



## **SECURITIES TRADING POLICY**

## **PREAMBLE**

The purpose of this policy is to:

- explain the conduct required in relation to dealings securities of in Ausgold Limited and its subsidiaries (“Ausgold”) that are prohibited under the *Corporations Act 2001* (Cth) which are applicable to all “restricted persons” and “associated persons” of Ausgold (as defined below); and
- establish a best practice procedure relating to dealings in Ausgold securities that provides protection to both restricted persons and associated persons against the misuse of unpublished information which could materially affect the price or value of Ausgold securities.

The Board considers that compliance with this policy is essential to ensure that the highest standards of conduct are being met by all restricted persons and associated persons. Ausgold also wishes to ensure that any incorrect perception as to when restricted persons or associated persons may and must not deal in Ausgold securities.

Any non-compliance with this policy, whether or not it also constitutes a breach of the *Corporations Act 2001* (Cth) is regarded as serious misconduct which may entitle Ausgold to terminate the employment of any employee or the contract of any contractor holding Ausgold securities and found to be in breach of this policy.

Key concepts and meanings of defined terms in relation to this policy are detailed in Schedule 1.

## **SECURITIES TRADING**

The *Corporations Act 2001* (Cth) prohibits “insider trading”.

Under the *Corporations Act 2001* (Cth), a person is prohibited from dealing in securities where:

- the person possesses information which is not generally available to the public;
- that information may have a material effect on the price or value of securities of the relevant entity; and
- the person knows or ought reasonably to know that the information is not generally available and if it were it might have a material effect on the price or value of securities.

In addition, a person with inside information must not procure another person to deal in securities nor communicate the information (directly or indirectly) to another person who the person believes may deal (or procure someone else to deal) in those securities.

## **CONTINUOUS DISCLOSURE**

The *Corporations Act 2001* (Cth) and the ASX Listing Rules require Ausgold to immediately release to the ASX any information concerning Ausgold which may reasonably be expected to have a material effect on the price or value of Ausgold securities, subject to limited exceptions.

As a result of the operation of the continuous disclosure regime, usually all price sensitive information will be publicly available. However, there are limited circumstances in which disclosure is not required. In these situations there may be people with “inside information” who would breach the insider trading prohibition if they dealt in securities at that time.

Specifically, the ASX Listing Rules do not require disclosure where:

- a reasonable person would not expect the information to be disclosed;
- the information is confidential and the ASX has not formed the view that the information has ceased to be confidential; and
- one or more of the following applies:
  - it would be a breach of law to disclose the information;
  - the information concerns an incomplete proposal or negotiation;
  - the information comprises matters of supposition or is insufficiently definite to warrant disclosure (eg. the effect of an event on Ausgold has not yet been quantified);
  - the information is generated for internal management purposes of the entity (eg. internal management accounts or an internal management report); or
  - the information is a trade secret.

If a person holds “inside information” in relation to Ausgold (being information which, but for a carve-out to the Listing Rules, would need to be disclosed to the market) and that person deals directly or through another person in Ausgold securities, that person will be in breach of the insider trading provisions.

## **POLICY APPLICATION**

This policy applies to all employees of Ausgold who are referred to as “restricted persons”. Within that group, each director, executive and senior manager of Ausgold or any related body corporate is subject to additional obligations and restrictions under this policy.

This policy also applies to people or entities that have certain family or business connections with restricted persons as well as specified contractors and consultants to Ausgold, who are referred to as “associated persons”. Each restricted person must ensure that persons who are considered to be associated persons in relation to him or her are aware of the obligations of the restricted person under this policy and must endeavour to ensure that any associated persons do not deal in Ausgold securities or in the securities of any other entity from which the restricted person has been prohibited from dealing under this policy, otherwise than in accordance with the terms of this policy.

Each of the Chairman, the CEO or the Company Secretary may give written notice at any time to an employee, contractor or consultant of Ausgold, advising that person that he or she is, by virtue of his or her position, role, activities or information available to them, for the purpose of this policy deemed to be a restricted person and therefore subject to the operation of this policy for the period of time stipulated in that notice.

