

## ASX ANNOUNCEMENT



7 July 2021

### Securities Trading Policy

A copy of the Lake Resources Securities Trading Policy is attached. The Policy will also be made available on the Company's website.

Authorised for release by the Company Secretary.

Garry Gill  
Company Secretary

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# **SECURITIES TRADING POLICY**

**LAKE RESOURCES NL**

**ACN 079 471 980**

**27 OCTOBER 2020**



Contents

1	Introduction .....	4
2	Insider trading.....	6
3	Material Revisions .....	12

## SECURITIES TRADING POLICY

### 1 INTRODUCTION

#### 1.1 Scope of this document

This document summarises the law relating to insider trading and sets out the Company's securities trading policy ("**Trading Policy**") on buying and selling shares, options or derivatives ("**Securities**") of Lake Resources NL ("**Company**").

The Company's shares are listed on the Australian Securities Exchange, ASX Limited ("**ASX**"). Accordingly, the Company is required to comply with ASX Listing Rules ("**Listing Rules**"). Listing Rule 12.9 requires each entity admitted to the ASX to have a trading policy that regulates trading by its key management personnel during certain prohibited periods and to give a copy of that trading policy to ASX for release to the market.

This Trading Policy, which has been prepared to satisfy Listing Rule 12.9 and other purposes, outlines the types of conduct in dealing in securities that are prohibited under the *Corporations Act 2001* (Cth) ("**Corporations Act**") and to establish a best practice procedure for dealing in Securities that protects the Company and its personnel against the misuse or the appearance of misuse of unpublished or confidential information which could materially affect the value of Company Securities (otherwise known as inside information under the Corporations Act, which is set out in further detail in Part 2 of this Trading Policy).

#### 1.2 Who does the Trading Policy apply to?

The Company's Board of Directors has adopted this Trading Policy which, unless otherwise stated, applies to:

- (a) all employees of the Company and its related companies (**Group**) in possession of inside information (please refer to Part 2 of this Trading Policy)
- (b) all directors, officers, senior management and other senior executives, employees and consultants who have authority and responsibility for planning, directing and controlling the activities of the Company (otherwise referred to as key management personnel ("**KMP**"));
- (c) employees who work closely with KMP and any other employees, consultants or personnel of the Group considered necessary or appropriate by the Board, as notified from time to time;
- (d) immediate family members of KMP; and
- (e) companies, trusts and entities over which KMP or their immediate family members have control, or otherwise are closely connected to.

Additionally, paragraph 2.12 of this Policy relating to other prohibited transactions, applies to all Employees, officers and directors of the Company (including KMP).

It is important to remember that although this Trading Policy only applies to the persons specified above, the insider trading prohibitions set out in the Corporations Act and discussed in Part 2 below, apply to **all** persons.

### 1.3 Further advice

If you do not understand the summary of the law relating to insider trading set out below or this Trading Policy, or if you are confused as to whether the law applies to you, please contact the Company Secretary. You may wish to seek your own professional legal advice before dealing in Company Securities.

### 1.4 Defined terms

**Company Securities** includes shares in the Company, options over those shares and any other financial products of the Company whether traded on ASX or unlisted.

**Closed Period** means the period between:

- (a) 1 January and 1 business day after the time of release of the Half Year Report to the ASX;
- (b) 1 July and 1 business day after the time of release of the Full Year Report to the ASX;
- (c) The end of each quarter and 1 business day after the time of release of the Quarterly Report to the ASX; or
- (d) Any other periods from time to time when the Company is considering matters which are subject to Listing Rule 3.1A as resolved by the Board of the Company.

**Disclosure Officer** means the Chief Executive Officer or such other person appointed to act as Disclosure Officer under the Company's market disclosure policy. In the case where the Chief Executive Officer is the KMP in relation to matters covered by this Trading Policy, the Disclosure Officer shall be the Chairman in such instance.

**Employee** means any employee (whether part-time, casual, full time or otherwise) and any consultant of the Company or any entity in the Group, and may include a KMP.

**Excluded Trading** means trading by any person or entity covered by this Trading Policy are considered excluded from this Trading Policy in the following circumstances:

- 1. transfers of securities of the Company already held into a superannuation fund or other saving scheme in which the holder is a beneficiary;
- (e) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the securities of the Company) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (f) where the holder is a trustee, trading in the securities of the Company by that trust provided the holder is not a beneficiary of the trust and any decision to trade during a Closed Period is taken by the other trustees or by the investment managers independently of the holder;

- (g) undertakings to accept, or the acceptance of, a takeover offer;
- (h) trading under an offer or invitation made to all or most of the 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. 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 rate issue;
- (i) a disposal of securities of the Company that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement. In this circumstance, the holder must have informed the Board of the Company prior to entering into such an arrangement over the securities;
- (j) the exercise (but not the sale of securities following exercise) of an option or a right, 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 Closed Period or the Company has had a number of consecutive Closed Periods and the holder could not reasonably have been expected to exercise it at a time when free to do so; and
- (k) trading under a non-discretionary trading plan for which prior Written Clearance has been provided by the Board of the Company and where:
  - the holder did not enter into the plan or amend the plan during a Closed Period;
  - the trading plan does not permit the holder to exercise any influence or discretion over how, when or whether to trade; and
  - the Company’s Trading Policy does not allow for cancellation or a trading plan during a Closed Period other than in exceptional circumstances.

