

# TEN SIXTY FOUR LIMITED

## SHARE TRADING POLICY

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# Share Trading Policy

## 1. INTRODUCTION

### 1.1 Purpose of this Policy

Ten Sixty Four Limited (Ten Sixty Four) is a public company listed on the Australian Securities Exchange (ASX) and is obliged to comply with the Corporations Act 2001 (Cth) (Corporations Act) and the ASX Listing Rules (Listing Rules).

The purpose of this Share Trading Policy (Policy) is to:

- (a) explain the type of conduct in relation to Dealing in Securities that is prohibited under the Corporations Act; and
- (b) set out the additional restrictions imposed by Ten Sixty Four on Dealings in its Securities by Designated Persons, which includes directors and senior managers of Ten Sixty Four.

The Board of Directors of Ten Sixty Four (Board) considers that compliance with this Policy is essential to ensure that the required standards of conduct are being met by Designated Persons.

Capitalised terms used in this Policy that are not otherwise defined have the meaning given in paragraph 6.

### 1.2 Application of the Policy

This Policy applies to the Company's:

- (a) executive and non-executive directors;
- (b) full-time, part-time and casual employees; and
- (c) contractors, consultants, suppliers and advisers.

There are certain Policy provisions that only apply to Designated Persons.

If you do not understand any part of this Policy, the summary of the law or how it applies to you, you should raise the matter with the Company Secretary before Dealing with in Securities covered by this Policy.

It is intended that queries (including requests for approval) will be responded to within 48 hours of being received. Communications (including approvals) for the purpose of this Policy may be by email or facsimile.

## 2. SUMMARY OF THE INSIDER TRADING PROHIBITION

### 2.1 Who is subject to the prohibition?

Under the Corporations Act (sections 1042A and 1043), a person is prohibited from Dealing in Securities where:

- (a) the person possesses information which is not generally available and, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of particular securities (**inside information**); and
- (b) the person knows, or ought reasonably to know, that the information is inside information.

This prohibition applies regardless of how the person learns of the inside information.

### 2.2 What are the prohibitions?

A person with inside information is prohibited from doing any of the following (either as principal or agent):

- (a) applying for, buying or selling Securities;
- (b) entering into an agreement to apply for, buy or sell Securities;
- (c) procuring any other person to do any of the above; and
- (d) directly or indirectly communicating the inside information to another person who the person knows, or ought reasonably to know, would or would be likely to Deal in, or procure another to Deal in, those Securities.

Procuring is a broad concept and includes inciting, inducing or encouraging another person to do something. For example, you cannot ask or encourage family members or friends to Deal in Securities when you possess inside information, and you should not communicate inside information to any such people.

### 2.3 Information that is generally available

For the purposes of the insider trading provisions of the Corporations Act, information is defined broadly and includes matters of supposition and other matters which are insufficiently definite to warrant being made known to the public. It also includes matters relating to the intentions of a person.

Information is considered to be “generally available” if:

- (a) it consists of a readily observable matter;
- (b) it has been made known in a manner likely to bring it to the attention of investors in securities of corporations of the relevant kind, and a reasonable period for dissemination of that information has elapsed; or
- (c) it may be deduced, inferred or concluded from either or both of the above.

Generally speaking, information will be “generally available” if it has been released to the ASX, published in an Annual Report or prospectus or otherwise been made generally available to the

investing public and a reasonable period of time has elapsed after the information has been disseminated in one of these ways.

## **2.4 Material effect on the price of Securities**

Information has a material effect on the price or value of Securities if, and only if, a reasonable person would expect that information to, or to be likely to, influence persons who commonly invest in Securities in deciding whether or not to subscribe for, buy or sell those Securities.

## **2.5 Examples of inside information**

The following list is illustrative only. Inside information could include the following:

- mergers with or, acquisitions of or by and takeovers of another company;
- changes in business strategy and direction;
- joint venture agreements to acquire/dilute interest in mineral properties;
- significant development and/or revaluation of existing projects;
- the appointment or resignation of any Director or senior executive. In the case of the CEO, disclosure of key terms and conditions of relevant employment or termination package;
- declaration of dividends;
- capital raising and funding proposals;
- proposals involving the issue of Ten Sixty Four shares;
- under subscriptions or over subscriptions to an issue;
- the occurrence or threat of industrial or strike action;
- any Ten Sixty Four media release;
- the occurrence of an environmental related incidents;
- natural disasters that have material effect on the Company's business;
- decisions of regulatory authorities which could impact Ten Sixty Four's business;
- the threat, commencement or settlement of any litigation or claim;
- material information affecting a significant customer or supplier;
- the purchase or sale of a significant asset;
- the appointment of a receiver, administrator manager, or liquidator in relation to Ten Sixty Four or the occurrence of some other analogous insolvency type event or administrator in respect of a loan, trade credit, trade debt, borrowings or securities held by Ten Sixty Four or any of its subsidiaries;

- information about beneficial ownership of shares obtained by Ten Sixty Four under the Corporations Act;
- significant events affecting or relating to the operation or joint venture;
- a material change in Ten Sixty Four's financial forecasts or expectations, or production targets;
- proposal to change the independent external auditor of Ten Sixty Four;
- change of significant investors' attitudes to investment in Ten Sixty Four;
- any rating (or change to a rating) applied by a rating agency;
- proposed legal proceedings against or by Ten Sixty Four;
- regulatory action or investigations undertaken by a government authority; and
- information that is being withheld in accordance with the exception to the continuous disclosure requirements in ASX Listing Rule 3.1A.

