

# SECURITIES TRADING POLICY

December 2014



**Altech Chemicals**  
Limited

## 1. PREAMBLE

Australian law prohibits insider trading and the Corporations Act and the Australian Securities Exchange (ASX) Listing Rules require the disclosure of any trading of Company securities by Directors or their related parties. Public confidence in the Company can be eroded if there is insufficient understanding about the Company's policies governing trading by "insiders" and "potential insiders".

These guidelines set out the policy on the sale and purchase of securities in the Company by its Directors, employees and contractors who are or are likely to be in possession of market sensitive information.

Directors, employees and long term contractors and consultants of the Company are encouraged to be long-term holders of the Company's securities.

However, it is important that care is taken in the timing of any purchase or sale of such securities.

The purpose of these guidelines is to assist Directors, employees and contractors to avoid conduct known as 'insider trading'. In some respects, the Company's policy extends beyond the strict requirements of the Corporations Act.

## 2. WHAT TYPES OF TRANSACTIONS ARE COVERED BY THIS POLICY?

This policy applies to both the sale and purchase of any securities of the Company. Securities covered by this policy are:

- shares in the Company quoted on ASX;
- options/rights to acquire shares in the Company, either quoted or not quoted on ASX;
- shares in a company that the Company is in a direct material relationship with of any kind (e.g. joint ventures, Farm-In or Farm-Out, tenement acquisition or disposal etc.); and
- any financial products issued or created over the Company's securities by third parties.

## 3. WHAT IS INSIDER TRADING?

### 3.1 Prohibition

Insider trading is a criminal offence. It may also result in civil liability. In broad terms, a person will be guilty of insider trading if that person possesses information which is not generally available to the market and, if it were generally available to the market, would be likely to have a material effect on the price or value of the Company's securities (i.e., information that is 'price sensitive'); and that person:

- buys or sells securities in the Company; or
- 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 procure someone else to buy or sell the securities of the Company.

### 3.1 Prohibition (continued)

Examples:

To illustrate the prohibition described above, the following are possible examples of price sensitive information which, if made available to the market, may be likely to affect materially the price of the Company's securities:

- the granting, disposal or loss of a significant mineral tenement;
- the granting of or withdrawal from the Company of a licence to mine (or other such like permit) in relation to a mineral deposit;
- the Company is considering a major acquisition or disposal of assets or a major joint venture or partnering opportunity;
- the Company's ore resource or reserve estimations materially exceed (or fall short of) the markets expectations (i.e. Resource or Reserve significant upgrade or significant downgrade);
- the Company (or one of its joint venture Partners) has a significant exploration drill intercept or exploration discovery on a Company owned mineral tenement;
- the threat of major litigation against the Company;
- sales and profit results materially exceeding (or falling short of) the market's expectations;
- a material change in debt, liquidity or cash flow;
- management or business restructuring proposal; and
- a share issue proposal.

### 3.2 Dealing through Third Parties

A person does not need to be a Director, employee or contractor of the Company to be guilty of insider trading in relation to securities in the Company. The prohibition extends to dealings by Directors, employees, contractors and consultants through nominees, agents or other associates, such as family members, family trusts and family companies (referred to as "Associates" in these guidelines).

### 3.3 Information However Obtained

It does not matter how or where the person obtains the information – it does not have to be obtained from the Company to constitute inside information, i.e. it could be obtained from contractors, sub-contractors or any other source.

### 3.4 Employee Share Schemes

The prohibition does not apply to acquisitions of shares, rights or options by employees made under employee share, rights or option schemes, nor does it apply to the acquisition of shares as a result of the exercise of rights or options under an employee rights or option scheme. However, the prohibition does apply to the sale of shares acquired under an employee share scheme and also to the sale of shares acquired following the exercise of a right or option granted under an employee right or option scheme.

## 4. GUIDELINES FOR TRADING IN THE COMPANY'S SECURITIES

### 4.1 Blackout Period

In addition to the prohibitions on insider trading set out in the Corporations Act, and unless the circumstances are exceptional and the procedure for prior written clearance described below has been met, the Company requires that Directors, officers, employees and consultants to the Company must not trade in the Company's securities:

- in the two days immediately after the release of the Company's Quarterly Activity and Cash Flow Report to the Australian Securities Exchange (Quarterly Report); and
- in the two weeks immediately preceding the release of the Quarterly Report;

("Blackout Periods").

## 4.1 Blackout Period (continued)

In addition to the prohibitions on insider trading set out in the Corporations Act, the Company requires that Directors, officers, employees and consultants must not trade in the Company's securities within any period imposed by the Company from time to time, because the Company is considering matters that would require disclosure to the market but for Listing Rule 3.1A ("Additional Period"), unless the circumstances are exceptional and the procedure for prior written clearance described below has been met. This prohibition is in addition to the Blackout Period. The Blackout Period and the Additional Period are together referred to as a "Prohibited Period" in this policy.

Please note that even if it is outside of a Prohibited Period, Directors, officers, employees and consultants must not trade in the Company's securities if they are in possession of inside information.

## 4.2 No Short-Term Trading in the Company's Securities

Directors, officers, employees and consultants must not engage in short-term trading of the Company's securities.

