



# CONTINUOUS DISCLOSURE POLICY

May 2021

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## 1. Introduction

Sanford Limited and its subsidiaries (“**Sanford**”) are committed to providing, promptly and without delay, fair and full disclosure of material information to the market in accordance with the Financial Markets Conduct Act 2013 (“**Act**”) and the NZX Listing Rules (“**Listing Rules**”).

## 2. Purpose

The purpose of this continuous disclosure policy is to:

- ensure that Sanford complies fully with its continuous disclosure obligations under the Act and the Listing Rules; and
- ensure that market participants, all of Sanford’s shareholders and prospective investors have fair and timely access to Material Information (defined below) concerning Sanford’s listed securities in accordance with those continuous disclosure obligations.

This will be achieved by ensuring that procedures are in place to:

- identify potentially Material Information;
- escalate potential Material Information for review in accordance with Sanford’s Escalation Policy; and
- enable timely disclosure of Material Information.

## 3. Application

This policy, as updated from time to time, applies to all directors and employees of Sanford (and its subsidiaries). The policy and accompanying information is provided to all directors and employees on joining.

Directors review the policy on a triennial basis and approve any necessary changes at that time and staff are reminded of the policy requirements by presentation, email or both on an annual basis. The policy is also available on the internet: to staff on the Sanford intranet site and to the directors and general public on Sanford’s website: [www.sanford.co.nz](http://www.sanford.co.nz)

## 4. Material Information

The Act and the Listing Rules require Sanford to disclose Material Information to NZX immediately upon becoming aware of that information (subject to limited exceptions).

“**Material Information**” is any information that a reasonable person would expect, if it were generally available to the market, to have a material effect on the prices of Sanford’s listed securities (and which relates to particular financial products, a particular listed issuer, or particular listed issuers, rather than to financial products generally or listed issuers generally). Materiality is assessed using measures appropriate to Sanford and having regard to the guidance provided by NZX from time to time.

Once Sanford becomes aware of any Material Information relating to it, Sanford must:

- Promptly and without delay release that Material Information to NZX; and
- Not disclose the Material Information to any other party without first releasing it to NZX.

#### **4.1 Information that is likely to be Material Information**

There is no definitive list of the type of information that may constitute “Material Information”. Material Information could, for example, include information concerning:

- Sanford’s financial or operating performance;
- any change in Sanford’s financial forecast or expectation;
- a potential change in Sanford’s capital structure, including proposals to raise additional equity or borrowings
- a possible acquisition or sale of any assets or company by Sanford;
- a significant health and safety event;
- the introduction of an important new product or service;
- any proposed change in the general nature of the business of Sanford or its group; or
- a material legal claim by or against Sanford.

#### **4.2 Exceptions to the general rule**

There are limited exceptions to the requirement for disclosure of certain Material Information. Advice as to whether an exception applies will be provided in the course of the processes outlined in this policy. The possible application of an exemption does not impact the obligation to escalate potential Material Information in accordance with Sanford’s Escalation Policy.

## **5. When does Sanford become “aware” of Material Information?**

### **5.1 “Aware”**

Sanford becomes “aware” of Material Information if, and as soon as, a Director or “senior manager” (a term defined in the NZX Listing Rules as a person who is not a director but occupies a position that allows that person to exercise significant influence over the management or administration of Sanford, which will include Sanford’s CEO and CFO) has, or ought reasonably to have, come into possession of the Material Information in the course of the performance of their duties.

A Director or senior manager of Sanford who becomes “aware” of information must consider, promptly and without delay, whether that information is Material Information requiring disclosure.

### **5.2 Escalation Procedures**

To ensure Sanford is able to promptly release all Material Information to NZX, Sanford has established escalation principles throughout its business, which are reflected in Sanford’s Escalation Policy. These apply to all of Sanford’s employees, and also to relevant contractors and service providers. The procedures operate as a policy that employees (and, if applicable, relevant contractors and service providers) must follow if they become aware of any matter

or information which might be Material Information. The policy sets out steps to follow so that matters are appropriately and swiftly escalated in accordance with Sanford's Escalation Policy to the Disclosure Officer who will refer relevant matters to the Disclosure Committee.

Employees and relevant contractors should refer to Sanford's material information Escalation Policy (which is available internally on the intranet).

## 6. Disclosure Officer and Disclosure Committee

Sanford's Disclosure Officer ("Disclosure Officer") shall be the GM of Corporate Affairs or other person approved by the Board.

The Disclosure Committee shall be made up of the Board Chair, the Chair of the Audit, Finance and Risk Committee, the CEO, the CFO, the GM of Corporate Communications, GM of Finance and the Disclosure Officer. The Disclosure Committee is primarily responsible for ensuring that Sanford complies with its disclosure obligations. The quorum for meetings of the Disclosure Committee is three, one of which must be a Director. In the event that neither the Board Chair nor the Chair of the Audit, Finance and Risk Committee is available, another independent Director will be called upon to form a quorum.

### 6.1 Role of Disclosure Officer

The Disclosure Officer is responsible for administering this policy, including implementing and supervising procedures for reporting material information, and ensure procedures are in place to prevent inadvertent or selective disclosure of Material Information.

Sanford's senior management team will provide to the Disclosure Officer (or, if the Disclosure Officer is not available, a member of the Disclosure Committee) all information relating to their area of responsibility (including information which is escalated to them under Sanford's Escalation Policy) which in their reasonable opinion is or may be Material Information. The Disclosure Officer may also require that they confirm, upon request, that they have made all reasonable enquiries to ensure all Material Information has been provided to the Disclosure Officer.

As required, the Disclosure Officer will refer relevant information to the Disclosure Committee so that the Committee may determine whether or not that information should be disclosed.

