



# SECURITIES TRADING POLICY & GUIDELINES

Reviewed September 2020

This policy applies to all Directors, officers and employees of Sanford Limited (Sanford) and its subsidiaries in New Zealand who intend to trade in Sanford's quoted securities in New Zealand. In this policy, "**trade**" includes buying or selling quoted securities, or agreeing to do so, whether as principal or agent. Generally, the insider trading restrictions do not apply to the subscription for, or the issue of, new securities.

In addition to this Policy and Guidelines, further more specific and stringent rules also apply to trading in Sanford's quoted securities, by Directors and certain employees (see Additional Trading Restrictions for Restricted Persons). These principally require certain disclosures to be made.

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## 1. Introduction and Purpose

This document details Sanford's policy on, and rules for dealing in, the following securities (**Restricted Securities**):

- Sanford's quoted ordinary shares; and
- any other quoted securities of Sanford or its subsidiaries, and any quoted derivatives (including futures contracts quoted on an authorised futures exchange) in respect of Sanford securities, from time to time.

The requirements imposed by the policy are separate from, and in addition to, the legal prohibitions on insider trading.

**If you do not understand any part of this policy, or how it applies to you, you should raise the matter with the Sanford's General Manager Risk and Corporate Affairs before dealing with any securities covered by this policy.**

### **Fundamental Rule – Insider trading is prohibited at all times**

If you possess "material information" (refer to definition below), then **whether or not** you are a Restricted Person (see paragraph 12 below), you must not:

- trade Restricted Securities;
- advise or encourage others to trade, or hold, any Restricted Securities; or
- pass on the material information to others.

The prohibitions apply regardless of how you learn of the information, and regardless of why you are trading.

The prohibition on insider trading applies not only to information concerning Sanford's securities. If a person has material information in relation to quoted securities of another issuer (including futures contracts quoted on an authorised futures exchange) over quoted securities, that person must not trade in those securities.

## 2. Insider Trading Laws

The relevant restrictions on trading arise under the Financial Markets Conduct Act 2013. If you have any **material information**, it is illegal for you to:

- trade Sanford's quoted securities;
- advise or encourage another person to trade, or hold Sanford's quoted securities;
- advise or encourage a person to advise or encourage another person to trade, or hold, Sanford's quoted securities; or
- pass on the **material information** to anyone else – including colleagues, family or friends – knowing (or where you ought to have known) that the other person will use that information to trade, or advise or encourage someone else to trade, or hold, Sanford's quoted securities.

This offence, called “insider trading”, can subject you to criminal liability including large fines (potentially up to \$2.5 million per offence) and / or imprisonment, and civil liability, which may include being sued by the FMA, or by another party or Sanford, for any loss suffered as a result of illegal trading.

The above restrictions also apply in relation to any quoted derivatives of Sanford that may exist at any time.

### 3. Confidential Information

In addition to the above, you also have a duty of confidentiality to Sanford. You must not reveal any confidential information concerning Sanford to a third party (unless that third party has signed a confidentiality agreement with Sanford and you have been authorised to disclose the confidential information), or to use confidential information in any way which may injure or cause loss to Sanford, or use confidential information to gain an advantage for yourself. You should ensure that external advisers keep Sanford information confidential.

### 4. What is “material information”?

“Material information” is information that:

- 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 of Sanford’s quoted securities

Information is generally available to the market if:

- it has been released as an NZX announcement (immediately on it being available to NZX participants);
- it has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in Sanford’s quoted securities and a reasonable period for it to be disseminated has expired; or
- investors that commonly invest in Sanford’s quoted securities can readily obtain the information (whether by observation, use of expertise, purchase or other means).

It does not matter how you come to know the material information (including whether you learn it in the course of carrying out your responsibilities, or in passing in the corridor, or in a lift, or at a social function).

Information includes rumours, matters of supposition, intentions of a person (including Sanford), and public information, which is insufficiently definite to warrant disclosure to the public.

### 5. What are some examples of “material information”?

The following list is illustrative only. Material information could include information concerning:

- the financial performance of Sanford;
- a possible change in the strategic direction of Sanford;
- the introduction of an important new product or service;

- a possible acquisition or sale of any assets or company by Sanford;
- entry into or the likely entry into or termination or likely termination of material contracts or other business arrangements which are not publicly known;
- a possible change in Sanford's capital structure;
- a change in the historical pattern of dividends;
- senior management changes;
- a material legal claim by or against Sanford, or the withdrawal / settlement of such a legal claim; or
- any other unexpected liability,

which has not (or details of which have not) been released to the market.

