



# Code of Conduct for Transactions in **Securities**.

Directors and Relevant Employees

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## 1 Introduction

- 1.1 The legal duties placed on directors and certain others in relation to transactions in the securities of the Company (Securities) as defined in the Corporations Act (the Act) and certain other companies are onerous. Heavy sanctions apply if these duties are breached. Legal constraints applicable to directors and officers of listed companies dealing in Securities in the company concerned arise from the common law, the Act and the ASX Listing Rules.
- 1.2 The major issue concerns information that is 'Price-Sensitive' or otherwise confidential. If a director or an officer is in possession of any such information which has not been publicly disclosed, there are a number of general and some specific legal constraints on dealings in Securities. 'Price Sensitive Information' is not easy to define and must be regarded as being very broad in scope.
- 1.3 In view of this, and because of the difficulty in determining whether information is 'Price-Sensitive', the Board has adopted this code of conduct concerning dealings in Securities and the Securities of certain other companies by Directors and certain others as detailed in the code of conduct.

## 2 General

- 2.1 Whilst it is desirable that Directors, executives and other employees of the Company and group companies should hold Securities, such persons to whom this code applies who wish to trade (buy or sell) Securities must have regard to applicable legal constraints, this code and the letter of the law.
- 2.2 No such person may trade in Securities, either for short-term speculative gain or otherwise, whilst in possession of Price-Sensitive Information.
- 2.3 Such trading is prohibited, whether concluded personally by a person to whom this code applies (as referred to in section 2.3.2 below) or through a related party within the meaning of section 228 of the Corporations Act which applies to public companies and, for convenience and in summary, specifies the following as related parties in relation to the Company:
  - 2.3.1 Any entity that controls the Company;
  - 2.3.2 Each of the following:
    - (a) Any Director;
    - (b) Any Director of any entity that controls the Company.
    - (c) Each of the persons making up any entity that controls the Company but is not itself a body corporate; and
    - (d) Any spouse or de facto spouse of any of those persons;
  - 2.3.3 Parents and children of any of those persons;
  - 2.3.4 Any entity controlled by any of the above related parties;
  - 2.3.5 Any entity that was, at any material time, any of the above related parties at any time within the previous six months;
  - 2.3.6 Any entity that, at any material time, believes or has reasonable grounds to believe that it is likely to become any of the above related parties at any time in the future; and

- 2.3.7 Any entity acting in concert with any of the above related parties on the understanding that the related party will receive a financial benefit if the Company gives the entity a financial benefit.

### 3 Price-sensitive information

- 3.1 The Board has adopted the following definition of Price-Sensitive Information:

**Price-Sensitive Information** can be regarded as information that relates to the financial affairs of the Company or the Group, the knowledge of which may give the person proposing to deal in Securities an advantage over other persons holding or dealing in Securities and, if it were generally available, would be likely to materially affect the price of the Securities in question.

Information such as material changes in turnover, current or prospective profit figures, proposed action in the form of dividends, bonus issues or other new share issues, proposed major disposals or acquisitions of assets and proposed major contracts beyond the size and nature of contracts normally undertaken by the Company, could all be considered to constitute Price-Sensitive Information.

Information concerning the Company or the Group related to any of the following subjects could also be regarded as Price-Sensitive Information:

- (a) Proposed changes in capital structure;
- (b) Information to be disclosed under the Act;
- (c) Proposed changes to the Board other than the filling of a casual vacancy or a retirement due to ill health or some similar situation;
- (d) Proposed changes in the general character or nature of the business;
- (e) Information regarding changes in the holdings of substantial shareholders;
- (f) Proposed significant changes in the holdings of any Director;
- (g) Appointment of a receiver, manager, liquidator or administrator in respect of any loan, trade credit, trade debt, borrowing or Securities held by it or any of its child entities;
- (h) A recommendation or declaration of a dividend or distribution;
- (i) A recommendation or declaration that a dividend or distribution will not be declared;
- (j) Under-subscriptions or over-subscriptions to an issue;
- (k) A transaction for which the consideration payable or receivable is a significant proportion of the written down value of the Company's consolidated assets;
- (l) A claim against the Company or any other company in the Group for which the excess and/or damages payable by it is a significant proportion of the written down value of the Company's consolidated assets;
- (m) An agreement or option to acquire an interest in a mining tenement;
- (n) Information about the beneficial ownership of Securities obtained under Part 6C.2 of the Act;
- (o) Giving or receiving a notice of intention to make a takeover; or
- (p) An agreement between the Company (or a related party or subsidiary) and a Director (or a related party of the Director).

