



# Securities Trading Policy

## 1. Introduction and Purpose

The shares of Talga Group Ltd (Company) are listed on the Australian Securities Exchange (ASX). This policy has been developed to comply with the ASX Listing Rules, minimise the risk of insider trading, safeguard the reputation of the Company and its subsidiaries (Group) from adverse perceptions of trading in the Company's securities at certain times and to ensure a proper market for the Company's securities is maintained that supports shareholder and investor confidence.

This policy outlines:

- when Directors, senior management and other employees of the Company may deal in Company Securities;
- when Directors, senior management and other employees of the Company may deal in securities of another publicly traded entity (because they may obtain inside information about another entity's securities while performing their duties for the Company); and
- procedures to reduce the risk of insider trading.

This policy is for the protection of the Company and each of the persons covered by the policy. If you do not understand any part of this policy or how it applies to you, you should contact the Company Secretary before trading in any securities covered by this policy. Ultimately it is your responsibility to make sure that none of your trading constitutes insider trading.

## 2. Who does this policy apply to?

This policy applies to Restricted Persons. A Restricted Person is a person who is:

- a member of the Key Management Personnel (KMP). KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company;
- an employee of the Group (Employees); and
- a Connected Person of KMP or Employees. A Connected Person means any person over whom the Key Management Personnel or Employee has significant influence or control (including spouses, children, family trusts, family companies and self-managed superannuation).

## 3. What securities are covered by this policy?

This policy applies to dealing in all securities of the Company (Company Securities) and includes shares, debentures, rights, options and any other financial products of the Company traded on any securities exchange.

### 3.1. Securities in other companies.

The insider trading provisions in the Corporations Act 2001 also apply to the securities of other companies and entities if you have inside information (see clause 4.2 for a definition of inside information) about that company or entity. These other companies and entities may include suppliers or customers of the Group; joint venture partners; or companies that the Company or another member of the Group has entered (or is planning to enter) into a transaction with, for example a takeover or asset sale.

## 4. Insider trading prohibition

### 4.1. Prohibited content

If a person has inside information (see clause 4.2 for a definition of inside information) about securities and the person knows, or ought reasonably to know, that the information is inside information, it is illegal for the person to:

- deal in the securities;
- procure another person to deal in the securities; or
- give the information to another person (also known as "tipping") who the person knows, or ought reasonably to know, is likely to:
  - deal in the securities; or
  - procure someone else to deal in the securities.

### 4.2. What is inside information?

Inside information is information that:

- is not generally available; and
- if it were generally available, a reasonable person would expect it to have a material effect on the price or value of securities.

Information is generally available if it:

- is readily observable;
- has been made known in a manner likely to bring it to the attention of persons who commonly invest in securities of the relevant type and a reasonable period for that information to be disseminated has elapsed since it was made known; or
- consists of deductions, conclusions or inferences made or drawn from information falling under paragraphs 4.2(a) or 4.2(b) above.

A reasonable person would be taken to expect information to have a material effect on the price or value of securities only if the information would, or would be likely to, influence persons who commonly acquire securities in deciding whether or not to acquire or dispose of those securities. In other words, the information must be shown to be material to the investment decision of a reasonable hypothetical investor in the securities.

Examples of information which, if made available to the market, may depending on the circumstances be likely to have a material effect on the price of Company Securities are set out in Appendix 1.

### 4.3. What is dealing in securities?

Dealing in securities 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.

#### 4.4. Consequences of insider trading

Insider trading is a criminal offence. It is punishable by substantial fines or imprisonment or both. A company may also be liable if an employee or Director engages in insider trading.

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.

### 5. Black-out periods

In addition to the prohibitions on insider trading set out in the Corporations Act 2001, Restricted Persons must not deal in Company Securities during “Black-out Periods” unless the circumstances are exceptional (as set out in clause 6) and the procedure for prior written clearance described in clause 7 has been met.

Black-out Periods means:

- 5 trading days prior to and 24 hours after the release of the Company’s annual financial report;
- 5 trading days prior to and 24 hours after the release of the Company’s half-year financial report;
- 5 trading days prior to and 24 hours after the release of the Company’s quarterly reports; and
- such other periods as the Company may notify from time to time by written notice without explanation of the reason for imposing the Black-out Period.

Please note that even if it is outside a Black-out Period, Restricted Persons must not deal in the Company's Securities if they are in possession of Inside Information.

