

PETRATHERM LIMITED
ABN 17 106 806 884
(Company)

SECURITIES TRADING POLICY

GUIDELINES FOR BUYING AND SELLING SECURITIES

1. INTRODUCTION

The purpose of this policy is to:

- explain the types of conduct in dealing in securities that are prohibited under the Corporations Act 2001 (Cth) (Corporations Act). Such prohibitions apply to all directors and personnel of Petratherm Limited (“Petratherm” or “Company”); and
- establish a best practice procedure for the dealing in securities that protects the Company, directors and personnel against the misuse of unpublished information which could materially affect the value of securities.

The rules set out in this policy are designed to assist in preventing breaches of the insider trading provisions of the Corporations Act and to enable the Company to satisfy the disclosure requirements of ASX Listing Rules. Ultimately it is the responsibility of the individual to ensure that none of his or her dealings could constitute insider trading.

2. PERSONS TO WHOM THIS POLICY APPLIES

This policy applies to:

- all directors and officers of the Company (including the Managing Director);
- all direct reports to the Managing Director (Senior Executives);
- all other personnel of the Company (including employees, consultants and contractors) (collectively Personnel); and
- closely related parties of all directors and officers of the Company, the Managing Director, all direct reports to the Managing Director and all other Personnel of the Company (collectively Closely Related Parties).

In this policy, the persons listed above are called “**Relevant Persons**”.

Where this policy requires a Relevant Person to do something (for example, obtaining clearance in accordance with section 6, that person must also do it for their closely related parties. Closely related parties are defined in the Corporations Act in a complex manner, and it is important to understand or get advice if you are unsure. Broadly, your closely related parties will include your children, your step children, your partner’s children, your wife/husband, your partner’s grown children from a previous marriage, your superannuation fund, another company you are on the board of or in which you have a vested interest, and close members of your family who influence you or are capable of influencing you.

3. WHAT TYPES OF TRANSACTIONS ARE COVERED BY THIS POLICY?

This policy applies to both the sale and purchase of any securities of the Company and its subsidiaries on issue from time to time.

4. WHAT IS INSIDER TRADING?

4.1 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:

- (a) 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 (ie, information that is 'price sensitive');
- (b) and that person:
 - (i) buys or sells securities in the Company; or
 - (ii) procures someone else to buy or sell securities in the Company; or
 - (iii) 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.

4.2 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:

- (a) the Company considering a major acquisition or disposal of assets;
- (b) the threat of major litigation against the Company;
- (c) the Company's sales and profit results materially exceeding (or falling short of) the market's expectations;
- (d) the financial performance of the Company against its budget;
- (e) a material change in debt, liquidity or cash flow;
- (f) a significant new development proposal ie, new product or technology;
- (g) the granting (or loss) of a major contract;
- (h) an actual or proposed takeover or merger;
- (i) Changes to the Board of Directors or significant changes in senior management;
- (j) Events which are not public knowledge and which have the potential to delay key projects (ie delays in key approvals) or adversely impact company performance;

- (k) a share issue proposal;
- (l) an agreement or option to acquire an interest in a mining tenement, or to enter into a joint venture or farm-in or farm-out arrangement in relation to a mining tenement; and
- (m) significant discoveries, exploration results, or changes in reserve/resource estimates from mining tenements in which the Company has an interest.

4.3 Dealing through third parties

A person does not need to be a Relevant Person of the Company to be guilty of insider trading in relation to securities in the Company. The prohibition extends to dealings by Relevant Persons through nominees, agents or other associates.

4.4 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.

4.5 Option exercises

The prohibition does not apply to acquisitions of shares or options made under employee share or option schemes, nor does it apply to the acquisition of shares as a result of the exercise of options under an employee 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 an option granted under an employee option scheme.

5. GUIDELINES FOR TRADING IN THE COMPANY'S SECURITIES

5.1 General rule

Relevant Persons are not permitted to trade the Company's securities during the specific "**Closed Periods**" detailed below.

The Closed Periods are:

- the period from the end of a quarter until and including the day quarterly results are announced;
- The period commencing one month before and including the day half year results are announced;
- The period commencing one month before and including the day full year results are announced; and
- the day of the annual general meeting.

