



Australian Agricultural Company (ASX code: AAC)
ACN 010 892 270

Amendment of the AAco Share Trading Policy

ASX Announcement No. 70/2011

7 December 2011

The Manager
Company Announcements Office
ASX Limited

Dear Sir/Madam

On 29 November 2011 the AAco Board approved an amendment to the AAco Share Trading Policy in order to include an additional share trading black out period.

The additional share trading black out period is the period that is 30 days prior to and one business day after the date scheduled for the holding of the Annual General Meeting of the Company.

In accordance with ASX Listing Rule 12.10, the amended AAco Share Trading Policy is attached, for release to the market.

Yours faithfully

Bruce Bennett
General Counsel/Company Secretary



RQ10.06

AAco Share Trading Policy

Policy Statement

The Board of the Company ('Board') considered it essential that AAco Key Management Personnel & their associates, comply with both the law and high ethical standards at all times.

Insider Trading is both illegal and unethical.

The AAco Share Trading Policy ('this policy') regulates dealings by the Company's Key Management Personnel in shares, options and other securities issued by AAco.

Associated Policies and Forms

RQ 10.09 Approval to Trade Form

Purpose

This policy has been adopted by the Board to:

- Ensure that AAco Key Management Personnel are aware of the legal restrictions on trading shares, options or other securities whilst being in possession of Inside Information concerning the Company or its subsidiaries;
- Minimise the possibility of misunderstanding or suspicions arising out of Key Management Personnel trading in the Company's shares; and
- Protect Shareholders' interests at all times by ensuring that Key Management Personnel do not use any AAco price-sensitive information for their personal advantage.

This policy applies to:

- Dealing in AAco securities directly by Key Management Personnel reasonably expected to be in possession of *Inside Information*;
- Dealings in AAco securities through entities or trusts controlled by the relevant person, or in which they have an interest; and
- Encouraging family, friends or anyone else to so deal.

Any breach of terms within this policy will be regarded as serious misconduct and may result in termination of employment.

Restrictions on Trading

1. Legislative Restrictions

Under the Corporations Act, if:

- A person possesses *Inside Information*; and
- The person knows or ought to reasonably know, that the information qualifies as *Inside Information*, the person MUST NOT (whether as a principal or agent):
 - Deal in Company shares; or
 - Procure another person to deal in Company shares; or
 - Directly or indirectly communicate the *Inside Information*, or cause the *Inside Information* to be communicated to any other person who they know, or ought reasonably to know, would be likely to deal in the Company shares or procure another person to do so.

Maximum penalties under the Corporations Act for a breach of Insider Trading provision are:

- \$220,000 or imprisonment for 5 years or both in the case of a natural person; and
- Unlimited civil liability.

2. AAco Trading Restrictions - Inside Information

Key Management Personnel of the Group must not undertake any form of *Insider Trading*, and in particular, must not deal in Company shares at any time (including during the Blackout Period (see below)), if that person is in possession of *Inside Information* and knows, or ought to know, that the information is *Inside Information*.

Where Key Management Personnel are unsure as to whether they are in possession of *Inside Information* they should discuss the matter with the relevant contact person listed below.

3. AAco - Trading Restrictions - Black-out Period

Key Management Personnel MUST NOT deal in AAco securities during the following periods, each being a '*Black-out Period*':

- The 30 days prior to and one business day after the announcement of half-year results or full-year results;
- The 30 days prior to and one business day after the date scheduled for the holding of the Annual General Meeting of the Company, being the date specified in the relevant Notice of Annual General Meeting;
- The 30 day period prior to and one business day after the issue of a prospectus offering AAco securities (or any document containing equivalent information); and
- Any other time by notice from the Company

This prohibition applies to AAco shares and financial products issued or created over or in respect of AAco shares.

4. Directors & CEO - Notification Prior to Trading

Before any Director or CEO deals in any shares, (including options in respect of shares) at anytime, he or she must discuss the proposed dealing with:

- The Chairman (in the case of Directors & CEO); or
- In the case of the Chairman, a Director chosen by the Board for that purpose.

RQ 10.09 Approval to Trade Form should be used for this communication.

If an approved share trade is conducted, the Director or CEO must provide in writing to the Company Secretary/General Counsel the following details of the transaction (making reference to the prior approval), within 3 business days:

- Number of securities involved;
- Unit Price paid / received.

5. Employees - Notification Prior to Trading

Before any Employee who is Key Management Personnel (other than Directors and the CEO) deals in any shares at anytime, they must discuss the proposed dealing with:

- The Company Secretary/General Counsel (in the case of Employees); or
- In the case of the Company Secretary/General Counsel, the Chairman of the Board.

RQ 10.09 Approval to Trade Form should be used for this communication.

The Employee must then notify the Company Secretary/General Counsel in writing (making reference to the prior approval), of any dealings in AAco shares, within 3 business days of the trade.

