



**MARiNDi**METALS  
LTD

ACN 118 522 124

# SECURITIES TRADING POLICY

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## 1 INTRODUCTION

Employees and directors of Marindi Metals Ltd (the "Company") may have in their possession sensitive commercial information which could materially affect the value of financial products traded on ASX markets.

Even the suggestion of insider trading by an employee or director would do great harm to the employee/director and also to the Company irrespective of whether insider trading actually occurs or is proven. The *Corporations Act 2001(Cth)* prohibits insider trading in relation to financial products. The provisions are wide-ranging and breaches are considered serious offences.

This document:

- (a) provides an outline of the insider trading and other relevant provisions of the *Corporations Act*;
- (b) sets out the rules relating to dealings by employees and directors in securities issued by the Company; and
- (c) sets out the rules relating to dealings by employees and directors in financial products issued over the Company's securities by third parties such as warrants, options and futures.

The Securities Trading Policy (the "Policy") is designed to assist in preventing breaches of the insider trading provisions of the *Corporations Act*. Ultimately it is the responsibility of the employee or director to ensure that none of his or her dealings could constitute insider trading.

## 2 INSIDER TRADING PROHIBITION

### 2.1 The nature of the Prohibition

Section 1043A (of Part 7.10, Division 3) of the *Corporations Act* makes it an offence for a person in possession of information that is not generally available but which, if generally available, might materially impact the price or value of a financial product to:

- trade in (i.e. apply for, acquire or dispose of, or enter into an agreement to do any of these things); or
- procure another person to trade in, financial products (collectively referred to as "deal in financial products").

It is also an offence to "tip" the information to another person with the knowledge that the person could deal in financial products. Accordingly the effect of this section cannot be avoided by simply getting another person to deal on your behalf.

### 2.2 How You Become Aware of the Information is Irrelevant

It is irrelevant how or in what capacity the person came into possession of the information.

This means that s.1043A will apply to any employee or director who acquires "inside information" in relation to a financial product, no matter in which capacity.

### 2.3 Information Which Might Affect Price Value

The prohibition referred to in Clauses 2.1 and 4.4 refers to unpublished information which, if generally available, might materially impact the price or value of financial products.

## 2.4 What Does Information Include?

“Information” includes matters of supposition or speculation and matters relating to the intentions or likely intentions of a person.

## 2.5 What Information Might Materially Affect Price or Value?

This means information that a reasonable person would expect to have a material effect on the price or value of financial products. A reasonable person would be taken to expect information to have a material effect on price or value if the information would be likely to influence persons who commonly invest in financial products whether or not to do so.

Examples of this type of information which might affect the price or value of the Company’s securities include:

- proposed changes in the capital structure, capital returns and buy backs of financial products;
- information relating to the Company’s financial results;
- a material acquisition, divestment or realisation of assets;
- proposed dividends and share issues;
- changes to the Board;
- possible events which could have a material impact on profits (negatively or positively) e.g. loss of a major customer;
- proposed changes in the nature of the business of the Company;
- notification to the Company of a substantial shareholding; and
- any information required to be announced to the market pursuant to Listing Rule 3.1.

## 2.6 What does “Unpublished” Mean?

“Unpublished” for this purpose means that the information is not generally available. Information is generally available if it consists of readily observable matter, or it has been disseminated in a manner likely to bring it to the attention of investors and a reasonable period has elapsed.

ASX publishes information to the market by releasing ASX announcements through the Company Announcements Platform. All announcements by The Company are available on the Company’s website on [www.marindi.com.au](http://www.marindi.com.au).

## 3 OTHER RELEVANT CORPORATIONS ACT PROVISIONS

Officers<sup>1</sup> and employees of the Company are subject to the duties set out in sections 182, 183 and 184 of the *Corporations Act*. Officers of the Company are subject to additional duties outlined in sections 180 and 181 of the *Corporations Act*.

### 3.1 No Improper Use of Inside Information (s.183 and s.184)

An officer or employee, or former officer or employee must not make improper use of information acquired by virtue of his or her position as such an officer or employee to gain, directly or indirectly, an advantage for himself or herself or for any other person, or to cause detriment to the Company.

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<sup>1</sup> Includes a director, secretary or executive officer of Marindi. An executive officer is a person concerned in, or taking part in, the management of Marindi.