## 4.3 Securities in Other Companies

Buying and selling securities of other companies with which the Company may be dealing or is party to a joint venture, farm-in farm-out or any other agreement is prohibited where an individual possesses information which is not generally available to the market and is 'price sensitive'. For example, where an individual is aware that a joint venture partner of the Company is about to announce a significant exploration discovery, they must not trade in the securities of either the other company or the Company. Likewise if the Company was about to announce a significant exploration discovery in an area held by another company (e.g. a joint venture partner), or an area owned by the Company that was contiguous or nearby a mineral tenement held by another company, then they must not trade in the securities of that other company.

## 4.4 Exceptions

Directors and all employees may at any time:

- acquire ordinary shares in the Company by conversion of securities giving a right of conversion to ordinary shares;
- acquire Company securities under a bonus issue made to all holders of securities of the same class;
- acquire Company securities under a dividend reinvestment, or top-up plan (e.g. a Share Purchase Plan) that is available to all holders of securities of the same class;
- acquire, or agree to acquire or exercise options under a Company share option plan;
- withdraw ordinary shares in the Company held on behalf of the employee in an employee share plan where the withdrawal is permitted by the rules of that plan; and
- acquire ordinary shares in the Company as a result of the exercise of rights or options held under an employee rights or option scheme.

## 4.5 Collateralisation of the Company's Securities (Margin Lending)

The Company has an obligation under ASX listing Rules (rule 3.1B) to provide to the ASX with any information in relation to any "false market" that may exist or be likely to exist for the securities of the Company.

The existence and terms of any finance arrangements that may be in place in relation to Directors' shareholdings (for example: margin loans), may be precipitous to the existence of a false market in the securities of the Company where a Director has entered into the margin loan or similar funding arrangements, for a material number of securities where such financing may allow the financier to unilaterally sell securities of the Company held by the Director.

The ASX has advised Company's that listing rule 3.1, in appropriate circumstances, may operate to require the Company to disclose the key terms of the arrangements, including the number of securities involved, the trigger points, the right of the lender to sell unilaterally and any other material details.

#### **4.5 Collateralisation of the Company's Securities (Margin Lending) (continued)**

Whether a margin loan arrangement is material under listing rule 3.1 is a matter which the Company must decide having regard to the nature of its operations and the particular circumstances of the Company. Whilst the Company does not wish to unnecessarily request that Directors disclose their personal financial arrangements, it is a requirement of Directors that they notify the Company (via the Company Secretary) of the key terms of arrangements pertaining to any financing of securities of the Company which they have an interest in where it is reasonable to expect that the terms and conditions of such financing may result in the unilateral selling of the securities.

If the Company currently operates an employee rights or option plan, participants must note that:

- it is not permissible to provide the exercise price of options by selling the shares acquired on the exercise of these options unless the sale of those shares occurs outside the blackout period specified in paragraph 3.1; and
- where the exercise price of options is being provided by a margin loan or other form of lending arrangement then there may be a risk that the employee or Director may need to sell shares to avoid providing additional capital or security to the lender in the event of a decrease in the value of the shares.

Were this to occur at a time when the person possessed inside information then the sale of Company securities would be a breach of insider trading laws, even though the person's decision to sell was not influenced by the inside information that the person possessed and the person may not have made a profit on the sale. Where Company securities are provided to a lender as security by way of mortgage or charge a sale that occurs under that mortgage or charge as a consequence of default would not breach insider trading laws.

#### **4.6 Notification of periods when Directors, employees, contractors and consultants cannot trade**

The Company Secretary will endeavour to notify all Directors, employees, contractors and consultants of the times when they are not permitted to buy or sell Company securities as set out in paragraph 3.1.

### **5. APPROVAL AND NOTIFICATION OF BUYING OR SELLING SECURITIES**

Any Director wishing to buy or sell Company securities must obtain the prior approval of the Chairman of the Board before doing so.

If the Chairman wishes to buy or sell Company's securities the Chairman must obtain the prior approval of all of the other members of the Board before doing so.

Any first or second line reports of the Managing Director wishing to buy or sell Company's securities must obtain his prior approval before doing so.

All notices for prior approval to buy or sell must include the intended volume of securities to be purchased or sold and an estimated time frame for the sale or purchase.

Any Director or employee who (or through his or her Associates) buys or sells Company securities must notify the Company Secretary in writing of the details of the transaction within five (5) business days of the transaction occurring.

The form to complete and send to the Company Secretary is available on request from the Company Secretary.

## **6. ASX AND OTHER SECURITIES EXCHANGES NOTIFICATION FOR DIRECTORS**

The ASX Listing Rules require the Company to notify ASX within 5 business days after any dealing in securities of the Company (either personally or through an Associate) which results in a change in the relevant interests of a Director in the securities of the Company.

The Company has made arrangements with each Director to ensure that the Director promptly discloses to the Company Secretary all the information required by ASX.

## **7. EFFECT OF COMPLIANCE WITH THIS POLICY**

Compliance with these Guidelines for trading in the Company's securities does not absolve that individual from complying with the law, which must be the overriding consideration when trading in the Company's and other company's securities.

## **8. ADDITIONAL INFORMATION**

If you are unsure of your situation with respect to share trading or if you have any questions arising from these guidelines, you may contact the person listed below.

Company Secretary

Ph. (08) 9389 5557

Fax (08) 9389 5510

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