## 6. Exceptions

This policy does not apply to:

- acquisitions and disposals by gift or inheritance; or
- acquisitions through an issue of new quoted securities, such as an issue of new shares or the exercise of options, under a rights issue, or a dividend reinvestment plan.

## 7. Short-term trading discouraged

You should not engage in short-term trading of Sanford shares (the buying or selling of quoted securities within a 3 month period), unless there are exceptional circumstances discussed with, and approved by, the General Manager Risk and Corporate Affairs.

Short-term trading can be a key indicator of insider trading, particularly if undertaken on a regular basis or in large amounts. Therefore, to reduce the risk of an allegation of insider trading, do not trade quoted securities on a short-term basis.

## 8. Fixed Trading Plan defence

Trading of Sanford's securities under a fixed trading plan will not breach New Zealand insider trading laws if the fixed trading plan was entered into at a time where an investor has no inside information and, in entering the fixed trading plan, the investor did not intend to evade the prohibition on trading on inside information.

A **fixed trading plan** is a plan that is fixed for a period of time during which the investor cannot withdraw from the plan or influence trading decisions after the plan has begun.

## 9. Breaches of Policy

Strict compliance with this policy is a condition of employment. Breaches of this policy will be subject to disciplinary action, which may include termination of employment or termination of a contract for service.

### **If in doubt, don't**

The rules contained in this policy do not replace your legal obligations. The boundary between what is (and is not) in breach of the law is not always clear. Sometimes behaviour that you consider to be ethical actually may be insider trading. If in doubt, don't!

## 10. Monitoring of trading

Sanford may monitor the trading of directors and employees as part of the administration of this policy

## 11. Application of policy

The Board of Sanford has approved this policy. The Board may approve updates, amendments to and exemptions to this policy from time to time, which may be implemented by written notice to you (including by posting on Sanford's website).

The General Manager Corporate Affairs will administer this policy on behalf of the Board.

To the extent of any inconsistency with any previous policy or rules relating to this subject matter, this policy prevails over them.

## 12. Additional Trading Restrictions for Restricted Persons

### **Persons covered by additional Restricted Securities Trading Restrictions**

The additional trading restrictions set out below apply to:

- all Directors;
- all individuals occupying a position that allows them to exercise significant influence over the management or administration of Sanford (including the senior executive team and the senior management team (being all direct reports to the Chief Executive Officer and their direct reports));
- trusts and companies controlled by such persons; and
- anyone else notified by the General Manager Corporate Affairs from time to time.

Persons covered by these additional restrictions are called "**Restricted Persons**". Employees and Directors will be considered responsible for the actions of trusts and companies controlled by them. In this respect, "control" is not to be construed in a technical way but by looking at how decisions are made in practice.

A Person will continue to be a Restricted Person for six months following the date on which that person ceases to occupy the role that caused them to be a Restricted Person.

\* See the Schedule to this policy for more information about the disclosure requirements for Restricted Persons.

### **Disclosure of relevant interest**

A person that becomes a Restricted Person and either:

- is a registered holder of a Restricted Security;
- is a beneficial owner of a Restricted Security;
- has the power to exercise, or to control the exercise of, a right to vote attached to the Restricted Security; or
- has the power to acquire or dispose of, or to control the acquisition or disposal of, the Restricted Security,

(together, "interests"), must disclose such interest within 5 trading days of that person's appointment as a Restricted Person.

The disclosure must be made to the NZX using the "Initial Disclosure Notice" form which is available from Sanford's legal counsel. The disclosure must also be entered in the interests register of Sanford (this can be arranged by Sanford's legal counsel).

### **Additional trading restrictions for Restricted Persons (black-out period)**

Restricted Persons are prohibited from trading in any Restricted Securities during the following specific "black-out" periods:

- 30 days prior to Sanford's half-year balance date, until the first trading day after the half-year results are released to NZX; and
- 30 days prior to Sanford's year-end balance date, until the first trading day after the full-year results are released to NZX.

Restricted Persons are not permitted to trade any Restricted Securities during a black-out period unless Sanford's Board provides a specific exemption.

***Please note that if you hold material information you must not trade Restricted Securities at any time – regardless of these periods***

### **Requirements before trading**

Before trading in Restricted Securities, at any time, Restricted Persons must, in writing:

- notify the General Manager Corporate Affairs of their intention to trade in securities, and seek consent to do so (using the Request for Consent to Trade in Quoted Securities form **attached**);
- confirm that they do not hold material information; and
- confirm that there is no known reason to prohibit trading in any Restricted Securities,

A consent is only valid for a period of 15 trading days after notification. A consent is automatically deemed to be withdrawn if the person becomes aware of material information prior to trading.