### **3.2 No Gain by Improper Use of Position (s.182 and s.184)**

An officer or employee must not make improper use of his or her position as such an officer or employee, to gain, directly or indirectly, an advantage for himself or herself or for any other person, or to cause detriment to the Company.

### **3.3 Care and Diligence (s.180)**

An officer must exercise their powers and discharge their duties with the degree of care and diligence a reasonable person would exercise in the same circumstances.

### **3.4 Good Faith (s.181 and s.184)**

An officer must exercise their powers and discharge their duties in good faith in the best interests of the Company and for a proper purpose. An officer commits an offence if they are reckless or are intentionally dishonest and fail to exercise their powers and discharge their duties in good faith in the best interests of the Company and for a proper purpose.

## **4 DEALING IN COMPANY SECURITIES**

### **4.1 No Dealing Permitted During a Non Trading Period**

Subject to Clauses 4.2 to 4.9, employees and directors are permitted to deal in Company securities throughout the year except during the following periods:

- (a) 1 July (inclusive) and ending at the end of the day of the announcement of the results for the quarter ending 30 June;
- (b) 1 October (inclusive) and ending at the end of the day of the announcement of the results for the quarter ending 30 September;
- (c) 1 January (inclusive) and ending at the end of the day of the announcement of the results for the quarter ending 31 December; and
- (d) 1 April (inclusive) and ending at the end of the day of the announcement of the results for the quarter ending 31 March.

Each period is referred to as a Non Trading Period. The period where dealing is permitted is called the Trading Period.

### **4.2 Requirement to Notify and Obtain Approval Before Dealing**

An employee or director must not deal in Company securities without **first** notifying the Notification Officer [refer to Attachment A] and receiving approval to proceed. An employee must comply with the direction given by the Notification Officer. The initial notification may be verbal but must be confirmed in writing (either by facsimile or email) as must the relevant approval.

### **4.3 Prohibition in Dealing While in Possession of Relevant Information**

Dealing in Company securities is subject to the prohibition that an employee or director must not deal in Company securities:

- at any time when he or she is in possession of unpublished information which, if generally available, might materially affect the price or value of those Company securities; and
- on a day any public announcement is made in relation to a matter considered to be price sensitive.

#### **4.4 Prohibition on Active Dealing**

Dealing during a Trading Period is subject to the prohibition that an employee or director must not actively deal in Company securities with a view to deriving profit-related income from that activity. "Actively Deal" for this purpose means to deal in Company securities in a manner which involves frequent and regular trading activity.

#### **4.5 Special Approval to Deal During a Non Trading Period**

If there are exceptional circumstances, for example a pressing financial commitment, then approval may be given by the Chairman.

Any such approval must be obtained in advance. It cannot be given after the event.

A dealing for which such special approval is given remains subject to Clauses 4.3, 4.4 and 4.5.

The discretion will be applied, taking into account the hardship of the employee or director and weighing this against any perceived detriment to the Company's reputation.

#### **4.6 Confirmation of Dealing that has Occurred**

The Company may require an employee to provide confirmation of dealing in Company financial products by an employee or his/her associate(s).

#### **4.7 Trading not subject to Securities Trading Policy**

This Policy does not apply to the following trading:

- (a) Participation in, acceptance of, or trading under an offer or invitation made to all or most of the security holders, such as, a rights issue, a share 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;
- (b) Undertakings to accept, or the acceptance of, a takeover offer;
- (c) Transfers of the Company's securities resulting in no change in beneficial interests in those securities (e.g. the transfer from one personal security holding to another);
- (d) Participation in, or purchases made on behalf of individuals under, any Company sponsored security plan. The Company will ensure that purchases carried out under such plans are undertaken in accordance with those plans which may occur inside or outside of Non Trading Periods. However, any subsequent sale of the Company's securities acquired under those plans is subject to this Policy;
- (e) A disposal of securities of the Company that is the result of a secured lender exercising their rights under a loan agreement;
- (f) Where an employee is a trustee, trading in the securities of the Company by that trust provided the employee is not a beneficiary of the trust and any decision to trade during a Non Trading Period is taken by the other trustees or by the investment managers independently of the employee,
- (g) Trading under a non-discretionary trading plan or employee share plan of the Company for which prior written clearance has been provided in accordance with procedures set out in the trading policy and where:
  - (i) the employee did not enter into the plan or amend the plan during a Non Trading Period; and

- (ii) the trading plan does not permit the employee to exercise any influence or discretion over how, when or whether to trade.

