



**ILUKA**

# Australian Securities Exchange Notice

27 March 2015

The Manager  
Company Announcements Office  
Australian Securities Exchange

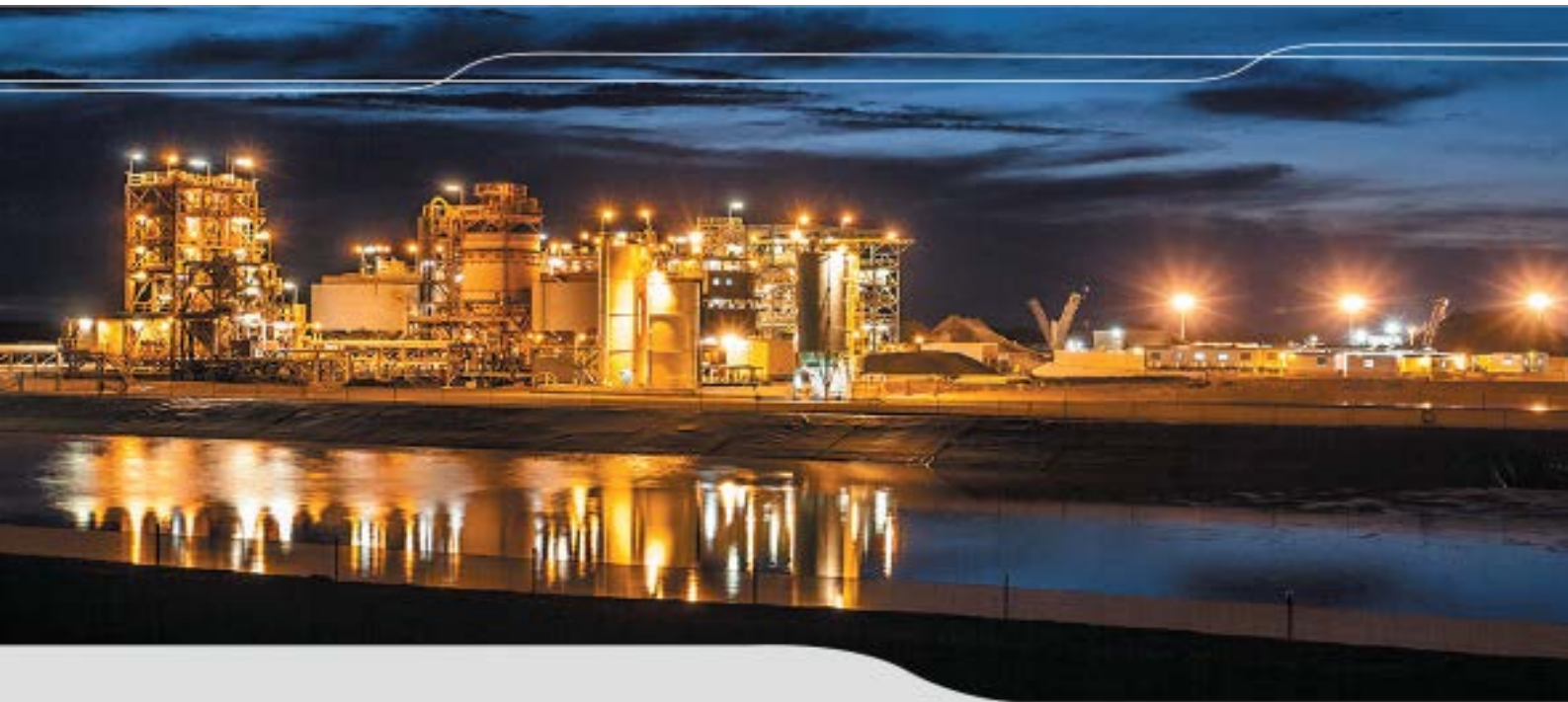
Dear Sir,

## **Revised Securities Trading Policy – Iluka Resources Limited**

Please find attached a copy of the company's revised Securities Trading Policy ("Policy") lodged with the ASX in accordance with Listing Rule 12.10. A copy of the Policy is available on the governance section of the company's website [www.iluka.com](http://www.iluka.com).