## **2.6 Dealings in other companies**

Dealings in Securities of other entities associated with or connected with Ten Sixty Four (such as Ten Sixty Four's customers or joint venture partners, if applicable) where a person possesses inside information in relation to that other company may also be caught by the insider trading prohibitions. For example, where you are aware that Ten Sixty Four is about to sign a major agreement with another company, you should not buy or sell Securities in either Ten Sixty Four or the other company.

## **2.7 Consequences of insider trading**

A person who commits a breach of the insider trading provisions could be subject to criminal liability (substantial fines and/or imprisonment may be imposed) or civil liability (substantial pecuniary penalties can be imposed). In addition, a person who contravenes or is involved in a contravention of these provisions may be liable to compensate any person who suffers loss or damage because of the conduct.

Such conduct would also prompt disciplinary action by Ten Sixty Four, which may include termination of employment.

## **3. ADDITIONAL TRADING RESTRICTIONS**

This Policy imposes trading restrictions on Designated Persons in addition to the insider trading prohibitions imposed by the Corporations Act. At all times, these insider trading prohibitions continue to apply to Designated Persons; compliance with these additional trading restrictions in this paragraph 3 does not necessarily constitute compliance with the insider trading prohibitions.

### **3.1 Reasons for additional restrictions**

Designated Persons are in positions where it may be assumed that they may come into possession of inside information and, as a result, any trading by Designated Persons may embarrass or reflect badly on them or on Ten Sixty Four (even if a Designated Person has no actual inside information at the time).

This additional restrictions imposed by this Policy are designed to avoid the possibility that misconceptions, misunderstandings or suspicions might arise.

### 3.2 Dealings by Designated Persons

- (a) At all times, Designated Persons must receive prior approval for any proposed Dealing in Ten Sixty Four's Securities from the following persons (the **Relevant Approver**):
  - (i) in relation to a proposed Dealing by the Chief Executive Officer or the Managing Director (if the roles are held by different people) – from the Chairman; and
  - (ii) in relation to a proposed Dealing by the Chairman, the Company Secretary or by all other Designated Persons – from the Chief Executive Officer or the Managing Director.
- (b) Designated Persons must receive prior written approval for any proposed Dealing in Ten Sixty Four's Securities by:
  - (i) notifying the Relevant Approver (in writing) of their intent to Deal in Ten Sixty Four Securities;
  - (ii) confirming that they are not aware of any price sensitive inside information; and
  - (iii) receiving written approval from the Relevant Approver prior to undertaking the proposed Dealing.
- (c) If approval is given, the Designated Person must Deal as soon as possible and, in any event, within two business days after receiving approval. Further notification and approval will be required if the proposed Dealing does not occur within the relevant approval period.
- (d) Where a Designated Person has been granted approval to Deal in Ten Sixty Four Securities, they must provide the Chief Executive Officer or the Company Secretary with the following information, within three business days of consummating a trade:
  - (i) the name of the party who was Dealing in Ten Sixty Four's Securities;
  - (ii) whether the interest in those Securities were held directly or indirectly;
  - (iii) the date of the Dealing;
  - (iv) the number of Securities that were the subject of the Dealing;
  - (v) the amount of monies paid or received as a result of the Dealing; and
  - (vi) the number of Securities held directly or indirectly, before and after the Dealing.

### 3.3 Prohibited periods for Designated Persons

- (a) The following periods are **Closed Periods** for the purposes of this Policy:
  - (i) the period of 60 days immediately preceding announcement of Ten Sixty Four's annual results (including preliminary annual results), or if shorter, the period from the end of the relevant financial year up to and including the time of the announcement;

- (ii) the period from the end of the relevant half year financial period up to and including the time of the announcement of Ten Sixty Four's half-yearly results; and
  - (iii) the period of 30 days immediately preceding the announcement of Ten Sixty Four's quarterly results or, if shorter, the period from end of the relevant quarter up to and including the time of the quarterly results announcement.
- (b) Unless approval is provided under paragraph 3.4, Designated Persons will not be given prior approval to Deal in Ten Sixty Four Securities during the following periods:
- (i) Closed Periods; and
  - (ii) any additional periods determined by the Board in circumstances where Ten Sixty Four is considering matters which are subject to the exception in ASX Listing Rule 3.1A,
- (each a **Prohibited Period**).

