

COBRE 

**Securities Trading Policy**

# Securities trading Policy

## 1. Introduction

- 1.1 This policy is a securities trading policy in accordance with Australian Securities Exchange (**ASX**) Listing Rule 12.9 and imposes constraints on key management personnel, as that term is defined in the Schedule (**Key Management Personnel**) of the Company dealing in the Company's shares or options, warrants, futures or other derivative financial products issued over or in respect of the Company's shares or options (**Securities**).
- 1.2 This policy has been adopted by the Board of the Company on 28 January 2020.

## 2. Application

- 2.1 This policy applies to all Directors and other Key Management Personnel as set out in the Schedule (collectively **Key Management Personnel**) and their associates (as that term is defined in paragraph 10.2). Parties covered by this policy should not procure others to deal during Closed periods as defined in paragraph 5.2.
- 2.2 Insider trading prohibitions outlined in paragraph 4 below apply to all persons and their associates, whether or not they are Key Management Personnel of the Company. These prohibitions apply at all times. In addition to the provisions of this policy, prohibitions that apply under any applicable law will apply irrespective of whether this policy provides that trading could occur.
- 2.3 There is no trading of Securities by Key Management Personnel that is not subject to this policy.

## 3. Objectives

- 3.1 The objectives of this policy are to:
  - (1) minimise the risk of Key Management Personnel of the Company contravening the laws against insider trading;
  - (2) ensure the Company is able to meet its reporting obligations under the ASX Listing Rules;
  - (3) ensure transparency with respect to trading in Securities of the Company by Key Management Personnel; and
  - (4) comply with ASX Listing Rule 12.12.

3.2 To achieve these objectives Key Management Personnel should treat this policy to be binding on them in the absence of specific exemption by the Board (provided such exemption complies with the ASX Listing Rules).

#### **4. Insider Trading**

4.1 Insider trading is a criminal offence and it may also result in civil liability, under the *Corporations Act 2001* Australia (**Act**). These provisions apply to:

- (1) acts or omissions within Australia in relation to the Company's securities irrespective where the issuer is formed, resides and is located; and
- (2) acts or omissions whether in Australia or not in relation to securities issued by a person who carries on business in Australia or a body corporate that is formed in this jurisdiction.

4.2 The ASX Listing Rules and Guidance Notes requires that this policy raises awareness of these insider trading provisions, as they may apply, and provides an explanation of what is considered to be insider trading under the Act.

4.3 In broad terms, a person will be guilty of insider trading if:

- (1) 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'); and
- (2) 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 procures someone else to buy or sell the securities of the Company.

4.4 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 materially affect the price of the Company's securities:

- (1) the Company considering a major acquisition;
- (2) the threat of major litigation against the Company;
- (3) the Company's revenue and profit or loss results materially exceeding (or falling short of) the market's expectations or projections;
- (4) a material change in debt, liquidity or cash flow;

- (5) a significant new development proposal (eg new product, venture or technology);
  - (6) the grant or loss of a major contract;
  - (7) a management or business restructuring proposal;
  - (8) a share issue proposal;
  - (9) 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
  - (10) significant discoveries, exploration results or changes in reserve/resource estimates from mining tenements in which the Company has an interest.
- 4.5 The insider trading prohibition extends to dealings by individuals through nominees, agents or other associates, such as family members, family trusts and family companies (referred to as "Associates" in this policy).
- 4.6 It does not matter how or where the person obtains the information – it does not have to be obtained from the Company to constitute insider information.
- 4.7 The prohibition does not apply to acquisitions of shares or options by employees made under employee share or option schemes, nor does it apply to the acquisition of shares as a rule 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.
- 4.8 It is also important to be aware in situations, such as the following, there is still potential for contravention of the insider trading prohibition and appropriate care must be taken:
- (1) where the ASX Listing Rules and the Act permit companies to not disclose certain information, for example in the situation where an acquisition is being negotiated and remains confidential;
  - (2) where information may be known to particular individuals but not yet by the Company as a whole (ie the Board);
  - (3) where the Company may not have yet complied with its continuous disclosure obligations in relation to a particular event or circumstance – there will always be some element of delay in doing so; and
  - (4) where Key Management Personnel will generally have a better feel for the performance of the Company than the public.