Yours faithfully,

**Cameron Wilson**  
**Company Secretary**



# SECURITIES TRADING POLICY

This Policy has been approved by the  
Board of Iluka Resources Limited (18 March 2015)

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## 1 Introduction

### 1.1 Purpose of the Policy

The purpose of this Policy is to:

- ensure that public confidence is maintained in the Company's reputation, the directors and employees of the Company and in the trading of the Company's securities;
- set out the Company's policies and procedures for the buying and selling of Company securities by Directors and employees; and
- recognise that some types of dealing in securities are prohibited by law.

This Policy is separate from, and additional to, the constraints imposed by the law.

In particular, this Policy addresses:

- (a) when trading in Company securities is prohibited;
- (b) the steps for Directors and employees to take to obtain clearance to trade in Company securities;
- (c) additional restrictions on dealing in the Company's securities;
- (d) a description of what insider trading is; and
- (e) exceptions to the general policy.

Directors and employees are encouraged to be long term holders of Company securities. However, it is important that care is taken in the timing of any buying or selling of such securities.

### 1.2 Application of the Policy

This Policy applies to the Directors and employees of the Company and its subsidiaries.

This Policy also extends to trading conducted by an associate, nominee or agent of a Director or employee (Connected Persons). This includes:

- family members who may be expected to influence, or be influenced by, the Director or employee in his or her dealings with the Company or the Company's securities (this may include a spouse, partner, children or dependents);
- a company or any other entity that the Director or employee is able to control.

If Directors and employees are restricted from dealing in Company securities or another company's securities, they must take reasonable steps to preclude their Connected

Persons from engaging in the restricted activity in those securities of which they are, or ought reasonably to be, aware.

If a Director or employee becomes aware that any of their Connected Persons have dealt in securities at a time when they were prohibited from doing so, they must immediately inform the Company Secretary.

## **2 Buying and selling the Company's securities**

### **2.1 Legal prohibition – All employees**

Directors and employees of the Company must not buy or sell securities in the Company when they are in possession of inside information.

There is an explanation of inside information, as well as some examples, in Section 6.4 of this Policy.

### **2.2 Protect reputation in the market place – All employees**

It is important that public confidence in the Company is maintained. It would be damaging to the Company's reputation if the market or the general public perceived that Directors and employees might be taking advantage of their position to make financial gains (by dealing in securities on the basis of confidential information).

Directors and employees must, in addition to considering whether they have insider information, consider whether their proposed conduct could create a negative market perception.

A useful question to ask is: If the market was aware of all the current circumstances, could my proposed transaction be perceived by the market as me (or my Connected Persons) taking advantage of my position in an inappropriate way? How would it look like if my transaction was reported on the front page of the Australian Financial Review?

If the Director or employee is unsure, he or she should consult the Company Secretary. Where any approval is required for a dealing under this Policy, approval will not be granted where the dealing would not satisfy the test outlined above.

### **2.3 No dealing in a Closed Period - Directors and Restricted Employees**

In addition, Directors and Restricted Employees must not deal in Company securities from:

- the end of the financial year; or
- the end of a half financial year,

to the time when two (2) business days have elapsed after the release of the annual or half yearly results respectively ("Closed Periods").

Restricted Employees include:

- senior executives and managers that are invited to participate in the Company's Short Term Incentive Plan;
- all employees involved in preparing the Company's statutory financial information; and
- any other employee determined by the Board from time to time.

## **2.4 Exceptional circumstances - Directors and Restricted Employees**

A Director or Restricted Employee, who is not in possession of inside information in relation to Company securities, may be given clearance to sell (but not buy) Company securities during a Closed Period if there are exceptional circumstances.

Exceptional circumstances may include:

- (a) where the Director or Restricted Employee is in severe financial difficulty or has a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant Company securities; or
- (b) the existence of a court order or enforceable undertaking; or some other overriding legal or regulatory requirement.

Directors and Restricted Employees must seek clearance in accordance with the process set out in Section 2.5. Where a request for clearance to trade involves the consideration of exceptional circumstances justifying a sale as the only reasonable course of action, particulars of those exceptional circumstances must accompany the relevant clearance request.