The Company may at its discretion vary this rule in relation to a particular Closed Period by general announcement to all Relevant Persons either before or during the period.

In particular, the Company may announce additional Closed Periods during which the Company's securities may not be traded, including while it considers matters which are exempt from immediate disclosure to ASX under the continuous disclosure rules.

However, if a Relevant Person is in possession of Price Sensitive Information which is not generally available to the market, then he or she must not deal in the Company's securities at any time, even if such trading might otherwise be permitted by the securities trading policy.

5.2 No short-term trading in the Company's securities

Relevant Persons should never engage in short-term trading of the Company's securities except for the exercise of options where the shares will be sold shortly thereafter.

5.3 No Hedging - Equity Based Remuneration Schemes

Relevant Persons are not permitted to enter into hedging transactions or arrangements that would have the effect of limiting their exposure to the economic risk of participating in Company equity based remuneration schemes.

Relevant Persons must not engage in hedging arrangements over unvested entitlements such as unvested options or performance rights issued pursuant to any Company share scheme, Performance Rights Plan or Option Plan.

Vested securities issued pursuant to any Company share scheme, Performance Rights Plan or Option Plan may only be hedged once they are exercised into shareholdings and only under the following conditions:

- The details of the hedge are fully disclosed (to the ASX and in the Annual Report, as appropriate);
- The hedge transaction is treated as a sale or purchase of shares and the relevant notifications must be made in accordance with this policy; and
- All holding locks have been removed from the relevant vested securities.

5.4 Margin loans

Relevant Persons may not include their securities in a margin loan portfolio or otherwise trade in the Company's securities pursuant to a margin lending arrangement without first obtaining the relevant consent (refer to Section 6).

Where a Relevant Person has entered into a margin loan or any other similar funding arrangement for a material number of Securities, the Company may need to disclose the key terms of these arrangements, including the number of Securities involved, the trigger points, the right of the lender to sell unilaterally and any other material details.

Whether a margin loan arrangement is 'material' under the Listing Rules is a matter which the Company must decide having regard to the nature of its operations and its particular circumstances

5.5 Securities in other companies

Buying and selling securities of other companies with which the Company may be dealing 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 the Company is about to sign a major agreement with another company, they should not buy securities in either the Company or the other company.

5.6 Exceptions

(a) Relevant Persons may at any time:

- (i) acquire ordinary shares in the Company by conversion of securities giving a right of conversion to ordinary shares;
- (ii) acquire Company securities under a bonus issue made to all holders of securities of the same class;
- (iii) acquire Company securities under a dividend reinvestment, or top-up plan that is available to all holders of securities of the same class;
- (iv) acquire, or agree to acquire or exercise options under a Company Share Option Plan;
- (v) 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;
- (vi) acquire ordinary shares in the Company as a result of the exercise of options held under an employee option scheme;
- (vii) transfer securities of the Company already held into a superannuation fund or other saving scheme in which the restricted person is a beneficiary;
- (viii) make an investment in, or trade 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;
- (ix) where a restricted person is a trustee, trade in the securities of the Company by that trust provided the restricted person is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by the other trustees or by the investment managers independently of the restricted person;

- (x) undertake to accept, or accept, a takeover offer;
 - (xi) trade 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 rata issue;
 - (xii) dispose of securities of the Company resulting from a secured lender exercising their rights, for example, under a margin lending arrangement where the arrangement had been approved by the Company in accordance with this Policy;
 - (xiii) exercise (but not sell securities following exercise) an option or a right under an employee incentive scheme, or convert a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a prohibited period and the Company has been in an exceptionally long prohibited period or the Company has had a number of consecutive prohibited periods and the restricted person could not reasonably have been expected to exercise it at a time when free to do so; or
 - (xiv) trade under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this Policy.
- (b) In relation to any share or option plans:
- (i) it is not permissible to provide the exercise price of options by selling the shares acquired on the exercise of these options if the sale of those shares occurs during one of the periods specified in paragraph 5.1; and
 - (ii) 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.

