

## Securities Trading Policy

This policy applies to directors, officers, contractors, consultants and employees and their associates (Representatives) of Leigh Creek Energy Limited (Company) when dealing with securities in the Company. The purpose of this policy is to prevent Representatives from using information gained through their position in the Company. Ultimately, however, it is the responsibility of the person to ensure that none of his or her dealings could constitute insider trading.

This Policy outlines:

1. when Representatives may deal in Company Securities;
2. when Representatives are permitted to deal in Company Securities; and
3. procedures to reduce the risk of insider trading.

Representatives must first comply with the *Corporations Act 2001* (Corporations Act) and *Australian Securities Exchange (ASX) Listing Rules* (Listing Rules). Words and terms defined in the Corporations Act and Listing Rules have the same application in this policy.

### The Insider Trading Prohibition

The Corporations Act states that it is an offence for a person who possesses information that is not generally available and knows or ought reasonably to know that it is not generally available and that, if it were, a reasonable person would expect it would have a material impact on the price or value of a security, including an option, issued by the Company, to:

- a. trade in (i.e. apply for, acquire or dispose of, or enter into an agreement to do any of these things) securities issued by the Company;
- b. procure another person (e.g. a family member, friend, or family company, superannuation fund or trust) to trade in securities issued by the Company; or
- c. directly or indirectly communicate, or cause to be communicated, the information to another person if the person knows or ought reasonably to know that the person to whom the information is made known may use the information to trade in or procure another person to trade in securities issued by the Company.

It is the responsibility of each Representative to ensure that they do not breach the insider trading prohibition. Breaches of the insider trading prohibition are considered serious and may result in disciplinary action being taken by the Company which may include dismissal from employment. Additionally, there may be significant criminal and civil liability and penalties (including imprisonment) imposed on those who breach the law concerning insider trading.

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## Dealing in securities of other companies

The insider trading rules also apply to dealings with securities in other companies. Representatives must not deal in securities of other companies if they possess “inside information” in relation to the relevant company by virtue of their position in the Company. Representatives are also bound by confidentiality in relation to the inside information obtained about third parties in the course of performing their duties in the Company.

## Obtaining clearance to trade outside of Precluded Periods

Representatives may only deal in Company securities outside of Precluded Periods as follows:

**Chairman:** The Chairman must not deal in Company securities without first submitting a written notification (**Notification**) to the Chair of the Audit Committee and the Company Secretary before commencing the transaction and must trade within seven days of submitting the Notification. The Chairman must subsequently notify the Company Secretary in writing of any trade that has occurred.

**Directors:** Directors (other than the Chairman) must not deal in Company securities without first submitting a Notification to the Chairman and the Company Secretary before commencing the transaction and must trade within seven days of submitting the Notification. The director must subsequently notify the Company Secretary in writing of any trade that has occurred.

**Other Representatives:** Representatives other than the Chairman and directors must not deal in Company securities without first submitting a Notification to the Company Secretary before commencing the transaction and must trade within seven days of the Notification.

## Precluded Periods

In addition to the insider trading prohibition above, Representatives are prohibited from dealing in the Company’s securities in the following circumstances (Precluded Periods):

- In the period between the end of the March and September quarters and the release of the Company’s quarterly report to ASX for the relevant quarter end;
- the period between 1<sup>st</sup> July and the release of the Company’s annual report to ASX;
- the period between 1<sup>st</sup> January and the release of the Company’s half year report to ASX;
- If the dealing would be regarded as a short term dealing;
- Where the Board has resolved that there is a prohibition on dealing in the Company’s securities which will be notified to Representatives by the Managing Director, Chief Executive Officer or Company Secretary by email; and
- Where Representatives would be entering into transactions which limit the economic risk of a Representatives security holding in the Company, including arrangements which limit the economic risk of participating in unvested entitlements under any equity based remuneration schemes.

Please note that, even if it is outside of a Precluded Period, Representatives must not deal in the Company’s securities if they are in possession of inside information.

## Clearance to Trade in Exceptional Circumstances

A Representative may trade in Company securities during a Precluded Period in the following exceptional circumstances:

- If the person granting the clearance is satisfied that the person seeking the clearance does not possess inside information and the person seeking clearance is in severe financial hardship or there are other exceptional circumstances; or
- Where dealing is required in compliance with a court order, court enforceable undertakings or some other legal requirement.

If a Representative wishes to sell or otherwise dispose of Company securities during a Precluded Period, that person must submit a Notification to the Company Secretary and obtain the prior written consent of the Chairman (or in the case of the Chairman, prior written consent of the Chair of the Audit Committee). The Representative must demonstrate to the satisfaction of the Chairman or the Chair of the Audit Committee (as applicable) that he or she is in severe financial hardship or that his or her circumstances are otherwise exceptional.

## Trading which is not subject to this policy

The following dealings in securities by Representatives is excluded from this policy, unless at the time of the dealing the Representative is in possession of market sensitive information that is not generally available:

- transfers of securities of the Company already held in a superannuation fund or other saving scheme in which the Representative is a beneficiary;
- an investment in, or trading 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;
- where a Representative is a trustee, trading in securities of the Company by that trust provided the Representative is not a beneficiary of the trust and any decision to trade during a Precluded Period is taken by other trustees or by the investment managers independently of the Representative;
- undertakings to accept, or the acceptance of, a takeover offer;
- 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 or distribution reinvestment plan or 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 rights to entitlements under a renounceable pro rata issue; and
- deal where the beneficial interest in the relevant security does not change;
- 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, but the Representative may not deal with any of the shares received upon conversion other than in accordance with this Policy and the insider trading provisions.

### **Dealings by Related Parties**

A Representative must use reasonable endeavours to ensure that his or her immediate family members, company, trust or entity which is controlled by the Representative or an immediate family member of the Representative (each a **Related Party**) are aware of this Policy. If a Representative may not deal in Company securities, he or she must take all reasonable and necessary steps to prevent any dealing in Company securities by Related Parties unless the Representative has complied with this Policy on behalf of that Related Party in respect of the proposed dealing.

### **No hedging of unvested entitlements**

A Representative must not enter into transactions which would have the effect of hedging or transferring the risk of any fluctuation in the value of:

- any unvested entitlement to Company securities; or
- Company securities which are vested but still subject to a holding lock.

This would include acquiring derivatives or options in relation to Company securities.

An unvested entitlement in Company securities would include equity rights which are still subject to time and/or performance hurdles.

### **No short term dealing or short selling**

Notwithstanding any provision in this Policy, a Representative must not:

- engage in short term dealing in Company securities within a 3 month period, but does not include the sale of Company securities after they have been acquired through the conversion of a security, for example the exercise of an option, or in accordance with Company employee incentive schemes;
- short sell Company securities; or
- knowingly allow their Company securities to be used for short selling.

### **Changes in Directors' Holdings**

Directors must advise the Company Secretary of changes to their security holdings in the Company and any of its related bodies corporate within two business days of the change.