The Disclosure Officer will arrange training for Sanford's senior management team and relevant employees to:

- assist with their understanding of Sanford's and their own legal obligations relating to disclosure of price sensitive information, materiality and confidentiality;
- raise awareness of the escalation principles, internal processes and controls; and
- promote compliance with this policy.

The Disclosure Committee may approve the delegation of aspects of administering this policy to Sanford's employees other than the Disclosure Officer. The delegation may be general or

specific to a particular matter but may not include delegation of the approval to issue a disclosure.

## **6.2 Review of Information**

The Disclosure Committee will convene as required to review information and communications which, in the reasonable opinion of the Disclosure Officer, need to be considered by the Disclosure Committee to:

- determine whether such information may be Material Information requiring disclosure (or whether one of the exemptions to disclosure applies); and/or
- ensure the communications do not cause any unintended breaches of this policy or obligations under the law.

The Disclosure Officer may seek external advice as to whether a communication might have a material effect on the price of Sanford's quoted securities.

Where information is considered for disclosure and a decision is made to disclose, a NZX announcement will be approved by the Disclosure Committee and released to NZX. The Disclosure Officer will advise the other members of the Board of the disclosure immediately prior to the release.

Where information is considered for disclosure and a decision is made not to disclose, the reason for that decision will be documented at the time and retained by Sanford.

At the end of each Board meeting, the Board will specifically consider whether there is any Material Information arising from the matters discussed at the meeting or otherwise, and whether that Material Information should be disclosed.

## **6.3 Analyst forecasts and reports**

Sanford will survey broking analyst's financial and key operating metric forecasts in order to form a view as to market expectations in relation to Sanford's performance.

Any Sanford comment on analyst reports and forecasts will be restricted to information that Sanford has publicly issued and other information that is in the public domain. Sanford will generally comment on publicly issued information and Sanford statements only to correct factual errors.

If Sanford becomes aware that in general the market's earnings projections materially differ from its own estimates, Sanford may consider it appropriate to issue an earnings guidance or other statement.

## **7. Making and Disseminating Announcements**

Once approved by the Disclosure Committee and (if applicable) the Audit, Finance and Risk Committee, Material Information should be announced immediately to NZX. Following

receipt of confirmation of lodgement and after the announcement has been published by NZX for at least 10 minutes during usual NZX trading hours, relevant information is then published on Sanford's website (subject to any legal restrictions on general public dissemination such as the restrictions under securities law which apply to capital raising transactions).

The Disclosure Officer is responsible for all announcements released to NZX. The Disclosure Officer will discharge this obligation by circulating the draft announcement to the relevant members of Sanford's senior management team (which will depend on the subject matter of the announcement) for comment and approval before releasing the announcement on NZX's market announcement platform.

## 8. Trading Halts

If necessary, the Disclosure Committee may consider requesting a trading halt from NZX to ensure orderly trading of the Sanford's securities and to manage disclosure issues.

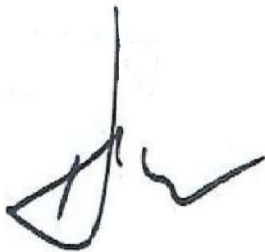
By way of example, Sanford would usually request NZX to put a trading halt in place in the following circumstances:

- If Material Information is inadvertently made public (regarding a takeover, for example) and Sanford requires time to prepare an appropriate announcement to the market.
- If preparing for a major announcement, Sanford may need time to arrange press conferences and briefings in advance of a formal announcement being made.
- If a proposed capital raising has been announced to the market, and the pricing for the raising is to be determined by a competitive process during the subsequent day or days.

## 9. Further Information

If you have any questions about this policy, please direct them to the Disclosure Officer in the first instance.

## 10. Signed



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Robert McLeod  
Chairman



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Peter Reidie  
Chief Executive Officer

**Next Review Due: May 2024**

## **Other Key Concepts**

### **Material effect on the Price of Sanford's Securities**

NZX guidance suggests that information that results in a movement in the price of a company's securities of:

- less than 5% will generally be considered to have not had a material effect;
- between 5% and 10% may be considered to have had a material effect; or
- more than 10% will generally be considered to have had a material effect.

These percentage limits are not “magic numbers”, and all circumstances surrounding the event or circumstance that has the material effect should be taken into account, including whether the security is liquid or illiquid.

Sanford understands that a reasonable person would undertake basic, but not sophisticated, accounting, financial and other relevant analyses so as to determine whether or not the information will have a material effect (5% or more) on the price of Sanford's securities. Generally, it is expected that a conservative approach will be taken, favouring disclosure.

### **Reasonable Person**

A reasonable person is someone who commonly invests in securities, and holds such securities for a period of time, based on a view of the intrinsic value of the security. Sanford understands a reasonable person to be someone who has a reasonable but not a sophisticated knowledge of accounting, finance and the stock market and is competent to undertake the analyses referred to above.

### **Exceptions**

There are exceptions to the requirement to disclose Material Information. Material Information does not need to be disclosed where any of the following apply:

- the release of the information would be a breach of law;
- the information concerns an incomplete proposal or negotiation;
- the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
- the information is generated for Sanford's internal management purposes; or
- the information is a trade secret; and
- the information is confidential and its confidentiality is maintained; and
- A reasonable person would not expect the information to be disclosed.

Relevant Listing Rule guidance indicates that a reasonable person would not expect the information to be disclosed if the release of the information would:

- unreasonably prejudice Sanford; or
- provide no benefit to a person who commonly invests in financial products.



The Guidance notes that this reasonable person test has a narrow focus, and will only apply if there is some factor in the relevant circumstances is sufficient to displace the general rule that Material Information should be disclosed.