

## 1. Purpose

This Share Trading Policy ("Policy") sets out GrainCorp's ("**Company's**") policy regarding the dealing in Company securities, which includes shares, options, warrants, debentures and any other security on issue from time-to-time ("**GrainCorp Securities**") and which are listed for quotation on the Australian Securities Exchange ("ASX") or other financial market.

The purpose of the Policy is to outline when Directors and employees may deal in GrainCorp Securities as well as to establish procedures to reduce the risk of insider trading.

## 2. Scope

This Policy applies to all **Designated Officers** and employees of the Company and their Associates. **Designated Officers** are defined as Directors and officers (as defined in the Corporations Act), members of the Executive Leadership Team, the GrainCorp Leadership Group, and all other persons who might reasonably be regarded by the Company as having access to inside information (as determined by the Company Secretary). From time to time the Company may determine that specified and additional individuals are deemed to be Designated Officers, and their compliance obligations with respect to this Policy will continue until such time the individual has been informed that they are no longer a Designated Officer.

"Associate" is defined as any person or entity over whom a Designated Officer or employee has, or is deemed to have, investment control or influence or with whom they are acting in concert.

Examples include spouses, partners, dependent family members, nominees (including an investment manager managing funds on their behalf), a trust of which they are a trustee or a beneficiary, a person in partnership, or acting in concert with them and a company which they or their family control.

In particular:

- the insider trading provisions set out in the Corporations Act and in this Policy apply to all persons including Designated Officers, employees and their Associates;
- the requirement to deal within the prescribed periods as set out in this Policy only applies to Designated Officers and their Associates;
- the obligation to notify the Company Secretary (see paragraph 9 overleaf) of any dealing in GrainCorp Securities giving rise to a notifiable interest applies to Directors and their Associates and other relevant persons;
- the obligation to notify of any margin loan and other financing arrangements applies to Designated Officers and their Associates;
- the obligation of all Designated Officers and employees not to deal in GrainCorp Securities at any time when in possession of inside or price sensitive information.

Designated Officers and employees are expected to use their best endeavours to ensure, to the extent practicable, that their Associates are made aware of and understand this Policy and any restrictions that it may impose upon them dealing in GrainCorp Securities.

## 3. The insider trading prohibitions

It is illegal to deal in any GrainCorp Securities while in possession of inside information concerning the Company. Under the Corporations Act a person with inside information:



- must not, and must not procure another person, to deal in (that is, apply for, acquire or dispose of or enter into an agreement to apply for, acquire or dispose of) the securities of a body corporate or enter into an agreement to deal in the securities of a body corporate; or
- directly or indirectly communicate, or cause to be communicated, that information to any other person if the person with inside information would or would be likely to use the information to so deal in the securities.

These requirements also apply to Designated Officers, employees and their Associates during “Trading Windows”, as defined below.

"Inside information" is defined in the Corporations Act as information that:

- is not generally available; and
- if generally available, a reasonable person would expect it to have a material effect on the price or value of the securities of the body corporate.

It does not matter how or in what capacity a person becomes aware of the inside information. It does not have to be obtained from the Company to constitute inside information.

#### **4. *What are the consequences of breaching the insider trading prohibitions?***

A breach of the insider trading laws may subject a person to:

- criminal liability - penalties include heavy fines and imprisonment; and
- civil liability - the person can be sued by another party or the Company for any loss suffered as a result of illegal trading activities.

Any breach of the law or this Policy or both will also be regarded by the Company as serious misconduct and a breach of the Company's Code of Conduct, which may lead to disciplinary action including, but not limited to, summary dismissal.

#### **5. *Restrictions on short-term dealing and short selling***

The Company encourages Designated Officers and employees to adopt a long-term attitude to their investment in GrainCorp Securities. Consequently, Designated Officers and employees are prohibited from engaging in short-term or speculative dealing and short selling of GrainCorp Securities.

#### **6. *Further restrictions on dealing***

Subject to the above general prohibition on insider trading, Designated Officers and their Associates may only deal in GrainCorp Securities during the following periods ("**Trading Windows**"):

- i) four weeks commencing 48 hours from the date of lodgement of the half yearly accounts of the Company with the ASX;
- ii) four weeks commencing 48 hours from the date of lodgement of the preliminary final report of the Company with the ASX;
- iii) four weeks commencing 48 hours from the date of the Annual General Meeting of the Company;
- iv) commencing from the 8th business day (seven day exposure period) from lodgement with the Australian Securities and Investments Commission (ASIC) of a Prospectus or Product Disclosure Statement ("PDS") and ending on the close of the offer and subject to no material matters being raised

by the Due Diligence Committee during the life of the Prospectus or PDS (wherein a supplementary prospectus would ordinarily be issued); or

- v) any other period, of such duration, as determined by the Board of the Company from time to time.