## **POLICY PROVISIONS**

### *Blackout Periods*

In order to avoid any inference of unfair or inappropriate behaviour by Ausgold or any of its directors, executives, managers or employees, all restricted persons are prohibited from dealing in Ausgold securities in any blackout period.

A blackout periods is any point in time within the following dates:

- from the first day of January until the second day following the public release of Ausgold’s half year results;

- from the first day of July until the second day following the public release of the sooner to occur of Ausgold's preliminary or final full year results; and
- from the first day following the close of each quarter for which Ausgold is required to provide a periodic quarterly report to the ASX until the second day following the release of that report to the ASX.

The Board or the CEO as its delegate may determine that any of the blackout periods referred to above may be extended (but not shortened) or a new blackout period introduced from time-to-time but must advise all restricted persons in writing to that effect.

If a restricted person is not sure whether he or she may deal in Ausgold securities during a blackout period, that person must consult with the Company Secretary from which they must request clearance, as listed in below.

#### *Other Periods*

Outside any of the blackout periods, a restricted person can only deal in Ausgold securities if he or she is not in possession of inside information. It is the restricted person's responsibility to determine whether they are in possession of any inside information and if unsure, he or she must seek the advice of the Company Secretary before any dealing in Ausgold securities is undertaken.

A restricted person must, by virtue of his or her position, request clearance in writing in the form shown in Schedule 2 for any proposed dealing in Ausgold securities as follows:

- a director of Ausgold (including the CEO) must inform and receive approval from the Chairman prior to undertaking any transaction;
- the Chairman must obtain approval from the Chairman of the Audit and Risk Committee and the CEO prior to undertaking any transaction;
- executives, senior management and other employees must inform and receive approval from the CEO or the Company Secretary prior to undertaking any transaction; and
- the Company Secretary must inform and receive approval from the CEO.

Ausgold will endeavour to procure the appropriate person or persons listed above to answer any request within 48 hours of its receipt. No dealing can be undertaken by a restricted person unless and until they receive in writing Ausgold's authorisation to do so.

#### **COMPLIANCE**

It is the responsibility of each restricted person to ensure that any arrangement entered into by him or her (other than the exceptions listed below) or instruction given by them which could result in the sale or purchase of Ausgold securities (such as a buy or sell order or a stop loss order) is expressly cancelled prior to the next blackout period or upon that restricted person becoming possessed of inside information, so as to avoid any inadvertent trading in contravention of this policy.

#### **EXCEPTIONS TO THE POLICY**

The following dealings are excluded from the operation of this policy:

- transfers of Ausgold securities already held by a restricted person into a superannuation fund or other saving scheme in which that restricted person is a beneficiary;

- an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in Ausgold securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
- where a restricted person is a trustee, trading in Ausgold securities by that trust, provided the restricted person is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by the other trustees or by the investment managers independently of the restricted person;
- 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 and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board and including decisions relating to whether or not to take up the entitlements and the sale of the entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
- subject to the restricted person having complied with relevant sections of this policy, a disposal of Ausgold securities by a secured lender without the permission or authority of the restricted person at the time that is the result of that lender exercising its rights under a lending arrangement;
- the exercise (but not the sale of Ausgold securities following exercise) of an option or vesting of 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 during a prohibited period and the entity has been in an exceptionally long prohibited period or the entity 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; and
- trading under a non-discretionary trading plan (but which does not include sales under stop/loss orders) for which prior written clearance has been provided in accordance with procedures set out in this policy and where:
  - the restricted person did not enter into the plan or amend the plan during a prohibited period;
  - the trading plan does not permit the restricted person to exercise any influence or discretion over how, when, or whether to trade; and
  - this policy does not allow for the cancellation of a trading plan during a prohibited period other than in exceptional circumstances.

## **DIRECTOR (AND ASSOCIATE) DEALINGS**

Directors are required pursuant to ASX Listing Rule 3.19A to disclose to the ASX by way of announcement any change in their holding of securities in Ausgold. Such notices are required to be lodged within five business days of the change in securities taking place.

## **SHORT TERM DEALING**

Restricted persons may not deal in Ausgold's securities on a short term trading basis. This means that Ausgold securities should not be acquired by any restricted person without an intention to hold them for at least a twelve month period. Exceptions to this general rule can only be granted in exceptional circumstances.

