

# **TIMAH RESOURCES LIMITED**

## **SECURITIES TRADING POLICY**

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### **1. INTRODUCTION**

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The Securities Trading Policy of Timah Resources Limited (TML) regulates the sale and purchase of securities (ordinary shares, options and derivative products) in TML by Directors, employees and associated persons.

The purpose of this Securities Trading Policy is to reinforce this position and to assist Directors, employees and associates to avoid conduct known as "insider trading". The Securities Trading Policy was to comply with ASX Listing Rules.

### **2. DEFINATION OF INSIDER TRADING**

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#### **2.1 Prohibition**

Insider trading is a criminal offence. A person will be guilty of insider trading if:

- a. That person possesses information in relation to a company which is not generally available to the market, and if it were generally available to the market, would be likely to affect the price or value of that company's securities (ie. information that is "price sensitive"); and
- b. That person:
  - i. Buys or sells securities in the company;
  - 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 deal in the securities or procure someone else to deal in the securities of the company.

When is information "generally available"?

Information is considered to be generally available if it:

- a. Is readily observable; (for example, published in the press, or in marketing communications); or
- b. Has been made known in a manner likely to bring it to the attention of persons who commonly invest in securities of a kind whose price or value might be affected by the information (e.g. by way of an ASX announcement) and, since the information was made known, a reasonable period has elapsed.

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Some examples of information which could be inside information are:

- Sales figures;
- Profit forecasts;
- Unpublished announcements, or knowledge of possible regulatory investigation;
- Liquidity and cashflow;
- Proposed changes in the capital structure, including issues of securities, right and buy-backs;
- Borrowings;
- Major asset purchase or sales;
- Impending mergers, acquisitions, reconstructions, takeovers, etc;
- Significant litigation;
- Significant changes in operations;
- Significant changes in industry;
- New products/services in technology;
- Proposed dividends;
- Management restructuring or Board changes, and
- New contracts or customers.

### **2.2 Dealing through third parties**

A person does not need to be a Director or employee of TML to be guilty of insider trading in relation to securities in our Company. The prohibition extends to dealings by Directors and employees through nominees, agents or other associates, such as family members, family trusts and family companies.

## **3. GUIDELINE IN TRADING**

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Directors and employees of the Company should not buy or sell securities in TML, when TML is in possession of price sensitive or confidential information that is not generally available to the market.

There is no particular time during which it is “safe” or “unsafe” to deal in TML securities. The SOLE TEST is whether, at the particular time, a Director or employee is in possession of price sensitive information that is not generally available in the market.

### **3.1 Close periods**

Subject to the insider trading provisions of the Corporations Act and the notification requirements of the Company set out in the " Trading Policy", the closed periods (in order to

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minimise suggestions of insider trading) for any Directors or employees to deal in Securities is during the four week period in advance of ::

- a. The Annual general meeting;
- b. The release of the half-yearly announcement to the ASX;
- c. The release of the preliminary final statement or full year announcement to ASX (whichever is earlier);
- d. The release of a disclosure document (e.g. a prospectus); and

In accordance with ASX Listing Rule 12.12.2 Directors and employees are prohibited from trading in the Company's securities during the above close periods

The Chairman of the Board, or the Chairman's delegate, (e.g. the Company Secretary) may also notify Directors and employees of TML in writing of other ad hoc closed periods determined by the Board.

### **3.2 Exclude trading**

For the purposes of ASX Listing Rule 12.12.3 the following examples of trading in the Company's securities are excluded from the operation of the Trading Policy:

- a. Transfers of securities of the Company already held by Directors or employees into a superannuation fund or other saving scheme in which the restricted person is a beneficiary;
- b. Transfers of securities of the Company already held by Directors or Employees to or from private companies or trusts controlled by the restricted person;
- c. An investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the securities of the entity) where the assets of the fund or other scheme are invested at the discretion of a third party;
- d. Where a restricted person is a trustee, trading 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 the prohibited period is taken by the other trustees or by the investment managers independently of the restricted person;
- e. Undertakings to accept, or the acceptance of, a takeover offer;
- f. 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 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;

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- g. A disposal of securities of the Company that is the result of a secured lender exercising their rights under a margin lending arrangement. Any agreements by Directors or employees that provide lenders with rights over their interest in the Company's securities must be approved in writing beforehand by the Board;
- h. The exercise (but not the sale of securities following exercise) of an option or a right under an employee incentive scheme, 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 within the 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.

#### **3.3 Trading during a prohibited period with prior written clearance**

In accordance with ASX Listing Rule 12.12.4, a restricted person, who is not in possession of inside information in relation to the Company, may be given prior written clearance by the Chairman of the Board or the Chairman's delegate (e.g. the Company Secretary) to sell or otherwise dispose of the securities of the Company during a prohibited period under the Trading Policy where the restricted person is in severe financial hardship or there are other exceptional circumstances approved by the Board.

#### **3.4 Procedure for clearance**

In accordance with ASX Listing Rule 12.12.5 any request for clearance to trade during a prohibited period due to exceptional circumstances must be in writing to the Chairman of the Board prior to the trade setting out the reasons for the request and the approval of the Chairman of the Board must be in writing (electronic clearance by email or facsimile is acceptable) and is only valid for five (5) business days after the approval is given.

#### **3.5 Notification**

The Australian Stock Exchange Listing Rules oblige any Director dealing in TML securities to notify TML (through TML's Company Secretary) within 3 days after any dealing providing full details of the dealing in accordance with the prescribed (Appendix 3Y) form.

## **4. REVIEW OF POLICY**

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The Policy will be reviewed periodically and updated in accordance with the needs of the Company and any new regulation that may have an impact on the discharge of the Board's responsibilities.

The Policy is made available for reference in the Company's website at [www.timahresources.com.au](http://www.timahresources.com.au)

**Approved by the Board - 27 September 2016**

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**Reviewed by the Board - 17 November 2016**