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**1. Introduction:**

The legal duties placed on Directors and Employees in relation to trading in the Securities of the Company are onerous. Significant sanctions may apply if these duties are breached.

This Policy has been adopted by the Board in order to:

- a) raise awareness amongst, and provide information to, Directors and Employees in connection with the prohibition on insider trading under the Act; and to
- b) regulate trading in Securities by Directors and Employees.

Whilst it is desirable that Directors and Employees should hold Securities, such persons who wish to trade (buy or sell) Securities must have regard to, and comply with, both applicable legal constraints and the provisions of this Policy.

**2. Persons Covered by this Policy:**

This Policy imposes a trading prohibition on all Directors and Employees in possession of Price Sensitive Information. It also imposes additional trading restrictions on Restricted Persons.

**3. Definitions:**

The following definitions apply to this Policy:

“Act” means the Corporations Act 2001 (Cth);

“ASX” means the Australian Securities Exchange;

“Board” means the Board of Directors of the Company;

“Closed Periods” means those periods during which a Trading Window does not apply and during which Directors and Employees are prohibited from trading in Securities other than as provided for in this Policy;

“Company” means Retail Food Group Limited;

“Directors” means the directors of the Company;

“Employees” means employees of the Group.

“Group” means the Company and its subsidiaries;

“Policy” means this Trading Policy;

“Price Sensitive Information” has the meaning ascribed to it in Section 4 of this Policy.

“Restricted Person” means:

- a) the Directors;
- b) all directors or officers of any Group company;
- c) Employees having authority and or responsibility for planning, directing and controlling the activities of the Company and the Group;
- d) Employees reporting directly to any of the above;
- e) Employees performing confidential work and reporting to any of the above;
- f) Employees who have access to Group results; and
- g) any other Employee nominated by the Board as a Restricted Person from time to time.

“Securities” means securities issued by the Company (including shares).

“Trading Window” means the trading windows specified in this Policy during which Restricted Persons may trade in Securities subject to the terms of this Policy.

“You” means a person to whom this Policy applies.

#### **4. What is Price Sensitive Information:**

Price Sensitive Information is information that:

- a) is not generally available; and
- b) if it were generally available, a reasonable person would expect it to have a material effect on the price or value of Securities.

A reasonable person would be taken to expect information to have a material effect on the price or value of the securities of a company if the information would, or would be likely, to influence investors in deciding whether or not to buy or sell those securities.

The following list is illustrative of information which may be Price Sensitive Information (this list is not exhaustive):

- c) proposed changes in capital structure of the Company;
- d) information to be disclosed under the Act or ASX Listing Rules;
- e) proposed changes to the Board or senior management;
- f) the financial performance of the Company against budgets, forecasts or guidance;
- g) a proposed dividend;
- h) proposed changes in the general character or nature of the business of the Company; or

- i) a possible acquisition or sale of any assets or business by the Company.

## **5. Insider Trading Prohibited:**

The prohibition on insider trading applies to prohibit You, whilst You are in possession of Price Sensitive Information, from doing any of the following:

- a) trading (buying or selling) in the Securities or entering an agreement to do so;
- b) advising, procuring, inciting, inducing or encouraging another person (eg family members, friends, companies or trusts) to trade in the Securities or entering an agreement to do so; or
- c) communicating that information to another person who is likely, or who You ought reasonably know is likely, to deal in the Securities or advise, procure, incite, induce or encourage another person to do so.

It does not matter how You come to know of Price Sensitive Information (including whether You learn of it in the course of Your employment or by some other means).

Insider trading is a criminal offence that is punishable by large fines and or imprisonment. It may also expose You to civil liability (which may include being sued by the Company or another person for any loss suffered as a consequence of illegal trading).

## **6. Permitted Trading by Employees:**

An Employee (who is not a Restricted Person) is permitted to trade in the Securities only where he or she **does not** hold Price Sensitive Information in relation to the Group.

## **7. Permitted Trading by Restricted Persons:**

Restricted Persons are permitted to trade (buy or sell) in the Securities only during a Trading Window and only if the Restricted Person is not prohibited from trading under Section 5 of this Policy (insider trading).

The Trading Windows of the Company are the following periods:

- a) five weeks commencing immediately after the announcement to the ASX of the Company's half-yearly results;
- b) five weeks commencing immediately after the announcement to the ASX of the Company's annual results; and
- c) five weeks commencing immediately after the Company's Annual General Meeting.

Trading in Securities by Restricted Persons is prohibited at all times other than those specified in this Section 7 except in accordance with this Policy.

## **8. Exceptional Circumstances:**

Trading in Securities outside of Trading Windows may be authorised where the Restricted Person is in severe financial hardship or there are other exceptional circumstances but only if:

- a) such trading would not be prohibited by Section 5 of this Policy (insider trading);

- b) such trading is not otherwise contrary to law;
- c) such trading does not relate to financial products issued or created over or in respect of Securities.