**KMP** means key management personnel, which includes all directors, officers, senior management and other senior executives, employees or consultants who have authority and responsibility for planning, directing and controlling the activities of the Company.

**Written Clearance** means any form of writing, including any typed electronic form.

## **2 INSIDER TRADING**

### **2.1 Corporations Act**

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:

- (a) deal in the securities;

- (b) advise or procure another person to deal in the securities; or
- (c) give the information to another person who the person knows, or ought reasonably to know, is likely to:
  - (i) deal in the securities; or
  - (ii) procure someone else to deal in the securities.

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.

Notwithstanding any other provision of this Trading Policy, if a person holds inside information, that person must not buy or sell Company Securities, advise or get others to do so or pass on the inside information to others. This prohibition applies regardless of how that person gained knowledge of the information.

The prohibition of inside trading is not restricted to information concerning Company Securities. If a person has inside information in relation to securities of another company, that person must not deal in those securities.

## **2.2 What is inside information?**

Inside information is information that:

- (a) is not generally available; and
- (b) 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.

Information is generally available if it:

- (c) is readily observable;
- (d) 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
- (e) consists of deductions, conclusions or inferences made or drawn from information falling under paragraph 2.2.

The financial impact of the information is important, but strategic and other implications can be equally important in determining whether information is inside information. The definition of information is broad enough to include rumours, matters of supposition, intentions of a person and information which is not definite enough to warrant disclosure to the public.

### **2.3 What is dealing in securities?**

Dealing in securities includes:

- (a) applying for, acquiring or disposing of, securities;
- (b) entering into an agreement to apply for, acquire or dispose of, securities; and
- (c) granting, accepting, acquiring, disposing, exercising or discharging an option or other right or obligation to acquire or dispose of securities.

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

### **2.4 “Closed Period” trading restrictions**

Specific “Closed Period” restrictions on trading Company Securities apply to the following people in the Group (“**Restricted Persons**”):

- (a) all KMP;
- (b) employees who work closely with KMP and any other employees, consultants or personnel of the Group considered necessary or appropriate by the Board, as notified from time to time;
- (c) immediate family members of KMP; and
- (d) companies, trusts and entities over which KMP or their immediate family members have control, or otherwise are closely connected to.

Restricted Persons are in positions where it may be assumed that they have inside information and, as a result, any dealing in Company Securities may reflect negatively on them or the Company (even if they have no actual inside information at the time). This Trading Policy is designed to mitigate the possibility of misconceptions, misunderstanding or suspicions that might arise as a result of trading during the “Closed Period”.

Accordingly, in addition to the prohibitions on insider trading set out in the Corporations Act, the Company requires that Restricted Persons must not trade in Company Securities during any “Closed Period”, unless the exceptional circumstances apply and the procedure for prior Written Clearance described in paragraph 2.6 of this Trading Policy has been met.

### **2.5 Exceptional circumstances**

The Disclosure Officer may give Written Clearance (in accordance with the procedure in paragraph 2.6) for a Restricted Person to trade in Company Securities in exceptional circumstances where the KMP would otherwise not be able to do so under this Trading Policy.

The Board (with the Restricted Person in question excluded from discussion, if required) will decide if circumstances are exceptional in their sole discretion.



Exceptional circumstances include:

- (a) financial hardship;
- (b) requirements under a court order or court enforceable undertakings; or
- (c) other exceptional circumstances as determined by the Board (with the Restricted Person excluded from discussion, if required).

If the Disclosure Officer has any doubt in making a determination under this clause, such discretion should be exercised with caution.

## **2.6 Requirements before trading – Restricted Persons**

Unless such dealing is Excluded Trading, before trading, or giving instructions for trading or causing anyone to trade, in Company Securities, a Restricted Person must:

- (a) notify the Disclosure Officer of the Restricted Person's intention to trade (or cause someone else to trade) in Company Securities;
- (b) confirm that the Restricted Person does not hold any inside information;
- (c) have been advised by the Disclosure Officer that there is no known reason to preclude them from trading in Company Securities as notified;
- (d) have received a Written Clearance from the Disclosure Officer (which may include conditions imposed on the trading); and
- (e) have complied with any such conditions imposed on the trading (including for example, any time limits applicable to the clearance).

The Disclosure Officer may seek appropriate legal advice to ensure the proper provision or otherwise of a clearance under this paragraph, and the cost of such advice shall be borne by the Company.

Any Written Clearance can be given or refused by the Company and Disclosure Officer in its discretion, without giving any reasons.