## **2.5 Requirements for clearance and reporting - Directors and Restricted Employees**

Outside the Closed Periods, and prior to any proposed trade, Directors and Restricted Employees must seek approval for the proposed trade in the Company's securities as follows:

- (a) the Chairman must inform the Company Secretary and obtain the written approval of the Chairman of the Audit and Risk Committee; and
- (b) any Director must inform the Company Secretary and obtain the written approval of the Chairman before dealing;

- (c) Restricted Employees must inform and obtain the written approval of the Company Secretary before dealing.

When seeking approval, Directors and Restricted Employees must confirm that they are not in possession of inside information. All notifications must be in writing.

In the case of a Director seeking approval, the Chairman (or, where applicable, the Chairman of the Audit and Risk Committee) will confirm with the Company Secretary that neither the Managing Director and Chief Executive Officer nor the Company Secretary consider that any inside information exists.

A request for approval to trade will be answered as soon as practicable. Clearance must not be given to trade in Company securities if to do so would be in breach of this Policy. Directors or Restricted Employees given clearance to trade must trade no more than five business days from clearance being received, otherwise the approval is no longer effective and fresh approval must be sought.

On completion of the transaction(s) for which clearance has been obtained, the Director or Restricted Employee must notify the Company Secretary within three business days that the cleared transaction has been completed.

For the avoidance of doubt, the requirement to obtain clearance extends to dealings conducted by a Connected Person.

## **3 Other prohibitions applying to the Company's securities**

### **3.1 No short-term trading in Company securities**

Directors and employees should not engage in short-term trading of Company securities (i.e. buy and sell within a 12 month period).

Any proposed sale of Company securities less than 12 months after their acquisition must receive prior written clearance in accordance with the procedures set out in Section 2.5 of this Policy.

### **3.2 Derivatives, hedging and margin lending arrangements**

- (a) Directors and employees must not at any time enter into a transaction (e.g. a derivative) that operates or is intended to operate to limit the economic risk of holdings of unvested Company securities or vested Company securities which are subject to a holding lock.
- (b) Key Management Personnel (KMP) must not at any time enter into a transaction that involves using Company securities as collateral in any financial transaction, including margin lending arrangements.

## 4 Trading excluded from the Policy

Some trading in Company securities by Directors or employees is excluded from the operation of certain provisions of this Policy. However, such trading remains subject to the insider trading rules in the Corporations Act.

The following circumstances normally involve situations where the trading is passive, outside the Director's or employee's control, or where there is no underlying change in beneficial ownership, and are therefore excluded from the operation of Sections 2.3 (No dealing in a Closed Period), 2.5 (Requirements for clearance and reporting) and 3.1 (No short term dealing):

- (a) transfers of Company securities between a Director or employee and their Connected Persons, or into a superannuation fund or other saving scheme in which the Director or employee is a beneficiary, subject to prior written clearance having been obtained in accordance with the procedures set out in Section 2.5 of this Policy;
- (b) an acquisition or disposal of units of an investment fund (other than a fund only investing in Company securities), where prior written clearance for participation in the fund has been obtained in accordance with the procedures set out in Section 2.5 of this Policy, and the assets of the fund or other scheme are invested at the discretion of a third party;
- (c) where a Director or employee is a trustee of a trust, trading in Company securities by that trust where the Director or employee is not a beneficiary of the trust and any decision to trade during a Closed Period is taken by the other trustees or by investment managers independently of the Director or employee;
- (d) a disposal of Company securities arising from the acceptance of a takeover offer, scheme of arrangement or equal access buy-back;
- (e) a disposal of rights, or an acquisition of Company securities, under a pro rata issue;
- (f) bona fide gifts of Company securities to a Director or employee by a third party; and
- (g) an acquisition of Company securities under an employee incentive scheme.

## 5 Responsibilities

The Company Secretary is responsible for:

- (a) maintaining this Policy in accordance with, at a minimum, the Listing Rules as amended from time to time;



- (b) ensuring strict compliance with the Policy;
- (c) keeping complete records of clearance requests, clearances and trading in Company securities by Directors and employees, including updating the Company's register of Directors interests;
- (d) ensuring that the Policy is actively communicated to Directors and employees, both as part of the Company's induction process and its ongoing training activities; and
- (e) ensuring that the Policy is available for inspection on the Company's website.

