



# **A1 CONSOLIDATED GOLD LIMITED**

## **SECURITIES TRADING POLICY**

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### **1. PREAMBLE**

This is the Company's policy and procedure regarding dealing in the Company's securities by directors, officers, employees<sup>1</sup> and contractors. It prohibits dealing in the Company's securities by persons who possess inside information. It also provides that any share transaction undertaken by directors must be notified to the Company Secretary within 3 days of such transaction.

### **2. POLICY**

Directors, officers, employees and contractors who wish to trade in Company securities must first have regard to the statutory provisions of the Corporations Act dealing with insider trading.

Insider trading is the practice of dealing in a company's securities (e.g. shares or options) by a person with some connection with a company (e.g. an employee) in possession of information that is generally not available to the public but which may be relevant to the value of the Company's securities. It may also include the passing on of this information to another. Insider trading is an offence which carries severe penalties, including imprisonment.

### **3. COMPANY SECURITIES LISTED ON ASX**

In summary, directors, officers employees and contractors of the Company must not, whether in their own capacity or as an agent for another, subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell, any securities (i.e. shares or options) in the Company, or procure another person to do so:

- 3.1. if that director, officer or employee possesses information that a reasonable person would expect to have a material effect on the price or value of the securities if the information was generally available;
- 3.2. if the director, officer or employee knows or ought reasonably to know, that:
  - 3.2.1. the information is not generally available; and
  - 3.2.2. if it were generally available, it might have a material effect on the price or value of the securities in the Company.

Any share transaction undertaken by Directors must be notified to the Company Secretary within 3 days of such transaction, for release to the ASX.

Further, directors, officers, employees and contractors must not either directly or indirectly pass on this kind of information to another person if they know, or ought reasonably to know, that this other person is likely to deal in the securities of the Company or procure another person to do so.

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<sup>1</sup> In this policy, references to "directors, officers and employees" extends to a reference to their respective parents, children, spouses (including de facto) and entities that are controlled by any of them.

## SECURITIES TRADING RULES

### 1. INTRODUCTION

These rules outline:

- 1.1. when key management personnel, employees and contractors to the Company may deal in Company Securities or in listed securities of another entity (because they may obtain inside information about another entity's securities while performing their duties for the Company); and
- 1.2. procedures to reduce the risk of insider trading;
- 1.3. address some allied matters, including margin borrowing (and like facilities).

### 2. DEFINED TERMS

In these rules:

- 2.1. **ASX Business Day** has the same meaning as the term 'business day' as defined in the ASX Listing Rules;
- 2.2. **Company Securities** includes shares in the Company, options over those shares and any other financial products of the Company traded on ASX;
- 2.3. **Designated Officer** means a director or person engaged in the management of the Company, whether as an employee or consultant.
- 2.4. **Disclosure Officer** means the person appointed to act as Disclosure Officer under the Company's Continuous Disclosure Policy and in the absence of such appointment the Company Secretary shall fill that role.

### 3. INSIDER TRADING

- 3.1. If a person has information about securities and the person knows, or ought reasonably to know, that the information is inside information, it is likely to be illegal for the person to:
  - 3.1.1. deal in the securities;
  - 3.1.2. procure another person to deal in the securities; or
  - 3.1.3. give the information to another person who the person knows, or ought reasonably to know, is likely to:
    - 3.1.3.1 deal in the securities; or
    - 3.1.3.2 procure someone else to deal in the securities.
- 3.2. 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.

- 3.3. 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. WHAT IS INSIDE INFORMATION?**

- 4.1. Inside information is information that:

- 4.1.1. is not generally available; and
- 4.1.2. if it were generally available, would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the relevant securities.

- 4.2. Information is generally available if it:

- 4.2.1. is readily observable;
- 4.2.2. 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
- 4.2.3. consists of deductions, conclusions or inferences made or drawn from information falling under paragraphs 4.2.1 or 4.2.2.

#### **5. WHAT IS DEALING IN SECURITIES?**

- 5.1. Dealing in securities includes:

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

- 5.2. A decision to join, or subscribe for shares under, any dividend reinvestment plan is not dealing in Company Securities.

#### **6. WHEN A DESIGNATED OFFICER MAY DEAL**

- 6.1. Subject to paragraph 7, a Designated Officer may only deal in Company Securities if he or she:

- 6.1.1. does not have information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities; and
- 6.1.2. has complied with paragraph 10.

## **7. WHEN A DESIGNATED OFFICER MAY NOT DEAL – CLOSED PERIODS**

7.1. A Designated Officer may not deal or procure another person to deal in Company Securities if:

- 7.1.1. he or she has information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities; or
- 7.1.2. the Disclosure Officer has issued an instruction prohibiting dealing in Company Securities by a Designated Officer; or
- 7.1.3. it is the day on which, the Company has made or is expected to make an announcement to the ASX; or
- 7.1.4. he or she has not complied with paragraph 10.

