



Minimum Shareholding Policy- Non-Executive Directors

Namoi Cotton Limited (“**Company**”)

Approved by the Board: 21 August 2020

Minimum Shareholding Policy-Non-Executive Directors

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Minimum Shareholding Policy-Non-Executive Directors

1 Purpose

1.1 Purpose of this policy

The purpose of this policy is to assist in aligning the interests of Namoi Cotton Limited (“**Namoi Cotton or Company**”) Non-Executive Directors with the interests of the Company’s shareholders. This policy sets out the procedures prescribing the minimum shareholding requirements applicable to Non-Executive Directors for Namoi Cotton.

1.2 Application of this policy

This policy applies to all Non-Executive Directors appointed to the Board of Namoi Cotton (“**Board**”).

1.3 Definitions for this Policy

For the purpose of this policy:

Minimum Shareholding Threshold means a number of Shares which is equal to one year of a Non-Executive Director’s annual base fee or such amount as fixed by the Board from time to time and calculated in accordance with section 2.2 of this Policy. For the purposes of calculating the Minimum Shareholding, this does not include any higher directors’ fees paid for acting as Chair of the Board or fees paid as part of membership to Board committees.

Namoi Cotton Share Trading Policy means the share trading policy for Namoi Cotton Limited as amended from time to time.

Share(s) means a fully paid ordinary share of Namoi Cotton.

2 Minimum Shareholding Requirements

2.1 Minimum Shareholding Threshold

Non-Executive Directors for Namoi Cotton are required to hold and maintain a minimum shareholding in Namoi Cotton equivalent to the Minimum Shareholding Threshold subject to the following:

- (a) subject to 2.1(b), each Non-Executive Director must maintain the Minimum Shareholding Threshold within three (3) years after the date of the Non-Executive Directors first appointment by the shareholders of the Company to the Board of Namoi Cotton;
- (b) each Non-Executive Director appointed to the Namoi Cotton Board prior to the effective date of this policy must maintain the Minimum Shareholding Threshold within two (2) years after the date the Board adopts this policy;
- (c) once the Non-Executive Director has met the Minimum Shareholding Threshold, the Non-Executive Director must maintain the Minimum Shareholding Threshold during their appointment as a Non-Executive Director for Namoi Cotton;

- (d) the requirements under this policy is subject to compliance with the Namoi Cotton Share Trading Policy and insider trading laws.

2.2 Value of Interests held by Non-Executive Director

In calculating if a Non-Executive Director has met the Minimum Shareholding, the following historical values are to be used:

- (a) Shares acquired on-market = Total price paid to acquire the Shares;
- (b) Shares acquired through pro-rata or secondary issue to shareholders = Total subscription price paid to acquire the Shares;
- (c) Dividend Reinvestment Plan (DRP) shares = DRP issue price; and
- (d) Shares acquired through an off-market transfer = Total price paid to acquire the Shares.

These values must be represented in Australian dollars and applied against the number of Shares acquired in each instance.

In the event that the trading price of Namoi Cotton Shares on ASX falls below the total value of interests held when a Director acquires shares that at the time of acquisition is equal to the Minimum Shareholding Threshold, a Director is not required to top-up the number of shares held to match the value of interests based upon the lower share price.

2.3 Shares Counted as part of Minimum Threshold

The Shares and interest in Shares applicable to the Minimum Shareholding Threshold will include:

- (a) Shares that are owned by the Non-Executive Director or their associated entities as defined under the Corporations Act 2001; and
- (b) Shares owned pursuant to a trust, partnership or superannuation fund.

2.4 Annual Reporting

The Annual Report for Namoi Cotton will contain details of the Non-Executive Directors Share holdings and compliance with the Minimum Shareholding Threshold under this policy.

2.5 Disposal of Shares

If a Non-Executive Director proposes to dispose of any Shares, then they must not do so until they have received approval from Namoi Cotton in writing. The Non-Executive Director must submit the "Share Disposal Form" to the Company pursuant to the Namoi Cotton Limited Share Trading Policy.

The Company's approval will be granted or refused by the Board. The approval may be granted for all Shares proposed to be disposed or a portion. The Board has absolute discretion when making this decision on behalf of the Company.

Disposal of Shares is at all times subject to the requirements of the Namoi Cotton Share Trading Policy, laws and rules applying to the Shares.

2.6 Exemption from Minimum Threshold

If:

- (a) a court order prevents the Non-Executive Director from complying with the policy; or
- (b) complying with the policy may cause financial hardship for the Non-Executive Director,

then the Non-Executive Director may submit a request to the Company Secretary including details for the exemption sought from the policy.

The Chair of the Board and the Chair of the People and Culture Committee will determine whether the exemption request is granted for the requirements for this policy and the reasonable terms the exemption is granted (if any).

If the disposal exemption request relates to the Chair of the Board then the exemption request will be reviewed and actioned by the Chair of the Nomination and Remuneration Committee and the Chair of the Audit, Risk & Compliance Committee.

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3 Review & Publication

The Board will review this policy from time to time. This policy may be amended by resolution of the Board

This policy is available on the Company's website.

Approved by the Board on 28 April 2020.

Annexure A – Notice for Proposed Disposal of Minimum Shareholding – Non-Executive Directors

This Notice is required to be lodged when seeking approval under the Namoi Cotton Limited Share Trading Policy.

To: Company Secretary

Name:

Position: Non-Executive Director

I currently own the following [] Shares to meet the Minimum Shareholding Threshold under the Minimum Shareholding Policy-Non-Executive Directors.

I am seeking approval to dispose [] Shares in Namoi Cotton Limited.

Signature

Date