## **6 Definitions**

### **6.1 Securities**

A reference in this Policy to "securities" includes shares, options, warrants, exchange-traded options, contracts for difference and any other security or derivative in respect of the Company on issue from time to time.

### **6.2 Insider trading**

In broad terms, the law provides that person who has inside information about a company (defined below) must not:

- (a) buy or sell securities in a company, or enter into an agreement to buy or sell securities in a company;
- (b) encourage someone else to buy or sell securities in a company; or
- (c) directly or indirectly pass on that information to another person where they know, or ought reasonably to know, that that person would be likely to buy or sell the securities or encourage someone else to buy or sell the securities of that company.

### **6.3 Inside information**

Inside information is information that:

- (a) is not generally available to the market; and
- (b) if it were generally available to the market, a reasonable person would expect it to have a material effect (upwards or downwards) on the price or value of a security (i.e. it is price sensitive).

Information is “generally available” where the information is:

- (a) readily observable; or
- (b) 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 whose price might be affected by the information, and a reasonable period has elapsed to allow the information to be disseminated; or
- (c) able to be deduced, concluded or inferred from those types of information.

## **6.4 Examples of inside information**

To illustrate the prohibition described above, the following are examples of potential inside information which, if made available to the market, may be likely to affect materially the price or value of Company securities:

- (a) a transaction that will lead to a significant change in the nature or scale of the Company’s activities;
- (b) a material mineral discovery;
- (c) a material change to the Company’s mineral resources;
- (d) a material acquisition or disposal;
- (e) the granting or withdrawal of a material licence;
- (f) the entry into, variation or termination of a material agreement;
- (g) becoming a plaintiff or defendant in a material law suit;
- (h) the fact that the Company’s earnings will be materially different from market expectations;
- (i) the appointment of a liquidator, administrator or receiver;
- (j) the commission of an event of default under, or other event entitling a financier to terminate, a material financing facility;
- (k) under-subscriptions or over-subscriptions to an issue of securities;
- (l) giving or receiving a notice of intention to make a takeover; and
- (m) any rating applied by a rating agency to the Company or its securities and any change to such a rating.

This list is not exhaustive and there are many other examples of information that potentially could be price sensitive. Knowledge of the potential for or the likelihood of any of the matters listed above occurring should also be considered to be inside information for the purposes of this Policy.

For these purposes, “information” extends beyond pure matters of fact and includes matters of opinion and intention. It is not limited to information that is generated by, or sourced from within, the Company, nor is it limited to information that is financial in character or that is measurable in financial terms.

## **6.5 Trading in securities of other Companies**

Whilst the Policy does not prescribe restrictions on trading in the securities of other entities (other than in accordance with the general prohibition on insider trading set out in Section 2.1), Directors and employees should be alert to the likelihood of coming into possession of inside information in respect of the securities of other listed entities as a consequence of the Company’s commercial activities.

If intending to trade in the securities of the Company’s commercial partners, Directors and employees should actively consider whether they may in fact be in possession of inside information in respect of the relevant commercial partner and, if in any doubt as to the legality or propriety of the proposed transaction, seek advice from the Company Secretary.

Given the reputational risk to the Company if misconduct occurs in these circumstances, Directors and employees should always err on the side of caution in assessing the nature of their knowledge.

Directors and employees are reminded that the insider trading prohibition extends to the passing on of inside information to a third party that would be likely to buy or sell the relevant securities – this prohibition applies to information in respect of the Company’s commercial partners to the same extent as it applies to inside information regarding the Company.

## **7 Penalties and breaches of the Policy**

Insider trading is a criminal offence.

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

- (a) for an individual – a fine of up to the greater of \$765,000 and three times the value of the benefit obtained, or a jail term of up to 10 years, or both; and
- (b) for a corporation – a fine of up to the greater of \$7,650,000 or three times the benefit obtained (or, if the benefit cannot be determined, 10% of the corporation’s annual turnover for the period during which the insider trading offence was committed or commenced).

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.

A breach of the Policy will be regarded very seriously and will be addressed using the procedures for addressing breaches in Company policy. It may lead to disciplinary action being taken against the individual, including the possibility of dismissal. If you are an employee, adherence to the Policy is a term of your employment.

## **8 Review**

The Board will periodically review this Policy to ensure it remains effective.