### 6. Exceptional Circumstances

A Restricted Person, who is not in possession of inside information in relation to Company Securities, may be given prior written clearance by the Clearance Officer (see clause 7.1 for definition of Clearance Officer) to deal in the Company Securities during a Black-out Period in any of the following exceptional circumstances:

- if the Restricted Person is in severe financial hardship;
- if the Restricted Person is required by a court order, or other legal or regulatory requirement to deal in the Company Securities; or
- in any other circumstances that may be deemed exceptional by the Chairman of the Company (or the Managing Director if the Chairman is involved).

The Restricted Person seeking clearance must satisfy the Clearance Officer or the Chairman or the Managing Director (as applicable) that the Restricted Person is in severe financial hardship or that their circumstances are otherwise exceptional and that the proposed dealing in the relevant Company Securities is the only reasonable course of action available.

## 7. What is the procedure for obtaining a written securities dealing clearance?

### 7.1. Clearance officer

Before dealing in Company Securities, a Restricted Person must first obtain prior written clearance from:

- in the case of employees, the Managing Director or in his absence, the Company Secretary;
- in the case of a Director, the Chairman or in his absence the Managing Director;
- in the case of the Chairman, the Managing Director,

(each a Clearance Officer).

### 7.2. Clearance certificate

The Restricted Person must submit a Securities Dealing Clearance Request (see Appendix 3) to the Clearance Officer.

The Clearance Officer may only give clearance during periods that are not Black-out Periods or in any of the exceptional circumstances listed in clause 6. However, the Clearance Officer may not give clearance during those periods or circumstances if:

- there is a matter about which there is inside information in relation to Company Securities (whether or not the Restricted Person knows about the matter) when the Restricted Person requests clearance or proposes to deal in Company Securities; and
- the Clearance Officer has any other reason to believe that the proposed dealing breaches this policy.

Any clearance given by the Clearance Officer under this policy will be valid for the period of 5 business days from the time which it is given or such other period as may be determined by the Clearance Officer. Persons who have received a Clearance certificate are reminded they must not deal in the Company's Securities if they are in possession of Inside Information.

The Clearance Officer may withdraw a clearance to deal in the Company Securities if new information comes to light or there is a change in circumstances.

The Clearance Officer must keep a written record of:

- any information received from a Restricted Person in connection with this policy; and
- any clearance given under this policy.

## 8. What dealings in securities are excluded from this policy?

The following dealing by Restricted Persons is excluded from the restrictions outlined in clause 5 (Black-out periods), but is subject to the insider trading provisions of the Corporations Act 2001 summarised in clause 4 of this policy:

- transfers of Company Securities already held by a Restricted Person into a superannuation fund or other saving scheme in which the Restricted Person is a beneficiary;
- an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the Company Securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
- where a Restricted Person is a trustee, trading in Company Securities by that trust provided the Restricted Person is not a beneficiary of the trust and any decision to trade during a Black-out Period is taken by the other trustees or by the investment managers independently of the Restricted Person;
- undertakings to accept, or acceptance of, a takeover offer, scheme of arrangement or equal access buy-back;
- trading under an offer or invitation made to all or most of the Company Security holders, such as, a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the board of the Company. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
- a disposal of Company Securities that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement. Please note clause 9.3 of this policy; Restricted Persons must not enter into margin loan agreements or other secured lending arrangements in relation to Company Securities without first obtaining prior written clearance from the appropriate Clearance Officer in accordance with the procedure set out in clause 7;
- the exercise (but not the sale of securities following exercise) of an option or a right under an employee incentive scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a Black-out Period and the Company has been in an exceptionally long Black-out Period or the Company has had a number of consecutive Black-out Periods and the Restricted Person could not reasonably have been expected to exercise it at a time when free to do so; and
- trading under a non-discretionary trading plan for which prior written clearance has been provided by the Clearance Officer and where:
  - the Restricted Person did not enter into the plan or amend the plan during a Black-out Period; and
  - the trading plan does not permit the Restricted Person to exercise any influence or discretion over how, when, or whether to trade.

## 9. Miscellaneous prohibited or restricted transactions

### 9.1. Dealing in derivative products

The prohibitions on dealing in the Company's securities set out in this Policy extend to dealing in financial products issued or created over or in respect of the Company's securities (for example, warrants, exchange-traded and over-the-counter options and contracts for difference).

### 9.2. Hedging transactions

Restricted Persons are prohibited from entering into hedging transactions or arrangement which limit the economic risk of participating in unvested entitlements under any equity-based remuneration schemes.

### 9.3. Margin lending

Restricted Persons must not enter into agreements that provide lenders with rights over their interests in securities in the Company without first seeking and obtaining prior written clearance from the appropriate Clearance Officer.

### 9.4. Long-term trading

The Company encourages Directors and employees to adopt a long-term view to their investment in the Company's securities. Consequently, Directors and employees may not engage in short-term or speculative dealings in the Company's securities.

