

BLACKMORES SHARE TRADING POLICY

PURPOSE

This policy provides the summary of insider trading restrictions and the procedure to be followed when dealing with the Company shares or securities in other companies.

SCOPE

At Blackmores one of our values is integrity and the Company expects our Directors and employees to demonstrate this when dealing with Company securities.

At Blackmores we have a long history of sharing information with staff on how the business is going. Some staff because of their duties are also privy to confidential information.

The Corporations Act prohibits the buying or selling of shares (or other securities) based on **Inside Information** (information not generally known to the market and, if known publicly, would likely have a material impact on the price of shares).¹

It also prohibits Directors and executives from using information gained in their capacity for their own advantage.²

In addition, as Blackmores is a listed company the ASX requires Directors to inform the market of changes in their interest in Company securities within five business days.³

The laws governing the ability of Insiders to buy and sell securities are called insider trading rules and breach of these rules can be a crime that can be the subject of a prison sentence. *Basically no-one is allowed to buy or sell securities when they have material, price sensitive information not known to the investing 'public'.*

PROCEDURE

Policy regarding buying and selling Blackmores shares

The Company acknowledges that from time to time, Directors and members of Management and Staff may in the course of their duties become aware of **Inside Information** in respect of the Company.

The Company also acknowledges that from time to time, Directors and members of Management and Staff may in the course of their duties become aware of **Inside Information** in respect of other companies that the Company may be negotiating with.

1. Insider Trading (all Employees and all Directors)

The law requires Directors, Management and Staff not to buy or sell the Company's shares (or other securities) at any point in time where the person involved has knowledge which constitutes **Inside Information**. This requirement also includes a restriction not to trade in other company securities where Inside Information has been obtained in relation to negotiations that the Company may be involved in.

2. Additional Restriction for Directors & Certain Employees (Designated Officers only)

Additional restrictions apply to the Directors and certain employees - "Designated Officers".

The **Designated Officers** are:

- Blackmores Directors (including executive Directors)
- Chief Executive Officer "CEO"
- Executive Team
- Employees specifically notified by the CEO, Chief Financial Officer "CFO" or an Executive Team member

2.1 **Designated Officers** are NOT permitted to buy or sell shares in the Company other than in exceptional circumstances approved by the Board during a **closed period**, being:

- 2.1.1 the period commencing two weeks prior to the last day of the financial year or financial half-year, and ending 24 hours after the release of the corresponding results to the ASX; and
- 2.1.2 any other period determined by the Board or its delegate. Such determinations may apply to any or all Designated Officers, and must be kept confidential by all persons notified of them.

2.2 **Designated Officers** are permitted to buy or sell shares in the Company at any other time so long as they:

- 2.2.1 are not in possession of "Inside Information" (as the insider trading prohibitions continue to apply at all times); AND
- 2.2.2 follow the Notification Requirements set out in point 5 below

- 2.3 Short term buying and selling of shares in the Company should be avoided where possible. **Designated Officers** are not permitted to buy and sell shares in the Company within any 3 month period.

3. Excluded Trading - Designated Officers Only

A **Designated Officer** may buy or sell shares in the Company during a **closed period** if that trading falls within one of the following categories of excluded trading:

- 3.1 transferring shares which are already held by that person into a superannuation fund in which that person is a beneficiary;
- 3.2 trading shares where the trading results in no change in the beneficial interest in the shares;
- 3.3 an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in shares in the Company) where the assets of the fund or other scheme are invested at the discretion of a third party;
- 3.4 undertakings to accept, or the acceptance of, a takeover offer;
- 3.5 trading under an offer or invitation made to all or most of the Company's members such as, a rights issue, a security purchase plan, a dividend or distribution 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;
- 3.6 a disposal of shares in the Company that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement; or
- 3.7 trading under any Company employee incentive scheme in accordance with the rules of a Board approved Incentive Plan.

4. Exceptional Circumstances - Designated Officers Only

Where a **Designated Officer** wishes to buy or sell shares in a **closed period**, approval must be first obtained:

- from the Chairman and the CEO; or
- where the Chairman or the CEO is the **Designated Officer**, the other of them and the Chair of the Audit and Risk Committee.

who may consider approval in exceptional circumstances.

- 4.1 Exceptional circumstances will be assessed on a case by case basis and include the following:
 - 4.1.1 “severe financial hardship” where that person has a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant shares in the Company; and
 - 4.1.2 where that person is required by a court order, or there are court enforceable undertakings, for example, in a bona fide family settlement, to transfer or sell shares in the Company or there is some other overriding legal or regulatory requirement for him or her to do so.
- 4.2 Determination as to whether that person is in severe financial hardship or whether a particular set of circumstances exist may only be made by the approving officers.
- 4.3 All requests and approvals must be in writing (includes email).
- 4.4 Any approval given must be acted on within 5 business days of receipt

5. Notification Requirements - Designated Officers Only

- 5.1 Where a **Designated Officer** intends to buy or sell shares in the Company, that person is required first to notify the CFO and the Company Secretary.
- 5.2 Where the person is either the CFO or Company Secretary then the notification must also be made to the CEO.
- 5.3 All notifications must be in writing (includes email).
- 5.4 No prior notification is required for excluded trading however the Company Secretary is to be notified of the transaction. In particular Directors must ensure all changes in interests in shares in the Company are notified immediately to the Company Secretary in order to fulfil Australian Securities Exchange Listing Rules obligations.
- 5.5 The officers of Blackmores to whom the intention to buy or sell shares must first be notified are not authorised to prevent persons from trading, but will provide guidance as to whether or not, in their opinion, the person should trade at that particular time.
- 5.6 The Company (via the Company Secretary) requires subsequent confirmation of the trading that has occurred.

- 5.7 Should a **Designated Officer** choose to ignore the above guidance, then they may have to show cause to the CEO or the Board of Directors.

Directors and all employees are reminded that it is inappropriate to procure others to buy or sell shares in the Company (e.g. friends, associates) when the director/employee is precluded from buying or selling, and are also reminded of the need to enforce confidentiality against external advisers.

6. Loan Security, Margin Loans & Share Lending - Designated Officers Only

A **Designated Officer** is prohibited from using the Company's shares:

- 6.1 as security in any loan arrangement where the shares or rights to shares have yet to vest or be issued to you under the offer document of any share incentive plan of the Group.
- 6.2 in any margin loan arrangements (including where the loan terms are a function of the Blackmores share price) unless prior approval is provided by the Board of Directors or joint approval of CEO and CFO.
- 6.3 to engage in any share lending arrangements, unless prior approval is provided by the Board of Directors.

Arrangements entered into prior to 27 November 2009 are permitted to continue.

7. Share Plans - Hedging - Designated Officers Only

A **Designated Officer** who is a participant under a Company share incentive plan is prohibited from entering into any transaction which operates to hedge the exposure of shares or share rights that are unvested or have yet to be issued by the plan manager under any share incentive plan, unless prior approval is provided by the Board of Directors

1. Prt 7.10 Division 3 ss 1042A - 1043O
2. ss 182 - 183
3. Listing Rule 3.19A.2