

# Securities Trading Policy

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# Document Control

## Document Information

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This policy sets out the Company's policy regarding the sale and purchase of Company securities by its Directors and employees.

A reference in this policy to "securities" includes shares, options, warrants and any other security on issue from time to time. This policy is separate to and additional to the legal constraints imposed by common law, the Corporations Act and ASX Listing Rules.

The purpose of this policy is to assist Directors and employees to avoid conduct known as 'insider trading', and to avoid any adverse influence of unfair dealings by Directors and employees being drawn.

This policy provides:

- a description of what conduct may constitute insider trading.
- a description of the times when Company policy prohibits trading in the Company's securities
- the steps for Directors and certain "Restricted Employees" to take when buying or selling securities in the Company.



# 1.0

## Insider Trading

### 1.1 Prohibition

In broad terms, a person will be guilty of insider trading if:

- that person possesses information that is not generally available to the market and, if it were generally available to the market it would, or would be likely to have a material effect in the price or value of a company's securities (i.e. price sensitive information)
- and that person:
  - buys or sells securities in the Company
  - procures someone else to buy or sell securities in the Company or
  - passes on that information to a third party where that person knows, or ought reasonably to know, that the third party would be likely to buy or sell the securities or procures someone else to buy or sell the securities of the Company.

Information is 'generally available' where the information is:

- readily observable
- made known in a manner that would, or would be likely to, bring it to the attention of people who commonly invest in the Company's securities or securities of a kind similar to the Company's securities, and a reasonable time period has elapsed to allow the information to be disseminated, or able to be deduced, concluded or inferred from those types of information.

Insider trading is prohibited at any time if the person possesses any inside information, irrespective of whether this Policy provides that dealing could occur in a trading window or outside a closed period, whether it is excluded from the operation of the Policy or whether any specific authority to trade has been given.

### 1.2 Penalties

Insider trading is a criminal offence.

The criminal penalties for a breach of the insider trading prohibition include:

- For an individual – a fine of up to \$220,000 and a jail term of up to five (5) years.
- For a corporation – a fine of up to \$1,100,000.
- In addition, the insider trader, and any other persons involved in the contravention may also be liable to compensate third parties for any resulting loss.



### **1.3 Dealing Through Third Parties**

A person does not need to be a Director or employee of the Company to be guilty of insider trading in relations to securities in the Company. The prohibition extends to dealings by Directors and employees through nominees, agents or other associates, such as family members, family trusts and family companies.



# 2.0

## Policy for Trading in the Company's Securities

### 2.1 No Trading in a Closed Period by Directors and 'Restricted Employees'

Directors and 'Restricted Employees' must not deal in the Company's securities during a 'closed period'. A closed period is defined as:

- the period from the close of the financial year until the release of the Company's annual results
- the period from the close of the half year until the release of the Company's half year results and
- other periods designed by the resolution of the Board as a 'Closed Period'.

'Restricted Employees' are:

- senior executives and managers that are invited to participate in the Company's Performance Incentive Program
- all personnel involved in the preparation of the Company's statutory financial information
- any other personnel determined by the Board from time to time.

### 2.2 No Short Term Trading in the Company's Securities

No Directors and Restricted Employees are to be engaged in short term trading of the Company's securities.

### 2.3 No Hedging

Directors and personnel are prohibited from engaging in hedging arrangements, deal in derivatives or enter into other arrangements which vary the economic risk relating to the Company's securities.



# 3.0

## Permitted Dealings

Certain types of dealing are excluded from the operation of this Policy and may be undertaken at any time (subject to complying with the insider trading prohibitions) including the following:

- Employee incentive schemes – the restrictions in this Policy do not prohibit Restricted Employees from acquiring securities or exercising an option or right acquired under an employee incentive scheme.
- Dividend reinvestment plan – the restrictions in this Policy do not prohibit Restricted Employees from acquiring securities under any dividend reinvestment plan.
- Rights offers, share purchase plans and by-backs – trading under an offer or invitation made to all or most of the security holders such as rights issue, a security plan purchase where the plan that determines the timing and the structure of the offer has been approved by the Board.





# 4.0

## Exceptional Circumstances

A director, officer or their associate, who is not in possession of inside information in relation to the Company, may be given prior written clearance to sell or otherwise dispose of the Company's securities during a closed period under this Policy, where the restricted person is in severe financial hardship or there are other exceptional circumstances.

Exceptional circumstances, in this instance would include, but is not limited to:

- Severe financial hardship and has a pressing financial commitment that cannot be satisfied otherwise than by selling the Company's securities.
- Required by a court order, or there are court enforceable undertakings, to transfer or sell the Company's securities or there is some other overriding legal or regulatory requirement for them to do so.
- Other circumstances, which may be deemed exceptional by the Chairman or the Managing Director (where the Chairperson is the person involved) and whereby prior written clearance is granted to permit trading.

If an exceptional circumstance, as outlined above, is deemed to exist, the person must obtain written approval from the Chairman, or if the Chairman is involved, the Managing Director, to trade in the Company's securities. This approval shall be valid for a period of no longer than two weeks and is to be reported at the next Board meeting.



# 5.0

## ASX Notification

The Corporations Act obliges a Director to notify the ASX within five business days after any dealing in the Company's securities (either personally or via a third party) which results in a change in the relevant interests of the Director in the Company's securities.

The Directors have agreed with the Company to provide notice of such dealings to the Company as soon as possible after such dealings, to enable the Company to comply with its obligations under the Listing Rules.



# 6.0

## Responsibilities

Compliance with these guidelines for trading the Company's securities does not absolve any individual from complying with the law, which must be the overriding consideration when trading in the Company's securities.

The Company Secretary is responsible for maintaining this policy and that it is communicated to Directors and personnel.

This policy was approved by the Lycopodium Board on 26 November 2019.

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**MICHAEL CARATTI**

**CHAIRMAN**