## **8. WHEN EMPLOYEES MAY DEAL**

An employee (who is not a Designated Officer) may deal in Company Securities or the listed securities of another entity if he or she does not have information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities or those securities of the other entity.

## **9. WHEN EMPLOYEES MAY NOT DEAL – CLOSED PERIODS**

- 9.1. An employee (who is not a Designated Officer) may not deal or procure another person to deal in Company Securities or the listed securities of another entity if he or she has information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities or those securities of the other entity.
- 9.2. An employee (who is not a Designated Officer) may not deal or procure another person to deal in Company Securities if it is the day on which the Company has made or is expected to make an announcement to the ASX.

## **10. CLEARANCE FROM THE DISCLOSURE OFFICER**

10.1. Before dealing in Company Securities, a Designated Officer must first inform the Disclosure Officer and obtain clearance from the Disclosure Officer and at least one director of the Company (other than the Disclosure Officer).

10.2. The Disclosure Officer may not give clearance if:

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

10.3. The Disclosure Officer must keep a written record of:

- 10.3.1. any information received from a Designated Officer in connection with this policy; and
- 10.3.2. any clearance given under this policy.

Where a Designated Officer is also the Disclosure Officer, that Designated Officer may not act for self as Disclosure Officer for the purpose of this rule but rather must confer with another Designated Officer who shall perform the function of the Disclosure Officer for first mentioned Designated Officer.

## **11. DEALINGS BY ASSOCIATED PERSONS AND INVESTMENT MANAGERS**

11.1. If a Designated Officer may not deal in the Company Securities, he or she must prohibit any dealing in the Company Securities by:

- 11.1.1. any associated person (including, without limitation, family or nominee companies and family trusts); or
- 11.1.2. any investment manager on their behalf or on behalf of any associated person.

11.2. For the purposes of paragraph 11.1, a Designated Officer must:

- 11.2.1. inform any investment manager or associated person of the periods during which the Designated Officer may and may not deal in Company Securities; and
- 11.2.2. request any investment manager or associated person to inform the Designated Officer immediately after they have dealt in Company Securities.

11.3. A Designated Officer does not have to comply with paragraphs 11.1 and 11.2 to the extent that to do so would breach obligations of confidence to the Company.

## **12. COMMUNICATING INSIDE INFORMATION**

12.1. If an employee (including, without limitation, a Designated Officer) 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, the employee 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:

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

- 12.2. An employee must not inform colleagues about inside information or its details except (and the employee must immediately) inform a Designated Officer or the Disclosure Officer of the same unless the employee knows that such information is already in the possession of a Designated Officer or the Disclosure Officer.

### **13. PROHIBITION OF CREDIT**

- 13.1. Broker credit (beyond T+3), margin lending or leveraged equity providers (by whatever name and under whatever guise) must not be used without the fully informed consent of the Board.
- 13.2. The Designated Officer or employee must inform the Disclosure Officer of all details concerning any broker credit, margin lending or leveraged equity arrangements in place in respect of any dealings (including, without limitation, prospective dealings) in Company Securities.

### **14. PASSIVE TRADING IN COMPANY SECURITIES**

- 14.1. Employees may participate during closed periods in the passive acquisition of Company Securities in plans approved by the Company's Board, such as dividend reinvestment plans, share purchase plans and rights issues, with the proviso that an election to participate, once given, cannot be revoked during a closed period.
- 14.2. The exercise of options is permitted during a closed period in accordance with the terms and conditions of those options, however, the Securities issued in respect of such options or share purchase plan are subject to these Rules and employees may not deal in these Securities during a closed period, including the closed period in which the Securities have been acquired.

### **15. EXCEPTIONAL CIRCUMSTANCES WHEN TRADING MAY TAKE PLACE**

In exceptional circumstances where, as a result of demonstrable severe financial hardship, an employee is obliged to dispose of Company Securities, subject to that employee demonstrating to the Disclosure Officer and the Board that financial hardship (such as the threat of foreclosure on the residence in respect of a person or mortgage, a judgement in respect of a debt being obtained by a creditor, or a court order in a family law matter) the Disclosure Officer and the Board may give written approval to proceed to sell an agreed number of Company Securities within a specified time frame. A limited period in which to trade should be granted, say 5 business days, and the closing date during which Securities can be traded should be notified to the individual and the Company Secretary.

### **16. BREACH OF POLICY**

- 16.1. A breach of this policy by an employee or a contractor can be expected to:
- 16.1.1. lead to disciplinary action, generally in the form of dismissal or termination of the relationship at first lawful instance;

- 16.1.2. be reported to the authorities for investigation if the circumstances warrant, in the view of the Company.

**17. DISTRIBUTION OF POLICY**

- 17.1. This policy must be distributed to all affected parties or their attention must be drawn to it e.g. by emailing them a link to this policy or including the same in their contract of employment.

**18. ASSISTANCE AND ADDITIONAL INFORMATION**

Employees who are unsure about any information they may have in their possession, and whether they can use that information for dealing in securities, must contact the Disclosure Officer.

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