## 4 Permitted trading

- 4.1 Subject to clause 4.2, any person to whom this code applies will normally be permitted to trade in Securities during a 30 day period starting immediately after the announcement to the ASX of the half yearly and annual results and after the conclusion of the AGM provided that:
  - 4.1.1 The person is not in possession of Price-Sensitive Information; and
  - 4.1.2 The trading is not for short term or speculative gain.
- 4.2 In no circumstances will any person to whom this code applies be permitted to sell more than \$250,000 worth of Securities to any party unless, prior to entering into discussions for the potential sale of those Securities, the person concerned obtains written approval from the Chairman as to the form and timing of the sale and the management of its public disclosure.

## 5 Prohibited trading

- 5.1 Trading in Securities by any person to whom this code applies is prohibited at all times other than those specified in clause 4.1 except with written authority in accordance with section clause 4.2.
- 5.2 Permission will be given for such trading but only after a written request for approval is provided and only if the approving person is satisfied that the transaction would not be:
  - 5.2.1 contrary to law;
  - 5.2.2 for speculative gain;
  - 5.2.3 to take advantage of insider knowledge; or
  - 5.2.4 seen by the public, press, other shareholders or ASX as unfair.
- 5.3 As a guide, approval to trade may be given by the Board where, for example, it can be shown that Securities are to be sold to realise cash in a time of need or where Securities are transferred from one member of a family or trust to another when to delay the transaction to the next permitted period would be detrimental to the family's affairs.
- 5.4 Approval could only be given under exceptional circumstances where trading would occur in the period between 30 June and the announcement to the ASX of final results for the year and between 31 December and the announcement to the ASX of the interim results for the half-year.

## 6 Authority to Trade

- 6.1 Written authority to trade as referred to in clause 5.2 may only be obtained from the following:
  - 6.1.1 In the case of any proposed trade by the Chairman from another non-executive Director;
  - 6.1.2 In the case of any proposed trade by any Director other than the Chairman from the Chairman or, in the absence of the Chairman, a non-executive Director nominated by the Chairman for the purpose; and

- 6.1.3 In the case of any proposed trade by any other person to whom this code applies from the Chairman or, in the absence of the Chairman, a non-executive Director nominated by the Chairman for the purpose.

## 7 Informing the Company

- 7.1 Persons to whom this code applies who have been involved in any such trading in Securities, either personally or through a family member, or a trust or a company as referred to above, must advise the Secretary in writing of the details of completed transactions within three (3) days following each transaction. Such notification is necessary whether or not prior authority has been required.
- 7.2 The Secretary must maintain a register of Securities in transactions for the purposes of this code.
- 7.3 Persons listed in a schedule prepared and maintained by the Secretary who are either Directors or directors of any subsidiary registered (or incorporated) in Australia have an obligation under the Act to notify both the ASX and the Company in writing of any changes in their holdings of Securities or interest in Securities.

## 8 Persons covered by this code of conduct

- 8.1 This code applies to all Directors and to all executives and employees nominated by the Board.
- 8.2 Persons nominated are to be listed in a schedule prepared and maintained by the Secretary and include the following:
- 8.2.1 All Directors and all officers of the Company;
- 8.2.2 Key executives including the CFO and any director of a subsidiary of the Company;
- 8.2.3 Corporate and divisional accounting officers reporting directly to any of the above executives;
- 8.2.4 Secretaries and assistants performing confidential work and reporting to any of the above positions; and
- 8.2.5 Members of corporate staff who have access to Company results.

## 9 Securities covered by this code of conduct

- 9.1 This code applies to all Securities including, but not limited to, ordinary shares, preference shares, debentures, convertible notes and options.
- 9.2 This code does not apply to any acquisition of Securities as part of a new issue or dividend reinvestment plan where the issue is available pro rata to all holders of Securities of the relevant class.

## 10 Families and trusts

- 10.1 Persons to whom this code applies must not trade through any member of their family, or through a trust or company over which they have influence or control, in

circumstances where they would have been prohibited from trading in their own name.

## 11 Other companies' securities

- 11.1 Trading by persons to whom this code applies in the Securities of other corporations in which the Company has a substantial investment interest (10% or more) are subject to the same approval procedures as for Securities.

## 12 Trustees

- 12.1 A person to whom this code applies, and who is a joint trustee or a trustee of a deceased estate, should advise his co-trustees or trust beneficiaries, as the case may be, of his relationship with the Company and the consequential restrictions on his ability to give advice in respect of Securities.