Authorisation for trading in Securities as aforesaid may be sought in writing:

- d) from the Chairman of the Board in the case of any proposed trade by the CEO or any Director other than the Chairman (or in the Chairman's absence, a non-executive Director nominated by the Chairman for the purpose);
- e) from a non-executive Director in the case of any proposed trade by the Chairman of the Board;
- f) from the CEO in the case of any proposed trade by any other person to whom this Policy applies (or in the CEO's absence, a non-executive Director nominated by the CEO for the purpose);

and

- g) must be considered on its particular circumstances and taking into account the spirit and intent of this Policy; and
- h) if given, authorization may be given subject to such conditions as are considered reasonable in the circumstances by the designated officer giving authorization; and
- i) if given, shall remain valid for such period of time as is considered reasonable in the circumstances by the designated officer giving authorization (but in no case shall such authority remain valid in excess of 10 business days); and
- j) if given, may be communicated in writing by any means considered appropriate by the designated officer giving authorization (including email); and
- k) if given, the Company Secretary is provided with a copy of any authorization for inclusion in a register to be maintained by him or her.

The Restricted Person seeking clearance to trade as aforesaid must satisfy the officer designated above (as the case may be) that they are in severe financial hardship or that their circumstances are otherwise exceptional and that the proposed sale or disposal of the relevant securities is the only reasonable course of action available and may be required to provide a statutory declaration to this effect.

Non-exhaustive examples of exceptional circumstances that may be considered include:

- l) severe financial hardship (eg where a person has a pressing financial commitment that cannot be satisfied otherwise than by selling Securities);
- m) a transfer pursuant to the terms of a family law property settlement;
- n) a transfer pursuant to a testamentary disposition; and
- o) a transfer of Securities pursuant to a court order.

**9. Exclusions:**

The following dealings in Securities are not subject to this Policy:

- a) transfers of Securities already held from a restricted person's own name into a superannuation fund of which that person is a beneficiary;
- b) transfers of Securities amongst associated entities where the beneficial ownership of the Securities does not change;
- c) an investment in, or trading in units of, a fund or other scheme (other than a scheme investing only in Securities) where the assets of the fund or scheme are invested at the discretion of a third party;
- d) the acceptance of a takeover offer or scheme of arrangement;
- e) trading under an offer or invitation made to all or most of the Company's members such as a rights issue, security purchase plan, dividend reinvestment plan or an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board (however You are only permitted to join, withdraw from, or vary Your participation in a DRP during a Trading Window);
- f) the exercise (but not the sale of Securities following exercise) of an option to acquire shares under an employee incentive scheme (including the issue of shares to a permitted nominee approved by the Board following exercise of options as aforesaid);

**10. Families & Investment Vehicles:**

Persons to whom this Policy applies must not trade in Securities through a member of their family, or through a trust or company over which they have influence or control, in circumstances where they would have been prohibited from trading in their own name.

**11. Informing the Company:**

Persons to whom this Policy applies who have been involved in any trading in Securities, either personally or through a family member, trust or company as mentioned above, must advise the Company Secretary in writing of the details of completed transactions within 14 days following each transaction. Such notification is necessary regardless of whether prior authority to trade was required or not.

**12. Directors' Additional Obligations:**

Notwithstanding Section 11 of this Policy, Directors must also:

- a) comply with all requirements of the Act and ASX Listing Rules in relation to notification of trading in Securities; and
- b) advise the Company Secretary in writing of the details of completed transactions within 3 business days following each transaction.

**13. Other Companies' Securities:**

Trading by persons to whom this Policy applies in the securities of other corporations in which the Company has a substantial investment interest (being 10% or more) are subject to the same approval procedures, where relevant, as for Securities.

**14. Breach of Policy:**

A breach of this Policy by a Director or Employee is serious and may lead to disciplinary action, including dismissal in serious cases. It may also be a breach of the law.

**15. Distribution of Policy:**

This Policy must be distributed to all Restricted Persons and be made available on request to all other Employees. A copy of this Policy shall be posted on the Company's intranet.

**16. Trustees:**

A person to whom this Policy applies, and who is a joint trustee or a trustee of a deceased estate, should advise his co-trustees or trust beneficiaries, as the case may be, of his relationship with the Company and the consequential restrictions on his ability to give advice in respect of the Securities.

**17. No Investment Advice:**

Nothing in this Policy constitutes or should be construed as constituting investment advice. Directors and Employees are responsible for their own investment decisions.

**18. Further Assistance:**

Employees who require further information or assistance in relation to this Policy should contact the Company Secretary.

**19. Amendments:**

This Policy may only be amended with the approval of the Board.

**20. Adoption & Replacement:**

This policy was approved and adopted by the Board on 23 December 2010 and replaces the Code of Conduct for Transactions in Securities in force prior to that date.