6. Exclusions

The restriction set out in paragraph 3 above does not apply in relation to:

- transfers of Company securities which were already held in a superannuation fund or other saving scheme in which the Key Management Personnel is a beneficiary;
- an investment in, or trading in units of, a fund or scheme (other than a scheme only investing in Company securities) where the assets of the fund or scheme are invested at the discretion of a third party;
- where the Key Management Personnel is a trustee, trading of Company securities by the trust provided the Key Management Personnel is not a beneficiary of the trust and any decision to trade is taken by the other trustees or investment managers independently of the Key Management Personnel;
- undertakings to accept, or the acceptance of, a takeover offer;
- trading under an offer or invitation made to all or most of the security holders, such as, a rights issue, security purchase plan, a dividend reinvestment plan and an equal access buy-back where the plan has been approved by the Board¹;

¹ This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue.

- a disposal of Company securities that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement;
- the exercise² of an option or a right under an employee incentive scheme, or the conversion of a convertible security, where the final date for exercise of the option or right, or the conversion of the security falls during a Black-out Period and the Company has been in an exceptionally long Black-out Period (or series of consecutive Black-out Periods) and the Key Management Personnel could not reasonably have been expected to exercise it at a time when free to do so; and
- trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with paragraphs 4 or 5 above (as applicable) and where:
 - the Key Management Personnel did not enter into the plan or amend the plan during a Black-out Period;
 - the trading plan does not permit the restricted person to exercise any influence or discretion over how, when or whether to trade; and
 - the Key Management Personnel is not allowed to cancel the trading plan or otherwise vary the terms of his or her participating in the trading plan during a Black-out Period
- trading in Exceptional Circumstances as described in paragraph 7 below.

7. Exceptional Circumstances

Despite paragraph 3 above, Key Management Personnel who are not in possession of Inside Information in relation to the Company may be given prior written clearance to sell or otherwise dispose of Company securities during a Black-out Period where the Key Management Personnel is in severe financial hardship or other exceptional circumstances apply. Key Management Personnel will generally be considered to be in severe financial hardship if he or she has a pressing financial commitment that cannot be satisfied other than by selling Company securities.

In carrying out discussions in accordance with paragraphs 4 and 5 above, the Key Management Personnel must demonstrate that the sale or disposal of the Company securities is the only reasonable course of action available.

Any prior written clearance given to Key Management Personnel under this paragraph 7 must be given in writing and has effect for a period of 5 days from the date it is given.

8. Margin Lending

If Key Management Personnel proposes to enter into an agreement that provides lenders with rights over their interests in Company securities, the Key Management Personnel must provide the details of the proposed agreement (including trigger points, right of lender to sell unilaterally and any other details which may be considered material) to the designated Officer under paragraphs 4 or 5 above (as applicable).

Short Term and Other Dealings

No Key Management Personnel may deal in Company shares at any time for short term gain, including buying and selling shares in a 3 month period or using forward contracts, without the approval of the Chairman, in the case of the Chairman, a Director chosen by the Board for that purpose.

Key Management Personnel must not enter into any scheme, arrangement or agreement (including options and derivatives) under which the Employee may alter the economic benefit/risk derived from

² But not the sale of Company shares following the exercise

security holdings in the company under unvested entitlements (e.g. unvested equity-based incentive or award grant).

Exemption

The Board may exempt certain Employees from the requirement to obtain approval under this policy, in respect of a special class of dealings under Employee share schemes designated by the Board, where such dealing is otherwise permitted by law.

Broader Application of the Law

1. Application to other persons

The restrictions on *Inside Information* in the Corporations Act apply, not just to Key Management Personnel, but to any person possessing *Inside Information*, including contractors to the Company, or any of its subsidiaries and advisers to the Company or any ex Employees, ex Officers, or ex Directors.

2. Shares of other Companies

Key Management Personnel are also prohibited in dealing in the shares of outside companies, about which they may gain *Inside Information* by virtue of their position at AAcco. E.g. if an AAcco employee was aware that the Company was about to sign a major deal with another company, the employee could not deal in shares of either AAcco or the other party.

Definitions

Inside Information

Has the meaning given in section 1042A of the Corporations Act. By way of example, *Inside Information* may include:

- Proposed changes in debt and share capital;
- Information to be disclosed under the provisions of the Corporations Act, including financial results;
- Proposed changes to the Board other than the filling of a casual vacancy or a retirement due to ill health or some similar situation;
- Proposed changes in the general character or nature of the business (including mergers and acquisition activity and disposals);
- Information regarding changes in the holdings of substantial shareholders;
- Threat of material litigation;
- Severe disease outbreak or food safety incident in the company, before market notification.

Insider Trading

Insider Trading is a criminal offence under the Corporations Act, punishable by large fines, imprisonment or both.

Insider Trading occurs where a person has possession of *Inside Information* and the person knows, or ought reasonably to know, that the person has possession of *Inside Information*; and

- the person trades in company shares whilst in possession of the *Inside Information*; or
- the person procures another person to trade in company shares whilst in possession of the *Inside Information*; or
- the person passes on *Inside Information* knowing that they will use this information to trade in company shares.

Associate

An 'associate' is a spouse, de facto, partner, child at home, family trust or company over which a Director or Employee or their

associate has control, and other close associates of the employee.

Margin Lending

Margin Lending is the process of borrowing money to buy shares, or other security, using shares or security as collateral.

Key Management Personnel

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Approval

This policy was approved by the Board of Australian Agricultural Company Limited on 15 December 2010.

This policy was amended with the approval of the Board of Australian Agricultural Company Limited on 29 November 2011.

Policy Owner

Company Secretary/General Counsel.