### *Exceptional circumstances*

A restricted person, who is not in possession of inside information, may be given prior written clearance to sell or dispose, but not acquire, Ausgold securities during a blackout period or within a

twelve month period as referred to above, where the restricted person is in severe financial hardship or there are other exceptional circumstances such as where there is a court order or court enforceable undertakings in a bona fide proceeding or some other overriding legal or regulatory requirement to do so. The determination of whether severe financial hardship or other exceptional circumstances exist can only be made by the CEO, or, if the restricted person is the CEO, by the Board. All such determinations must be based on the circumstances of each case but as a general rule the proposed sale or disposal of Ausgold securities must be assessed as the only reasonable course of action available. By way of guidance a general tax liability or a tax liability relating to securities received under an employee incentive scheme or an obligation to sell under a collateralisation arrangement will not constitute exceptional circumstances.

## **EMPLOYEE AND DIRECTOR SHARE PLANS**

While any person remains employed by Ausgold, any dealings in securities (following cessation of restrictions over the securities) acquired pursuant to the any employee share plan, performance rights plan or director share plan must only occur in accordance with this policy, save that the restriction on short term dealing does not apply to Ausgold securities granted to a restricted person as part of his or her remuneration and which have vested in that restricted person in accordance with the terms of the relevant plan.

## **REGISTER OF DEALINGS**

The Company Secretary must maintain a register and copy of:

- all requests for approval to deal in Ausgold securities submitted by any restricted person or designated employee;
- all decisions relating to requests including the number of days within which any dealing should occur; and
- details of all dealings in Ausgold securities made by any restricted person.

## **SECURITY HOLDINGS IN OTHER COMPANIES**

Whilst in general restricted persons are free to deal in securities in other entities, the conduct prohibited under the *Corporations Act 2001* (Cth) includes dealings in securities of Ausgold as well as of other entities with which Ausgold may be dealing (such as Ausgold's customers or joint venture participants or any party with whom Ausgold is holding confidential business discussions) where an employee possesses "inside information" in relation to that other entity.

That is, if a restricted person is aware of information that is not generally available but which, if it were generally available, a reasonable person would expect it to have a material effect on the price or value of an entity or its securities, that restricted person should not deal in the securities of the entity that it affects.

Each of the Chairman, CEO or Company Secretary may give written notice at any time to any employee of Ausgold advising that employee that he or she is by virtue of their position, role, activities or information available to them at Ausgold prohibited from dealing in the securities of another entity for a period of time stipulated in the notice.

## **RESPONSIBLE OFFICER**

If any person is in any doubt regarding a proposed dealing in Ausgold securities or those of another entity or the impact of this policy generally, that person must contact the Company Secretary.

The Company Secretary shall be responsible for assessing and monitoring compliance with this policy and reporting to the CEO and the Board, as required, in relation to it. The Company Secretary is the officer responsible for the communication of this policy to Ausgold's employees and the implementation of a program to promote awareness of this policy among employees.

#### **AMENDMENT OF THIS POLICY**

This policy has been adopted by the Board. Any amendment to it must be approved by the Board and reported to Ausgold's shareholders in a timely manner.

#### **REVIEW OF THIS POLICY**

The Company Secretary will conduct a review of this policy and the effectiveness of Ausgold's standards of conduct with respect to the objects of this policy at least once annually, to ensure compliance with the law and determine the extent to which the ASX Corporate Governance Council's Principles and Recommendations have been met. The Company Secretary will report to the Board with his or her recommendations for consideration by the Board.

#### **DISCLOSURE**

A copy of this policy should be made available on Ausgold's website and is to be made available to shareholders of Ausgold upon request.

## SCHEDULE 1 – DEFINITIONS AND INTERPRETATION

This Schedule provides further details on the defined terms and key concepts underlying the insider trading laws and this policy.

For the purposes of this policy:

**Ausgold securities** means:

- ordinary shares;
- preference shares;
- options;
- rights;
- debentures; and
- convertible notes,

held in Ausgold and also extends to things relating to securities issued by Ausgold (for example, warrants and other derivative products).

