

# Australian Mines Limited ABN 68 073 914 191

## Trading Policy

### 1 Purpose

1.1 The shares of Australian Mines Limited (**Company**) are quoted on the Australian Securities Exchange (**ASX**).

1.2 This Policy:

- (1) regulates Dealing in Company Securities by the Company's key management personnel (**KMP**); and
- (2) outlines procedures to reduce the risk of Insider Trading.

### 2 Key definitions

In this Policy, the following terms have the following meanings:

**ASX** means ASX Limited ACN 008 624 691, or if the context applies, the financial market operated by it.

**Black-Out Periods** means:

- from 1 January to the commencement of trading on the first trading day after the day on which the Company's half-year results are released to the ASX; and
- from 1 July to the commencement of trading on the first trading day after the day on which the Company's full-year results are released to the ASX.

**Chairman** means the chairman of the Company.

**Company Secretary** means the company secretary of the Company.

**Company Securities** means Securities issued by the Company.

**Dealing** includes:

- applying for, acquiring or disposing of, Securities;
- entering into an agreement to apply for, acquire or dispose of, Securities; and
- granting, accepting, acquiring, disposing, exercising or discharging an option or other right or obligation to acquire or dispose of Securities.

**Inside Information** means information that is not generally available but which, if it were, a reasonable person would expect that information to have a material effect on the price or value of Securities.

**Insider Trading** means:

- Dealing in Securities;
- procuring (including arranging or encouraging) another person to Deal in Securities; or
- giving information to another person who the person knows, or out reasonably to know, is likely to:

- Deal in Securities; or
- procure (including arrange or encourage) someone else to Deal in Securities,

whilst in the possession of Inside Information.

<b>KMP</b>	means 'key management personnel' as defined in the Listing Rules (being those persons who have authority or responsibility for planning, directing or controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise)).
<b>Listing Rules</b>	means the listing rules of the ASX.
<b>Prohibited Period</b>	means a Black-Out Period or any additional period set under clause 6(b).
<b>Securities</b>	means the shares, debentures, an option over issued shares or renounceable rights to subscribe for shares or options over unissued shares and a financial product traded under ASX's rules.

### 3 Overview of the insider trading prohibitions

- 3.1 Under Australian law, if you possess Inside Information, you are regarded as an 'insider' and you must not:
- (1) apply for, acquire, dispose of (or enter into an agreement to apply for, acquire or dispose of) those Securities;
  - (2) procure, incite, induce or encourage another person to apply for, acquire, dispose of (or enter into an agreement to apply for, acquire or dispose of) those Securities; or
  - (3) directly or indirectly communicate the Inside Information or cause the Inside Information to be communicated to another person who you know or ought reasonably to know would or would be likely to:
    - (a) apply for, acquire, dispose of (or enter into an agreement to apply for, acquire or dispose of) those Securities; or
    - (b) procure, incite, induce or encourage another person to apply for, acquire, dispose of (or enter into an agreement to apply for, acquire or dispose of) those Securities.
- 3.2 A reasonable person would be taken to expect information to have a material effect on the price or value of a Security if the information would or would be likely to influence persons who regularly trade such Securities in deciding whether or not to acquire or dispose of such Securities.
- 3.3 Examples of Inside Information may include the following in respect of a company, scheme or other entity to which a security relates:
- (1) proposed action in the form of distribution payments, bonus or new issues;
  - (2) proposed major purchases or disposals of assets;
  - (3) unpublished financial results; and

- (4) proposed changes to the general character or nature of the business conducted.
- 3.4 Insider Trading is a criminal offence. It is punishable by substantial fines or imprisonment or both in addition to other remedies. The Company may also be liable if an employee or officer engages in Insider Trading. Any perception of improper conduct by key management personnel also has the potential to substantially damage the Company's reputation.
- 3.5 Insider Trading may also attract civil penalties. A court may impose substantial pecuniary penalties for Insider Trading and order payment of compensation to persons who suffer loss or damage because of Insider Trading.