There is also the potential for an appearance of a contravention of the insider trading prohibition even if there has not been an actual contravention. This could reflect badly on the Company as well as on the individual concerned.

- 4.9 Another circumstance that must be guarded against is where one or more individuals are aware of an event or circumstance and the remaining Key Management Personnel are not

yet aware. In such a circumstance, it is important that no Key Management Person deals in Securities because:

- (1) the knowledge of one individual may in certain circumstances, be imputed to all Key Management Personnel and therefore there is a risk that they will be found to have been guilty of insider trading even if they had no intention of committing a contravention; and
- (2) of the potential for such circumstances to reflect badly on the Company.

4.10 For these reasons, the advice of the Managing Director or the Chairman should be sought prior to any dealings taking place, and steps should be taken to ensure that the Managing Director is appraised of all relevant considerations by the Disclosure Officer (Company Secretary) appointed under ASX Listing Rule 1.1, condition 12.

## **5. Policy – dealing in Securities**

5.1 Key Management Personnel should not deal in Securities of the Company unless:

- (1) they have satisfied themselves that they are not in possession of any price sensitive information that is not generally available to the public;
- (2) they have contacted the Chairman or Managing Director in the case of employees and in the case of Directors the Chairman or, in their absence, the Company Secretary, and notified them of their intention to do so and the Managing Director or Chairman or, in their absence the Company Secretary, indicate that there is no impediment to them doing so; and
- (3) where the Managing Director or Chairman wishes to deal in Securities, he or she has contacted the Company Secretary, and notified them of his or her intention to do so and the Company Secretary, indicates that there is no impediment to him or her doing so.

5.2 The Chairman will generally not allow Key Management Personnel to deal in Securities of the Company as a matter of course in the following "**Closed**" periods:

- (1) from the close of the ASX trading day on 31 December each year, until 10:00am AEDT on the ASX trading day following the day on which the Company's half yearly results are released to the ASX;
- (2) from the close of the ASX trading day on 30 June each year, until 10:00am AEDT on the ASX trading day following the day on which the Company's full year results are released to the ASX;
- (3) where there is in existence price sensitive information that has not been disclosed because of an ASX Listing Rule exception; and
- (4) any additional period arising from time to time that the Board imposes a prohibition on trading by Key Management Personnel as an 'ad hoc' prohibition on trading of Securities,

each a **Closed Period**.

In relation to 5.2 (1) and (2), if 31 December or 30 June are not ASX trading days, then the Closed Period begins on the preceding ASX trading day.

In relation to 5.2 (3) and (4), Key Management Personnel should wait at least until

the beginning of the next trading day after the relevant release before dealing in Securities so that the market has had time to absorb the information.

- 5.3 In specific exceptional circumstances however, such as financial hardship, the Chairman (or the Board if the Restricted Person, as defined below is the Chairman) (**Review Officer**) may by issuing prior written clearance to the Key Management Personnel wishing to trade Securities (**Restricted Person**), which clearance may be effectively issued by letter or email (Written Clearance), waive the requirement of that Restricted Person to deal in Securities outside of the Closed Periods on the condition that the relevant individual:
- (1) provides the Review Officer with such information necessary to enable the Review Officer to determine that they are in severe financial hardship or that their circumstances are otherwise exceptional;
  - (2) can demonstrate to the Review Officer that the proposed sale or disposal of the relevant Securities is the only reasonable course of action; and
  - (3) can demonstrate to the Review Officer that they are not in possession of any price sensitive information that is not generally available to the public.
- 5.4 The Review Officer will make its determination on whether to issue Written Clearance to the Restricted Person having regard to:
- (1) the information provided by the Restricted Person;
  - (2) the purpose of the ASX Listing Rules; and
  - (3) matters and examples relating to what are exceptional circumstances and financial hardship as set out in Guidance Notes issued by the ASX,
- and will exercise their discretion with caution.
- 5.5 Exceptional circumstances may apply to the disposal of Company securities by Key Management Personnel if the Restricted 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.
- 5.6 Any Written Clearance is valid for a period of 5 trading days following its issue to the Restricted Person after which the Written Clearance will become invalid and the Restricted Person will have to seek further Written Clearance from the Review Officer in accordance with paragraphs 5.3 and 5.4.
- 5.7 Key Management Personnel must not at any time engage in short-term trading in Securities of the Company. Short-term trading is considered to be trading where the acquisition and disposal of Securities occurs within 6 months of each other. Such a period will be considered a Closed Period provided that the Review Officer may, at their discretion, permit Key Management Personnel to trade in Securities in circumstances that would contravene this paragraph 5.6 if that Key Management Personnel establishes hardship.
- 5.8 Key Management Personnel must not communicate price sensitive information to a person who may deal in Securities of the Company. In addition, Key Management Personnel should not recommend or otherwise suggest to any person (including a spouse, relative, friend, trustee of a family trust or directors of a family company) the buying or selling of Securities in the Company.