The Board, Managing Director and CEO ("CEO") or Company Secretary may impose an embargo, at any time, on dealing in GrainCorp Securities if it is thought that a market sensitive event has occurred or is likely to occur, or for any other reason deemed necessary.

On retirement or departure from the Company, former Designated Officers and their Associates are restricted from dealing in GrainCorp Securities for a period of 12 weeks or the earlier occurrence of any of the paragraphs i) to v) above.

### **7. Policy Exceptions**

Designated Officers and their Associates may only deal in GrainCorp Securities outside the Trading Windows in the exceptional circumstances set out below, in which case such dealing will not be in breach of this Policy.

#### **Dealing by a Director or CEO in exceptional circumstances**

A "No Objection" notice may be given by:

- the Chairman (or in his absence, the Board Audit Committee ("BAC") Chairman), or
- the BAC Chairman (or in his or her absence another nominated Director) in the case of the Chairman,

in his or her absolute discretion to permit a Director or CEO and / or their Associates to deal in GrainCorp Securities outside a Trading Window if:

- a) the Director or CEO:
- i) confirms in writing that they do not possess any unpublished price sensitive information about the Company; and
  - ii) he or she is suffering severe financial difficulty or there are other exceptional circumstances that justify being permitted to deal in GrainCorp Securities outside a Trading Window, and
- b) the Chairman is satisfied, taking into account any other factors that the Chairman believes are relevant, that it is reasonable in all the circumstances for the Director or CEO to be permitted to deal in GrainCorp Securities outside Trading Window.

Exposure to a financial loss if the person was not permitted to deal in GrainCorp Securities will not, in itself, constitute severe financial difficulty. An example of an "exceptional circumstance" would be if the person was subject to a court order that required he or she to transfer GrainCorp Securities.

Any such "No Objection" notice must be obtained in advance of any dealing in GrainCorp Securities outside a Trading Window.

A dealing for which a "No Objection" notice is given remains subject to the clearance and notification requirements in this Policy.

#### **Dealing by other Designated Officers in exceptional circumstances**

The above provisions relating to dealing by a Director or CEO in exceptional circumstances also apply to other Designated Officers and their Associates in the same exceptional circumstances, except that a "No Objection"

notice to deal outside a Trading Window may be given by either the CEO or the Company Secretary in their complete discretion.

### **Participants in employee share plans<sup>1</sup>**

If Designated Officers (other than Non-executive Directors) participate in, or are eligible to participate in, any GrainCorp employee share acquisition plan (also known as an employee incentive scheme), applications to participate in the relevant plan, acquisitions of GrainCorp Securities under a plan and variations of instructions in relation to levels of participation in a plan may be made at any time. However such actions must be undertaken pursuant to the rules of the relevant plan and only when the Board has not, in its absolute discretion, temporarily suspended any such dealings in GrainCorp Securities.

Any subsequent dealing by Designated Officers in GrainCorp Securities acquired under such a plan must only be undertaken in accordance with this Policy.

### **Dividend Reinvestment Plan**

Designated Officers are permitted to acquire Securities outside the Trading Windows where the Securities are issued to the person as a result of the person having given the Company or its agent ongoing instructions to reinvest dividends under the Company's Dividend Reinvestment Plan.

### **Other Exceptions**

The following exceptions may also apply, in which case such dealing will not be in breach of this Policy and clearance is not required (however Designated Officers may have notification requirements):

- A Designated Officer transfers GrainCorp Securities to someone closely related (such as a spouse, minor, child, family company, or family trust), or by a Designated Officer to their superannuation fund;
- An acquisition of GrainCorp Securities under a pro rata issue;
- A disposal of rights acquired under a pro rata issue;
- An acquisition of securities under an employee incentive scheme;
- Indirect and incidental dealing that occurs as a consequence of a Designated Officer dealing in securities issued by a managed investment scheme, listed investment company, exchange-traded fund or similar investment vehicle that is managed by a third party that happens to hold GrainCorp Securities as part of its portfolio of securities;
- If a Designated Officer has a margin loan or other financing arrangements in place, as defined in this Policy, an involuntary disposal of GrainCorp Securities that results from the margin lender or financier exercising its rights under the arrangement.