**Dealing in securities** includes:

- buying or selling, whether on market or off market;
- placing a buy or sell order, even if that order is not completed;
- entering into an agreement or undertaking to buy or sell at a future time; and
- entering into an arrangement or acting to transfer the beneficial or underlying ownership of securities.

**Procuring** means enticing, encouraging, persuading, causing or securing another person to do something, including inciting, inducing or encouraging an act or omission. For example you cannot ask or encourage family members to deal in securities when you possess price sensitive information and you should not communicate price sensitive information. If you accidentally give somebody 'inside information' when you should not have, you must immediately tell that person that it is 'inside information' and warn them against dealing in Ausgold securities, getting others to deal in Ausgold securities or communicating the information to others.

**Inside information** is information that is not generally available but which, if it were generally available, a reasonable person would expect to have a material effect on the price or value of a security.

**Information that is generally available** means information that:

- consists of readily observable matter;
- has been made known in a manner likely to bring it to the attention of investors in securities of corporations of that kind and a reasonable period for dissemination of that information has elapsed, such as by disclosure to the ASX, publication in an annual report or prospectus or otherwise made available to the investing public on the company's website after a reasonable period of time has elapsed since the information has been disseminated; or
- may be deduced, inferred or concluded from the above.

**Material effect** means the quality of information is considered for the purposes of the *Corporations Act 2001* (Cth) to be likely to have a material effect on the price or value of securities of a company by influencing, or being likely to influence, persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell those securities, such as information regarding:

- a material increase or decrease in Ausgold's financial performance from previous results or forecasts;
- a proposed material business or asset acquisition or sale;
- material exploration results;
- the damage or destruction of a material operation of the company;
- proposed material legal proceedings to be initiated by or against Ausgold;
- regulatory action or investigations undertaken by a government authority;
- the launch of a material new business; or
- a proposal to undertake a new issue of shares or major change in financing.

**Information** is defined broadly in the *Corporations Act 2001* (Cth) and includes matters of supposition and other matters which are insufficiently definite to warrant being made known to the public, such as matters relating to the intentions of a person.

**Associated person** in relation to a restricted person means:

- a spouse or partner;
- a child (including step child) under the age of 18;
- another relative who has lived with the restricted person or in the same household for twelve months or more;
- a business partner of the restricted person or any of the above;
- a company or business entity in which the restricted person is a director, senior executive or a shareholder of more than 20 percent of the issued share capital; or
- a trustee where the beneficiaries of the trust include any of the above,

and includes a specified contractor or a consultant in possession of inside information.

**SCHEDULE 2: REQUEST TO DEAL IN AUSGOLD SECURITIES**

I, \_\_\_\_\_ hereby request permission to deal in the following Ausgold Securities:

CLASS OF SECURITIES: \_\_\_\_\_

NUMBER OF SECURITIES: \_\_\_\_\_

REGISTERED IN THE NAME OF (Insert full name. If not you, please state the person's connection to you.)

.....

NATURE OF INTEREST (Insert specific details, for example personally, joint holding or as trustee.)

.....

NATURE OF TRANSACTION (Insert specific details, for example sale of shares.)

.....

EXCEPTIONAL CIRCUMSTANCES (If applicable insert specific details about the reason for needing to deal in Ausgold Securities during a prohibited period.)

.....

To the best of my knowledge and belief, I do not possess any unpublished price-sensitive Information in relation to Ausgold Securities. If this changes before the deal is transacted, I undertake not to proceed.

Signed \_\_\_\_\_

Date \_\_\_\_\_

Permission to deal in Ausgold Securities as indicated in this request has been granted on the basis that the transaction is completed by 5:00pm Sydney time on \_\_\_\_\_, being five (5) business days following this authorisation.

OR

has not been granted on the basis

that:.....

.....

Signed \_\_\_\_\_

Date \_\_\_\_\_

**This signed and completed form must be sent to the Company Secretary of Ausgold Limited:**

The Company Secretary  
Ausgold Limited  
80 Churchill Avenue  
Subiaco WA 6008  
Facsimile: + 61 8 9466 9566  
Email: [companysecretary@ausgoldlimited.com](mailto:companysecretary@ausgoldlimited.com)