6. APPROVAL AND NOTIFICATION REQUIREMENTS

6.1 Approval Requirements – Directors and Officers

- (a) Director's and Officer's wishing to buy, sell or exercise rights in relation to the Company's securities must obtain the prior approval of the Chairman or the Board before doing so; or
- (b) If the Chairman wishes to buy, sell or exercise rights in relation to the Company's securities the Chairman must obtain the prior approval of Chair of the Audit and Risk Committee and Managing Director before doing so.
- (c) Upon receiving approval Directors and Officers must undertake the proposed dealing within 2 business days.
- (d) Directors and Officers must submit a Securities Dealing Clearance Request (see Appendix A) to the relevant authority.

6.2 Approval Requirements – Senior Executives, Personnel and Closely Related Parties

- (a) Any Senior Executives, Personnel and Closely Related Parties wishing to buy, sell or exercise rights in relation to the Company's securities must obtain the prior written approval of the Managing Director before doing so.
- (b) Upon receiving approval Senior Executives, Personnel and Closely Related Parties must undertake the proposed dealing within 2 business days.
- (c) Senior Executives, Personnel and Closely Related Parties must submit a Securities Dealing Clearance Request (see Appendix A) to the relevant authority.

6.3 Exemption from Closed Period restriction due to exceptional circumstance

A Relevant Person, 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 Company securities inside a Closed Period where the person is in severe financial hardship or where there are exceptional circumstances as set out in this policy.

6.4 Severe Financial Hardship or Exceptional Circumstances

The determination of whether a Relevant Persons is in severe financial hardship will be made by the Managing Director in the case of Senior Executives, Personnel and Closely Related Parties, the Chairman in the case of Director's and Officer's, and the Chair of the Audit and Risk Committee and Managing Director in the case of the Chairman.

A financial hardship or exceptional circumstances determination can only be made by examining all of the facts and if necessary obtaining independent verification of the facts from banks, accountants or other like institutions.

6.5 Financial Hardship

A Relevant Person may be in severe financial hardship if they have a pressing financial commitment that can not be satisfied other than by selling the securities of the Company.

In the interests of an expedient and informed determination, any application for an exemption allowing the sale of Company securities inside a Closed Period based on financial hardship must be made in writing, be accompanied by a statutory declaration stating all of the facts and be accompanied by copies of relevant supporting documentation, including contact details of the persons accountant, bank and other such independent institutions.

Any exemption, if issued, will be in writing and shall contain a specified time period during which the sale of securities can be made.

6.6 Exceptional Circumstances

Exceptional circumstances may apply to the disposal of Company securities by a Relevant Person if the person is required by a court order, a court enforceable undertaking for example in a bona fide family settlement, to transfer or sell securities of the Company or there is some other overriding legal or regulatory requirement to do so. Any application for an exemption allowing the sale of Company securities inside a Closed Period based on exceptional circumstances must be made in writing and be accompanied by relevant court and/or supporting legal documentation.

Any exemption, if issued, will be in writing and shall contain a specified time period during which the sale of securities can be made.

7. ASX NOTIFICATION FOR DIRECTORS

The ASX Listing Rules require the Company to notify the 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 the ASX.

8. 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 securities.

9. CONSEQUENCES OF BREACH OF THE POLICY

A breach of this Policy by any employees or their family members may expose them to criminal and/or civil liability.

The Company will regard breach of this Policy as serious misconduct and is considered a cause for termination of employment or engagement.

10. MORE INFORMATION

Any person who has queries about this Policy should contact the Company Secretary.

Approved by the Board of Petratherm Limited on 31 January 2018

Attachment A

Securities Trading Policy

Securities Dealing Clearance Request

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

Please forward this request to the relevant authority per Section 6 of the Securities Trading Policy.

Name: _____
Position: _____
Location: _____
Telephone: _____

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:

- a) it is not a Closed Period;
- b) I am not in possession of Inside Information;
- c) I will not deal in the above securities until I am notified that clearance is approved; and
- d) I may be refused permission to deal without explanation.

Signed: _____ Date: _____

This form is valid for a period of two 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.

For completion by the relevant authority per Section 6 of the Securities Trading Policy:

Approval for the above dealing has been:

- ☐ cleared for a period of two business days
- ☐ refused

Signed: _____ Date: _____

Name: _____ Title: _____