



HRL Holdings Limited

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HRL Holdings Ltd ACN 120 896 371 (**Company**)



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 (such as a spouse and minor children) 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 three-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).
- At no time can directors or employees engage in short selling in HRL's financial products.

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 Chairperson; and
- the Chairperson 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 Chairperson or from the Chairperson 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

The use of margin lending arrangements by directors or key management personnel in relation to HRL securities is prohibited.

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 1 business day 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 for individuals can include up to 15 years jail and and/or a fine equal to the greater of: 4,500 penalty units; or if the court can determine the amount of the benefit derived and detriment avoided because of the offence, 3 times that amount. For companies, the maximum penalty is a fine equal to the greatest of 45,000 penalty units; or if the court can determine the amount of the benefit derived and detriment avoided because of the offence, 3 times that amount; or 10% of the body corporate's annual turnover during the 12-month period ending at the end of the month in which the body corporate committed or began committing the offence.

There is also 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

Review of Policy

The Policy is reviewed annually by the Audit and Risk Committee to keep it up to date and consistent with legislative and other Corporate Governance Requirements.

This Policy was reviewed and approved by the Board of Directors on 27 January 2022.