- 5.9 Key Management Personnel must ensure that external advisers who may receive price sensitive information are bound by confidentiality agreements or other enforceable confidentiality obligations.
- 5.10 The above principles also apply to the following:
- (1) trading in financial products issued or created over the Company's Securities and associated products; and
  - (2) entering into transactions in associated products which operate to limit the economic risk of security holdings in the Company.

## **6. Notification of dealing in Securities**

- 6.1 Key Management Personnel must notify the Company Secretary immediately on acquiring or disposing of a relevant interest in any Securities in the Company and advise the Company Secretary if prior Written Clearance was required in respect of that trade, that such Written Clearance was obtained and the date on which Written Clearance was obtained.
- 6.2 The Company must disclose to the ASX in accordance with the Listing Rules in completing the relevant Appendix 3Y relating to a trade by a director of the Company if prior Written Clearance was required in respect of that trade, that such Written Clearance was obtained and the date on which Written Clearance was obtained.

## **7. Notification of dealings in Securities – Directors – legal and other considerations**

- 7.1 ASX Listing Rules 3.19A and 3.19B require the Company to notify dealings in Securities by Directors within 5 business days. Three appendices are included in the ASX Listing Rules for the purpose of this notification, being 3X Initial Director's Interest Notice, 3Y Change of Director's Interest Notice and 3Z Final Director's Interest Notice.

## **8. Confirmation of dealing**

- 8.1 If a person covered by this policy undertakes dealing in Securities then within 2 days of the dealing taking place, they should provide the details of the dealing in Securities to the Company Secretary.

## **9. Penalties**

- 9.1 A trade in any Securities by a person who is in possession of price sensitive information not publicly available could contravene applicable legislation and expose the person to civil and criminal penalties.
- 9.2 A contravention of this policy by a person to whom this policy applies may result in summary dismissal.

## **10. Definitions**

10.1 For the purposes of this policy:

- (1) **deal in Securities** means buy or sell Securities in the Company, or enter into transactions in relation to Securities in the Company. It includes procuring another person to do any of these things; and
- (2) **price sensitive information** has the meaning given to that term in paragraph 4.3(1).

10.2 For the purposes of paragraph 4, directors "*dealing*" includes associates of Key Management Personnel dealing in Securities, and it is incumbent on each individual to ensure that an Associate (as defined in paragraph 4.5) does not deal in circumstances where the dealing could be attributed to the Director or Executive concerned.

## **11. Public availability of materials**

11.1 This policy or a summary of its main provisions shall be made publicly available on the Company's website in a clearly marked corporate governance section.

11.2 Where the Company makes a material change to this policy, it will provide the amended policy to the ASX for release to the market within 5 business day of the material changes taking effect.

11.3 Such material changes may include:

- (1) changes to the Closed Periods;
- (2) changes with respect to the trading that is excluded from the operation of this policy; and
- (3) changes with respect to the exceptional circumstances in which the Company's Key Management Personnel may be permitted to trade during a Closed Period.

11.4 The Company will give a copy of the current version of this policy, as is approved by the Board from time to time, to the ASX immediately on request by the ASX.

**Approved by the Board on 28 January, 2020**



## **Schedule**

Persons to whom this policy applies, each a **Key Management Person** and together **Key Management Personnel**:

- All directors of the Company (whether executive or otherwise);
- All members of the boards of directors of subsidiaries of the Company (if any);
- The Managing Director of the Company;
- All other executives who directly report to the Managing Director;
- Other executives as determined by the Board from time to time; and
- (without limiting the foregoing) all other key management personnel (as defined in AASB 124 *Related Party Disclosures*) of the Company which, as at the date of this policy, are all persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.