#### **4.8 Notice of Non Trading Period**

A Non Trading Period, as outlined in Clause 4.1, may be extended or shortened at any time by direction of the Chairman. Notice of such changes will be specified by email and/or facsimile. Changes to a Non Trading Period are effective immediately upon the giving of such notice. Where an employee does not have email access it is the manager's responsibility to inform the employee.

A dealing during any such change remains subject to Clauses 4.3, 4.4 and 4.5.

#### **4.9 Director Requirement to Report to the market: Listing Rule 3.19A**

In accordance with the Agreement between directors and the Company, directors are required to provide details of all changes to their interest in Company securities registered in the name of the director or held on behalf of the director, directly or indirectly. The details must be provided as soon as reasonably possible after the date of the change and in any event no later than three business days after the change or another time frame agreed with Company Secretary of the Company which allows for compliance with the listing rule obligations.

### **5 PROHIBITION IN DEALING IN FINANCIAL PRODUCTS ISSUED OVER COMPANY SECURITIES BY THIRD PARTIES**

Employees and directors are **not** permitted to deal at any time in financial products such as options, warrants, futures or other financial products issued over the Company's shares by third parties such as banks and other institutions traded on either ASX markets or any other market. An exception may apply where the Company's shares form a component of a listed portfolio or index product.

### **6 PROHIBITION ON DERIVATIVES AND HEDGING ARRANGEMENTS OVER COMPANY SECURITIES**

Employees and directors are **not** permitted to use, at any time, derivatives or hedging arrangements that operate or are intended to operate to limit the economic risk of security holdings over unvested Company securities.

Derivative or hedging arrangements over vested Company securities by a director will be publicly disclosed by the Company.

### **7 RELATED PARTIES AND RELEVANT INTERESTS**

The restrictions on dealings by an employee or director are equally applicable to any dealings:

- (a) by their spouses or de facto spouses;
- (b) by or on behalf of any dependant under 18 years of age; and

- (c) any other dealings in which, for the purposes of the *Corporations Act*, he or she is or is to be treated as interested<sup>2</sup>. For example, if an employee or director is a trustee of a trust and is also a beneficiary of the trust.

## 8 EMPLOYMENT AND MONITORING OF COMPLIANCE

To promote understanding of the insider trading prohibition, related *Corporations Act* provisions, ASX policy and the Company policy, a copy of this document will be distributed to all employees and directors. The induction process for new employees and directors requires a copy of this document to be provided to each new employee and director.

## 9 CONCLUSION

Compliance with the Policy set out in this document is mandatory. Infringement of the insider trading provisions can attract a substantial monetary penalty, imprisonment or both.

Any employee or director who does not comply with this Securities Trading Policy will be considered to have engaged in serious misconduct which may result in the termination of their engagement by the Company.

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<sup>2</sup> Section 608 of the *Corporations Act* sets out the rules relating to relevant interests. The basic rule is a person has a relevant interest in securities if they are holding, or controlling the voting or disposal, of such securities, including through trusts, company structures and under agreements, with a number of carve outs for nominee holdings and the like. Section 609 of the *Corporations Act* sets out the situations not giving rising to relevant interests.

**GLOSSARY**

<b>ASIC</b>	Australian Securities & Investments Commission (ABN 86 768 265 615)
<b>ASX</b>	ASX Limited (ABN 98 008 624 691)
<b>De facto spouse</b>	a person who (although not legally married to the first person) is living with the first person on a genuine domestic basis
<b>Director</b>	means a director of any company in the Company and its wholly owned subsidiaries
<b>Employee</b>	full-time, part-time, casuals, executives of the Company and its wholly owned subsidiaries
<b>Financial product</b>	Includes: <ul style="list-style-type: none"><li>▪ debentures, stocks or bonds issued or proposed to be issued by a government;</li><li>▪ shares;</li><li>▪ interests in a managed investment scheme;</li><li>▪ units;</li><li>▪ warrants;</li><li>▪ options;</li><li>▪ futures; and</li><li>▪ any other products that are able to be traded on a financial market.</li></ul>

**ATTACHMENT A - NOTIFICATION OFFICERS**

<b>AREA</b>	<b>NOTIFICATION OFFICE (in their absence, their authorised delegate)</b>
Employees	Executive Director (or equivalent)
Non-Executive Directors	Chairman (or equivalent)
Executive Directors	Chairman (or equivalent)