Sanford's General Manager Corporate Affairs and each Sanford director must seek consent from the Chairman of the Board in advance of trading in Restricted Securities. The Chairman must seek consent from two directors in advance of trading in Restricted Securities.

### **Requirements after trading**

A Restricted Person must advise the General Manager Corporate Affairs promptly following completion of any trade which is subject to this policy, and the Restricted Person must comply with any disclosure obligations that person has under law (including the Financial Markets Conduct Act 2013 and the Financial Market Conduct Regulations 2014).

A Restricted Person must disclose the fact that they have completed a trade in Sanford's quoted securities within:

- (a) **20** working days of the trade where the trade was:
  - (i) an acquisition under an employee share purchase scheme;
  - (ii) an acquisition under a dividend reinvestment plan;
  - (iii) an acquisition under a share top-up plan (i.e. any plan established by Sanford under which previously issued shares of Sanford are offered in consideration for a direction made to Sanford to apply amounts that are payable from dividends declared by the Sanford to the purchase of the shares); or
  - (iv) an acquisition or disposal that results from an amalgamation under Part 13 of the Companies Act 1993 or a scheme or arrangement under Part 15 of the Companies Act 1993;
- (b) **5** trading days after the trade, in any situation other than those contemplated by (a).

The disclosure must be made to the NZX using the "Ongoing Disclosure Notice" form which is available from Sanford's legal counsel. The disclosure must also be entered in the interests register of Sanford (this can be arranged by Sanford's legal counsel).

\* See the Schedule to this policy for more information about the disclosure requirements for Restricted Persons.

### **13. Signed:**



**R McLeod**  
**Chairman**



**A Gargiulo**  
**Acting Chief Executive Officer**

Reviewed: September 2020  
Next Review Due: September 2021



## REQUEST FOR CONSENT TO TRADE IN QUOTED SECURITIES

To: General Manager Corporate Affairs, Sanford Board

In accordance with Sanford's Securities Trading Policy and Guidelines, Additional Trading Restrictions for Restricted Persons, I request Sanford's consent be given to the following proposed transaction to be undertaken either by me or persons associated with me, within 15 trading days of approval being given. I acknowledge Sanford is not advising or encouraging me to trade or hold securities and does not provide any securities recommendation and that I remain responsible for my own compliance with the Financial Markets Conduct Act 2013 in relation to any transaction in Sanford's securities.

**Name:**

**Name of registered holder transacting (if different):**

**Address:**

**Position:**

**Description and number of securities:**

**Type of proposed transaction:** Purchase / Sale / Other (specify)

**To be transacted:** On NZX / Off-market trade / Other (specify)

**Likely date of transaction (on or about):**

I declare that I do not hold information which:

- is not generally available to the market; and
- would have a material effect on the price of Sanford's quoted securities if it were generally available to the market

I know of no reason to prohibit me from trading in Sanford's quoted securities and certify that the details given above are complete, true and correct.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Sanford hereby **consents / does not consent** to the proposed transaction described above. Any consent is conditional on the proposed transaction being completed within 15 trading days of the date of this consent, and in compliance with Sanford's Securities Trading Policy and Guidelines and Additional Trading Restrictions for Restricted Persons.

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Date

on behalf of Sanford Limited

### **Disclosure requirements for Restricted Persons**

Under the Financial Markets Conduct Act 2013, all Restricted Persons must disclose if s/he has a “relevant interest” in quoted securities.

The definition of “relevant interest” is wide. Essentially, a person will have a relevant interest in Sanford’s quoted securities where they:

- beneficially own the securities either directly or indirectly;
- are able to acquire or dispose of, or to control, either alone or jointly with others, the acquisition or disposal of, the securities by another person;
- have the power to exercise, or to control the exercise of, either alone or jointly with others, the voting rights on the securities;
- are able to influence the board of a company which controls the voting rights on the securities or the sale or purchase of the securities;
- have a shareholding of 20% or more in a company that owns securities; or
- will have any of the above rights at any time in the future under any arrangement.

However, it may also include securities held under a number of other types of arrangement (for example, shares held in a family trust). It is unlikely to include shares held by a person’s spouse or partner (unless that person has some control over those shares) or in a unit trust or superannuation fund.

Under the Financial Markets Conduct Act 2013 all Restricted Persons must send a disclosure notice to Sanford and to the NZX within **5 days** of acquiring or disposing of a relevant interest in Sanford’s quoted securities.

The information required to be disclosed in the disclosure notice includes:

- the number and class of quoted financial products acquired or disposed of;
- the nature of the relevant interest in the quoted financial products;
- the consideration paid or received; and
- the date of the acquisition or disposition.