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<sup>1</sup> Corporations Regulation 9.12.01 provides that section 1043A(1) of the Corporations Act 2001 (Cwlth) (the dealing and procuring offences) does not prevent the application for, and acquisition under that application of, financial products of a company by its employees (or a trustee for them) under a scheme established solely or primarily for their benefit. Note that this regulation does not exempt Non-executive Directors as they are not "employees" of the Company.



## **8. Clearance to deal in GrainCorp Securities**

### **Chairman**

The Chairman must seek clearance from a Non-executive Director (normally the BAC Chairman and Company Secretary) prior to dealing.

### **Directors and Associates**

Directors and their Associates must seek clearance from the Chairman prior to dealing.

### **Other Designated Officers**

Other Designated Officers must seek clearance from the CEO or Company Secretary prior to dealing.

The Chairman, BAC Chairman, CEO or Company Secretary may approve or deny a clearance to deal in their absolute discretion, without providing any reasons. A clearance to deal may be given and remain valid for the entire length of a Trading Window, but can be revoked at any time without reason or recourse.

Any decision to approve or deny a clearance to deal is final and binding, and if a clearance is refused or revoked, the individual seeking the clearance must keep that information confidential and must not disclose it to anyone.

Any clearance to deal under this Policy is not an endorsement of the deal or of the decision of the individual. Each individual is responsible for their own investment decisions and compliance with insider trading laws.

## **9. Notification of dealing in GrainCorp Securities.**

Directors must also notify the Company Secretary of any dealing in GrainCorp Securities within 2 business days of such dealing occurring so that the Company can comply with the ASX Listing Rule 3.19A requirement to notify the ASX of any change in a notifiable interest held by a Director including the interests of their Associates.

The Company Secretary will maintain a register of all dealings and holdings in GrainCorp Securities by Directors and dealings by other Designated Officers.

## **10. Notification of margin loan and other financing arrangements**

- a) Without limiting paragraph (b) below, each Designated Officer must immediately notify the Company Secretary of:
  - i) any pre-existing margin loan, cap and collar or other similar funding, lending, borrowing or financing arrangement over any GrainCorp Securities ("Financing Arrangement") that has been entered into.
  - ii) the key terms of the Financing Arrangement including:
    - the number of GrainCorp Securities involved;
    - the relevant trigger events, for example:
      - the share value at which a margin call may be triggered under a margin loan; or
      - the share value at which the bank may be entitled to payment under a cap and collar arrangement.
    - the actions that may be required to meet any call made under the arrangement (such as a call under a margin loan); and

- any right of the lender, the lender's financier or any other third party to sell GrainCorp Securities unilaterally, or claim title to GrainCorp Securities under the arrangement.
  - iii) any other information connected with the Financing Arrangement that the Company Secretary reasonably requests.
  - b) On and from the date of this revised Policy, no Designated Officer nor any of their Associates may enter into any Financing Arrangement unless:
    - i) the Chairman (or in his or her absence the BAC Chairman); or
    - ii) in the case of the Chairman or any of his or her Associates proposing to enter into a Financing Arrangement, the BAC Chairman (or in his or her absence another nominated Director),
- has:
- received notification from the Designated Officer in writing of the intention to enter into the Financing Arrangement, and the key terms of the Financing Arrangement (including the matters listed in paragraphs (a) ii) and iii) above); and
  - given approval in his or her absolute discretion, taking into account any factors that the Chairman (or the BAC Chairman as applicable) believes are relevant, to permit entry into the Financing Arrangement.

### ***11. Confidential information***

All Designated Officers and employees should treat all sensitive, non-public information about the Company as confidential and proprietary to the Company which must not be disclosed without the approval of the Board or the CEO as appropriate.

### ***12. Limiting risk***

The Company prohibits Designated Officers from dealing in financial products issued or created over GrainCorp Securities by third parties, or dealing in associated products. In addition to the restrictions on margin loans and other financing arrangements set out in the notification of margin loan and other financing arrangements that may apply, Designated Officers may not enter into any other transaction that operates to limit the economic risk of their security holding in the Company.

### ***13. Revision***

This Policy was approved by the GrainCorp Board of Directors with effect from 20 April 2015.