If the Disclosure Officer refuses to provide a Written Clearance:

- 1. the decision is final and binding on the person seeking the Written Clearance; and
- (f) the person seeking the Written Clearance must keep that information confidential and not disclose it to anyone.

A Written Clearance can be withdrawn by the Disclosure Officer (at its sole discretion at any time) if new information arises or there is a change in circumstance.

## **2.7 Requirements after trading – Restricted Persons**

A Restricted Person must also immediately notify the Disclosure Officer of any trade that it has completed pursuant to a Written Clearance. The notification must include:

- (a) the name of the Restricted Person;
- (b) whether the interest in Company Securities held by the Restricted Person was direct or indirect (and if it was indirect, the circumstances giving rise to the interest);
- (c) the date of the trade and the number of Company Securities subject of the trade;
- (d) the amount paid or received pursuant to the trade;
- (e) the number of Company Securities held by the Restricted Person, directly and indirectly, before and after the trade.

## **2.8 Employee (who is not a Restricted Person)**

Subject to paragraph 2.12, an Employee (who is not a Restricted Person) may deal in Company Securities if the Employee complies with insider trading prohibitions under the Corporations Act.

## **2.9 Maintenance of records**

The Disclosure Officer must keep a written record of:

- (a) any information received from a Restricted Person in connection with this Trading Policy; and
- (b) any Written Clearance given under this Trading Policy.

## **2.10 Communicating inside information**

If a person has information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities, the 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:

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

A person must not inform other people (except the Disclosure Officer) about inside information or its details.

## **2.11 Speculative dealing**

A Restricted Person may not deal in Company Securities on considerations of a short term nature.



## **2.12 Other prohibited transactions**

A person this Trading Policy applies to is prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under any equity based remuneration schemes.

A person this Trading Policy applies to must not enter into transactions or arrangements which operate to limit the economic risk of their security holding (including holdings of securities which are unvested or subject to a holding lock or other escrow) in the Company without first seeking and obtaining prior written clearance from the Disclosure Officer.

A person this Trading Policy applies to must not enter into agreements with lenders with rights over their interests in Company Securities without first seeking and obtaining prior Written Clearance from the Disclosure Officer.

A person this Trading Policy applies to must not put in place a non-discretionary trading plan in respect of their Company Securities without first seeking and obtaining Written Clearance from the Disclosure Officer. A person this Trading Policy applies to must not cancel any such trading plan during a "Closed Period" unless exceptional circumstances exist (in accordance with paragraph 2.5) and the procedure for Written Clearance has been satisfied.

## **2.13 Breach of Trading Policy**

A breach of this Trading Policy by an employee is serious and may lead to disciplinary action, including dismissal in serious cases. It may also be a breach of the law.

## **2.14 Distribution of Trading Policy**

This Trading Policy must be distributed to all Restricted Persons, and other persons (including Employees) deemed necessary by the Board.

## **2.15 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, should contact the Disclosure Officer.

**3 MATERIAL REVISIONS**

Version	Approval Date	Effective Date	Details
1.0	27 October 2020	27October 2020	Policy approved by Lake Resources NL Board.



**Request for Written Clearance**

Attention: Disclosure Officer

Lake Resources NL

I, \_\_\_\_\_ request written clearance to deal in Company Securities as follows  
**(Securities Transaction):**

Securityholder’s Name: \_\_\_\_\_

Number and type of Company Securities to be bought: \_\_\_\_\_

Total value of Company Securities to be bought: \_\_\_\_\_

Number and type of Company Securities to be sold: \_\_\_\_\_

Total value of Company Securities to be sold: \_\_\_\_\_

REASONS FOR THIS REQUEST

*(State reasons for seeking this written clearance, including an explanation as to exception circumstance, if applicable)*

As at the date of this request, I am not in possession of any inside information (as defined in the Trading Policy or the Corporations Act).

I understand that:

- (a) If I am provided with written clearance, such approval is valid for a period of 5 business days from the date of grant of clearance (or such other time as prescribed by the Disclosure Officer) or until the time when I become aware of inside information which has not been released to the market (whichever is earlier).
- (b) If I do not complete my Securities Transaction before the expiry of period as referred to in (a) above, I must seek fresh approval by completing and submitting a new request.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_



**Confirmation of Completion of Securities Transaction**

Attention: Disclosure Officer

Lake Resources NL

I, \_\_\_\_\_ confirm that, pursuant to prior written clearance that was obtained (and not withdrawn), I have completed the following Securities Transaction:

Securityholder's Name: \_\_\_\_\_

Number and type of Company Securities bought: \_\_\_\_\_

Total value of Company Securities bought: \_\_\_\_\_

Number and type of Company Securities sold: \_\_\_\_\_

Total value of Company Securities sold: \_\_\_\_\_

Date of completion of Securities Transaction: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_



**Written Clearance from Disclosure Officer for Restricted Persons**

<b>Date of Request</b>	<b>Restricted Person</b>	<b>Information Received</b>	<b>Disclosure Officer</b>	<b>Clearance Decision</b>	<b>Date of Completed Trade</b>