted Person must not trade during a Restricted Period.
- (e) A Restricted Period is any period which the Board resolves to declare a Restricted Period.
- (f) Outside of a Restricted Period above, a Restricted Person may trade in Securities so long as they are not prohibited from trading under another rule in this code.

Speculative Trading

- (g) A Restricted Person must not trade in Securities for short term or speculative gain.

4.4 Inside information

- (a) This section 4.4 sets out what is meant by 'inside information', as well as a summary of insider trading.

What is inside information

- (b) Inside information is information that is not generally available, and which, if it were generally available:
- (i) a reasonable person would expect it would have a material effect on the price or value of Securities; or
 - (ii) would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of Securities.
- (c) Information is considered 'generally available' if it is readily observable, or if it 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.

Restrictions on using inside information

- (d) Section 4.3(b) of this code prohibits a Restricted Person from trading in Securities if the Restricted Person has inside information.
- (e) The Corporations Act also makes insider trading illegal. A person commits an offence if they have information about a company which they know to be, or ought reasonably know to be, inside information and they:
- (i) trade in that company's securities;
 - (ii) procure another person to trade in that company's securities; or
 - (iii) communicate the information, directly or indirectly, to another person who they know, or ought reasonably to know, is likely to trade in those securities or procure another person to trade in those securities.
- (f) Insider trading is prohibited at all times.

4.5 Authorised trading

- (a) If a Restricted Person wishes to trade in Securities during a Restricted Period, they may apply for permission to trade if exceptional circumstances exist. This is called Written Clearance.

Who can give Written Clearance

- (b) An Authorised Officer can give Written Clearance. The Authorised Officer changes depending on who is seeking Written Clearance. The table below sets out who is an Authorised Officer.

Person seeking Written Clearance	Authorised Officer
A Controlling Member Director	The Deputy Chairman, or in the absence of the Deputy Chairman, a Grower Director
A Grower Director	The Chairman, or in the absence of the Chairman, a Controlling Member Director
The CEO	The Chairman, or in the absence of the Chairman, a director nominated by the Chairman
Any other person	The CEO, or in the absence of the CEO, a director

When can Written Clearance be given

- (c) Written Clearance can only be given if the proposed trade:
 - (i) is not:
 - (A) contrary to law;
 - (B) for speculative gain;
 - (C) to take advantage of inside information; or
 - (D) likely to be seen by the public, press or other Shareholders as unfair; and
 - (ii) exceptional circumstances exist justifying the issue of the Written Clearance.

What are exceptional circumstances

- (d) What constitutes an exceptional circumstance is a matter for the discretion of the Authorised Officer. However, exceptional circumstances may exist if the proposed trade is:
 - (i) to realise cash in a time of financial hardship;
 - (ii) to comply with the requirement of a court order or enforceable undertaking; or
 - (iii) sought because delaying the trade would:
 - (A) cause greater financial hardship;
 - (B) be exceptionally detrimental to the person's family affairs; or
 - (C) be a breach of a court order.

4.6 Notification of trades

If a Restricted Person trades in Securities they must notify the company secretary of the details of all completed transactions within fourteen days after each transaction. This is necessary whether or not Written Clearance was required before trading. The Company secretary maintains a register of securities transactions under this code.

4.7 Restrictions on certain arrangements over securities

A Restricted Person must also not:

- (a) use Securities in connection with a margin loan or similar financing arrangement or product which may be subject to a margin call or loan to value ratio (LVR) breach;
- (b) engage in hedging arrangements, deal in derivatives or enter into other arrangements which limit the economic risk related to the Company Securities (including, for example, the use of put and call options, contracts for differences and other contracts intended to secure a profit or avoid a loss based on fluctuations in the price of The Company Securities) unless the Restricted Person has Written Clearance (as set out in paragraph 4.5 of this Policy); or
- (c) enter into any arrangement of the nature described in paragraph 4.7(a) or (b) above if to do so would be in breach of the Corporations Act.

4.8 Securities to which this Policy does not apply

This code does not apply to:

- (a) a transfer of Securities already held by a Restricted Person into a superannuation fund or other saving scheme of which the Restricted Person is a beneficiary;
- (b) undertakings to accept, or the acceptance of, a takeover offer;
- (c) trading under an offer or invitation made to all or most of the existing security holders in a company, such as a pro-rata rights issue, a security purchase plan, a dividend or distribution reinvestment plan or an equal access buy-back; or
- (d) the exercise (but not the sale of securities following exercise) of an option or a right under an employee incentive scheme, or the conversion of a convertible security, if the final date for the exercise of the option or right, or the conversion of the security, falls during a Restricted Period.

5 Standing rules of Committees

5.1 Application

These rules apply to, and are deemed incorporated into the charter of each Committee, except to the extent of any conflict with any of its terms.

5.2 Composition

- (a) Membership of Statutory Committees is no fewer than three members, and for Ad Hoc Committees no fewer than two members.
- (b) Committees are appointed by the Board and serve as determined by the Board.
- (c) The Board appoints one member of any Committee to act as its Chairman.

5.3 Role

Each Committee has the role of improving the efficiency of the Board through accepting the delegation of tasks and performing them in a forum where they can receive greater attention to detail than would be practical solely at Board level.

5.4 Proceedings

- (a) Any meeting may be held by means of conference call or any other means of communication that may, under the Corporations Act or the Constitution, be used for Board meetings.
- (b) The quorum for a Committee meeting is any two members.
- (c) A Director may attend (but not vote at) a meeting of a Committee of which that Director is not a member, as determined by the Committee, for discussion of any particular matter relevant to that Director or in relation to which that Director may have a special contribution to make.
- (d) A Committee may delegate any specific task to one of its members or to a sub-committee consisting of two or more of its members.
- (e) The procedural provisions of section 5.4 of this document apply in relation to any sub-committee of a Committee.

5.5 Reporting

Each Committee must report to the Board after each Committee meeting, and provide a copy of the minutes.

5.6 Secretary

The Secretary is accountable to the Board, through the Chairman, on all corporate governance matters and is responsible for monitoring compliance with this charter, and for coordinating the completion and despatch of Committee agenda and briefing materials, as well as draft minutes of meetings of each Committee for approval at the next meeting.

5.7 Performance review and evaluation

- (a) The same procedures apply as for the Board (section 2.9 of this document) subject only to the role of the Chairman being taken by the Chairman of the Committee and any other necessary changes.
- (b) Review and evaluation are conducted against the Committee charter and any criteria determined by the Chairman.
- (c) The Committee must report to the Board on the conduct and results of its review and evaluation and make recommendations it considers appropriate.

Mark Day
EXECUTIVE DIRECTOR and CEO

10 February 2020