## 4 Overview

All KMP:

- (1) need to ensure that the market is fully informed before they Deal in Company Securities;
- (2) are encouraged to be long-term holders of Company Securities;
- (3) are discouraged from short term Dealing in Company Securities; and
- (4) must keep a record of his or her Dealing in Company Securities for the purposes of verifying his or her compliance with this policy.

## 5 General rules for Dealing in Company Securities

- 5.1 Dealing by all KMP must be conducted in accordance with the following general rules:
  - (1) You must not Deal or recommend others to Deal on the basis of Inside Information.
  - (2) You must not procure, incite, induce or encourage another person to Deal on the basis of Inside Information.
  - (3) You must not directly or indirectly communicate Inside Information or cause that Inside Information to be communicated to another person, if you know, or ought reasonably to know, that the other person would, or would be likely to Deal or procure another person to Deal based on the Inside Information.
  - (4) You must not make use of your position or information acquired by virtue of your position to gain, directly or indirectly, an improper advantage for yourself or for any other person.
- 5.2 The above general rules apply to Dealing in both Company Securities and the Securities of any other entity.

## 6 Specific rules for dealing with Company Securities

- 6.1 There are certain times during the year that, given proximity to the release of financial results, no KMP should Deal in Company Securities. These periods are the **Black-out Periods**.
- 6.2 The Company can impose additional restrictions on Dealing in Company Securities during any other period in addition to the Black-Out Periods. These restrictions on Dealing may apply to individual KMP or to all KMP generally.

## 7 Excluded Dealing

Clause 6 does not apply to Dealing by KMP that results directly from:

- (1) transfers of Company Securities between KMP and someone closely related to that KMP (such as a spouse, minor, child or trust) or by KMP to their superannuation fund;
- (2) disposal of Company Securities arising from a takeover offer, scheme of arrangement or equal access buy-back;
- (3) a disposal of rights acquired under a pro-rata issue;
- (4) an acquisition of Company Securities under a pro-rata issue;
- (5) an acquisition of Company Securities under a security purchase plan or a dividend distribution reinvestment plan where:
  - (a) the KMP did not enter into or amend the plan during a Prohibited Period; and
  - (b) this policy does not permit the KMP to withdraw from the plan during a Prohibited Period except in exceptional circumstances.
- (6) indirect and incidental Dealing that occurs as a consequence of a KMP dealing in securities issued by a managed investment scheme, listed investment company, exchange-traded fund or similar investment vehicle that is managed by a third party and that happens to hold as part of its portfolio of Company Securities;
- (7) an acquisition of Company Securities under an employee incentive scheme; and
- (8) an acquisition or disposal of Company Securities under a pre-determined investment or divestment plan for which prior written clearance has been provided in accordance with this policy and where:
  - (a) the KMP did not enter into or amend the plan during a Prohibited Period;
  - (b) the plan does not permit the KMP to exercise any discretion over how, when or whether to acquire or dispose of securities; and
  - (c) this policy does not permit the KMP to withdraw from the plan during a Prohibited Period except in exceptional circumstance.

## 8 Exceptional Circumstances

- 8.1 The Company recognises that KMP may need to Deal in Company Securities in exceptional circumstances (even during a Prohibited Period).
- 8.2 Except where a person is in possession of Inside Information or potentially Inside Information, if KMP wish to Deal during a Prohibited Period, he or she must submit a written request to the Board to Deal outside of this policy and satisfy the Board that exceptional circumstances exist and a failure to Deal in Company Securities would result in exceptional circumstance.
- 8.3 What is exceptional circumstances will be determined on a case by case basis at the discretion of the Board. Examples include without limitation:

- (1) cases of severe financial hardship;
  - (2) the existence of a court order or court enforceable undertaking;
  - (3) an overriding legal or regulatory requirement; or
  - (4) other circumstances which are determined by the Board to be 'exceptional circumstances'.
- 8.4 Requests to Deal in exceptional circumstances must be made in writing setting out the relevant circumstances and forwarded to the Company Secretary to then be provided to the Board who will make the decision as a whole. It is the Company's intention that all requests will be answered in writing within 48 hours.
- 8.5 The Board will make a decision to permit any clearance to Deal under this clause 8 in its sole discretion and the Board does not need to provide reasons for their decision. A decision by the Board to permit KMP to Deal during a Prohibited Period is not an endorsement of the proposed Dealing by the Board.
- 8.6 It is up to the individual seeking approval to satisfy the Board that their circumstances are exceptional and that the proposed Dealing of the relevant Company Securities is the only reasonable course of action available. Any clearances to Deal that is provided by the Company must be in writing and clearly state the period for which the clearance to Deal is valid, which will typically be a short period of time reflecting the fact that it is being given to facilitate Dealing in exceptional circumstances. Electronic clearance via email from the Board is acceptable for the purposes of compliance with this policy.
- 8.7 The Company Secretary must keep a record of all approved clearances to Deal and copies of all applications by KMP for clearances under this policy.
- 8.8 If the Board refuses to grant clearance to a KMP, that decision is final and binding on the KMP seeking clearance.
- 8.9 All decisions of the Board to grant a clearance to Deal must be kept confidential by KMP seeking clearance from the Board. Any Dealing by a Director during a Prohibited Period will require the Company to state on the Appendix 3Y whether the Dealing occurred during a Prohibited Period and if prior written clearance was provided and if so on what date.
- 8.10 For the avoidance of doubt, a person who possess Inside Information will be prohibited from Dealing in Company Securities even where permission to Deal in Company Securities has been given because of exceptional circumstances.

## **9 Reporting**

If a KMP becomes aware of circumstances which may appear to an outside observer to indicate that a Dealing in Company Securities has taken place that would or may involve a breach of the Insider Trading laws, this should immediately be brought to the attention of the Company Secretary, who will give consideration to what steps may be required to address any reputational or other adverse effects on the Company.

## **10 Notification and clearance**

- 10.1 If a KMP intends to Deal in Company Securities, it must give prior written notice of any proposed Dealing to the Chairman and Company Secretary, or in the case of the Chairman to the Managing Director and Company Secretary. This notice must include a statement that the person does not have in its possession any Inside Information. The Chairman or Managing Director must give clearance for the Dealing before the KMP Deals.

- 10.2 Within 1 day of each Dealing in Company Securities, KMP must advise the Company Secretary of the number of Company Securities Dealt with, the nature of the Dealing and the date of the Dealing.
- 10.3 Directors must provide details of transactions involving Company Securities to the Company Secretary within 1 day of the Dealing for the purpose of enabling the Company to comply with its obligations under the Listing Rules.
- 10.4 Directors are required to notify the Company Secretary within 2 days of a change in their beneficial interest in Company Securities. Notification is effected by the Company notifying the ASX in accordance with Listing Rule 3.19A.

## **11 Awareness and understanding**

- 11.1 All KMP will be educated on the contents of this policy on a recurring basis to emphasise the importance of not improperly or inadvertently divulging confidential or Inside Information, or dealing in Company Securities while in possession of confidential or Inside Information.
- 11.2 The Company must ensure that any contractual arrangements with its KMP include an obligation to comply with this policy and ensure that all KMP are provided with a copy of this policy prior to commencing service with the Company.

## **12 Margin lending**

- 12.1 The Company does not encourage KMP to engage in margin lending practices on Company Securities.
- 12.2 KMP are required to advise the Board, via the Company Secretary, where they have entered into arrangements which could force a sale of Company Securities.

## **13 Breach and Enforcement**

Any breach of this policy must be immediately advised to the Company Secretary, who in turn will report to the Board. A breach of this policy will be treated as a serious matter which may warrant an investigation as to the circumstances of the breach and depending on the circumstances may result in disciplinary action.

## **14 Policy review**

- 14.1 This Policy is subject to annual review by the Board.
- 14.2 In accordance with Listing Rule 12.10, the ASX Market Announcements must be informed of any material changes to this policy within five business days of the change taking effect.

## **15 Availability**

The Company will make this Policy and procedure publicly available on its website in a clearly marked corporate governance section.

## **16 Changes to this Policy**

- 16.1 The Company reserves the right, at its absolute discretion, to change this Policy from time to time, as it considers necessary.

16.2 Any changes will be communicated via the Company's website.

Reviewed and adopted by the Board on 22 June 2020