### 9.5. No-discretionary trading plans

Restricted Persons must not put in place a non-discretionary trading plan in respect of their securities in the Company without first seeking and obtaining prior written clearance from the appropriate Clearance Officer. Restricted Persons must not cancel any such trading plan during a Black-out Period, unless the circumstances are exceptional and the procedure for prior written clearance has been met.

## 10. Communicating inside information

If a Restricted Person has information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities or the listed securities of another entity, that person must not directly or indirectly communicate that information to another person if he or she knows, or ought reasonably to know, that the other person would or would be likely to:

- deal in Company Securities or those securities of the other entity; or
- procure another person to deal in Company Securities or the securities of the other entity.

A Restricted Person must not inform colleagues (except the Clearance Officer) about inside information or its details.

## 11. Disclosures to the ASX

The ASX Listing Rules require this policy to be disclosed to ASX. Where the Company makes a material change to this Policy, the amended Policy must be provided to ASX within 5 business days of the material changes taking effect.

In addition, under the ASX Listing Rules, the Company must tell ASX (in its Appendix 3Y filing) if a change to a notifiable interest of a Company's Director occurs no more than 5 business days after the change occurs, including whether the change occurred during a Black-out Period where prior written clearance was required, and if so, whether prior written clearance was provided. It is the responsibility of each Director to ensure that he/she informs the Company Secretary of such transactions as soon as possible after the event in order to allow the Company to comply with its ASX disclosure obligations.

## 12. Acknowledgement of this Policy

Each employee shall be required to provide to the Company an acknowledgement of this policy in the form as attached in Appendix 2.

## 13. Breach of Policy

A breach of this policy by an employee may lead to disciplinary action. It may also be a breach of the law.

## 14. Assistance and Additional Information

Restricted Persons who are unsure about any information they may have in their possession, and whether they can use that information for dealing in securities, should contact the Clearance Officer.

## Appendix 1

Examples of information which, if made available to the market, may depending on the circumstances be likely to have a material effect on the price or value of Company Securities include, but are not limited to:

- a transaction that will lead to a significant change in the nature or scale of the Company's activities;
- a material mineral discovery;
- a material acquisition or disposal;
- the granting or withdrawal of a material licence;
- a proposed dividend;
- becoming a plaintiff or defendant in a material law suit;
- the fact that the Company's earnings will be materially different from market expectations;
- the appointment of a liquidator, administrator or receiver;
- the commission of an event of default under, or other event entitling a financier to terminate, a material financing facility;
- a major change to the Board or senior management;
- giving or receiving a notice of intention to make a takeover;
- (any rating applied by a rating agency to the Company or its securities and any change to such a rating);
- any actual or proposed change to the Company's capital structure for example, a share issue; and
- exploration or drill results.

## Appendix 2

Form of acknowledgement by employee

I have read and understood the document titled "Securities Trading Policy" of Talga Group Ltd (the Securities Trading Policy).

I agree to be bound by, and to comply with, the Securities Trading Policy.

I acknowledge and agree that the Securities Trading Policy forms part of the terms of my appointment as an employee/Director/consultant of Talga Group Ltd.

.....  
Signature

.....  
Name

.....  
Date

To be returned to the Company Secretary on completion.

Appendix 3

**Talga Group Ltd -Securities Trading Policy Clearance Request**

In accordance with the Securities Trading Policy of Talga Group Ltd (Company), before dealing in any Company Securities you are required to obtain clearance.

Please contact the Company on +61 8 9481 6667 for the relevant email address.

.....  
Name

.....  
Position

.....  
Address

.....  
Telephone

.....  
Email

I request permission to trade the following securities which are proposed to be held by myself personally and/or other parties with whom I have an interest as follows:

Type of security	Number of securities	Buy/Sell/Exercise & Hold/Exercise & Sell

I confirm that:

- it is not a Black Out Period;
- I am not in possession of Inside Information;
- I will not deal in the above securities until I am notified that clearance is approved;
- I may be refused permission to deal without explanation; and
- the Clearance Officer may withdraw a clearance to deal in the Company Securities if new information comes to light or there is a change in circumstances.

Signed: ..... Date:.....

This form is valid for a period of five business days from the date of approval. After this time, clearance will lapse and a further request will need to be completed. This form will be returned to you with the period of validation completed if approval has been granted. If you come into possession of Inside Information during the period of validation you are not permitted to deal in the Company's Securities.

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For completion by the Clearance Officer: Approval for the above dealing has been:

- cleared for a period of five business days
- refused

Signed: ..... Date:.....

Name: .....