### 3.4 Approvals during Prohibited Periods

- (a) The Relevant Approver may give a Designated Person approval to Deal in Ten Sixty Four Securities during a Prohibited Period, but only where:
- (i) the Designated Person:
    - (A) advises the Relevant Approver in writing of their request to Deal in Ten Sixty Four Securities and the reasons for needing to do so during a Prohibited Period; and
    - (B) confirms in writing that they are not in possession of price sensitive inside information; and
  - (ii) the Relevant Approver is satisfied that the Designated Person is in severe financial hardship or exceptional circumstances exist, and provides written approval to the Designated Person.
- (b) A Designated Person would be in severe financial hardship if they had a pressing financial commitment that cannot be satisfied by other means.
- (c) A tax liability would not normally constitute severe financial hardship unless the person had no other means of satisfying the liability. A person's need to satisfy a tax liability arising from equity incentives connected with Ten Sixty Four would not normally be considered an exceptional circumstance.
- (d) Exceptional circumstances would exist if:
- (i) a Designated Person was required by a court order, or there were court enforceable undertakings (eg in a bona fide family settlement) or some other overriding legal or regulatory requirement, to Deal in Ten Sixty Four Securities; or
  - (ii) the Board, in its discretion, deems such circumstances to be exceptional.
- (e) If approval is given to Deal during a Prohibited Period, the Designated Person must ordinarily Deal as soon as possible and, in any event, within two business days after receiving approval (unless otherwise approved by the Relevant Approver). Further

notification and approval will be required if the proposed dealing does not occur within the relevant approval period.

- (f) Where a Designated Person has been granted approval to deal in Ten Sixty Four Securities during a Prohibited Period, they must provide the Chief Executive Officer or the Company Secretary with the information required under paragraph 3.2(d) of this Policy, within three business days of consummating a trade.

### **3.5 Restrictions on margin loans**

Margin lending poses special risks to the compliance of Designated Persons with this Policy, particularly where the terms of the margin lending arrangements may place the Designated Person in a position of conflict with their obligations under this Policy and/or with the insider trading laws (for example, if a call is made under the arrangements, which results in Ten Sixty Four Securities being sold while the Designated Person possesses inside information).

Without prior approval in the manner set out in paragraph 3.2 or 3.4 (as the case may be), Designated Persons must not enter into agreements that provide lenders with rights over their interests in Ten Sixty Four Securities (eg for the disposal of Ten Sixty Four shares or options that is the result of a secured lender exercising their rights under a margin lending arrangement).

### **3.6 Short term Dealings**

In addition to the trading restrictions set out in this Policy, Designated Persons must not:

- (a) engage in active trading of Ten Sixty Four's Securities with a view to deriving profit related income;
- (b) enter into any other short term Dealings (for example, forward contracts) or for speculative trading gain; and
- (c) deal in financial products issued or created over or in respect of Ten Sixty Four Securities (eg hedges or derivatives) which have the effect of reducing or eliminating the risk associated with any equity incentives that Ten Sixty Four may offer from time to time (for example, a person may be granted an equity incentive award that vests at a time in the future subject to achieving certain performance goals; certain financial institutions offer products which act as an insurance policy if the performance goals are not met, thereby reducing the "at-risk" element of the person's incentive arrangements),

except with the Designated Person's prior written approval which may only be provided in exceptional circumstances (as set out in paragraph 3.4).

### **3.7 Restrictions applicable to Connected Persons**

Designated Persons must take steps to ensure that their Connected Persons (including immediate family members of the Designated Person and any trusts, companies and other entities that the Designated Person controls) understand and will act in accordance with the terms of this Policy in relation to Ten Sixty Four Securities.

This means that each Designated Person must:

- (a) request their Connected Persons to observe the notification and approval procedure outlined in paragraph 3.2 or 3.4 by giving the Designated Person the information necessary for the Designated Person to lodge notices and requests in respect of the Connected Person's Dealings in Ten Sixty Four Securities;

- (b) take reasonable steps to ensure that their Connected Persons do not engage in short-term Dealings with Ten Sixty Four Securities; and
- (c) take reasonable steps to ensure that their Connected Persons do not Deal in Ten Sixty Four Securities during an applicable Prohibited Period or at any other time when the Designated Person would not themselves be permitted to Deal in Ten Sixty Four Securities under this Policy.

#### 4. EXEMPTIONS FROM TRADING RESTRICTIONS

The trading restrictions imposed on Designated Persons under this Policy (aside from the insider trading restrictions) do not apply in the following circumstances:

- (a) where trading results in no change in beneficial interest in the Securities (such as transfers of Securities of Ten Sixty Four already held in a superannuation fund or other saving scheme in which the Designated Person is a beneficiary);
- (b) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the Securities of Ten Sixty Four) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (c) where the Designated Person is a trustee, trading in the Securities of Ten Sixty Four by that trust provided the Designated 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 Designated Person;
- (d) undertakings to accept, or the acceptance of, a takeover offer;
- (e) trading under an offer or invitation made to all or most of the Ten Sixty Four 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. This exemption 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;
- (f) a disposal of Ten Sixty Four Securities that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement, subject to the Designated Person having received prior written clearance for the original financing arrangement as set out in paragraph 3.5;
- (g) 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;
- (h) the automatic conversion of a performance right over an ordinary share on the satisfaction of any vesting conditions (but not the sale of shares following the conversion); and
- (i) trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with the procedures set out in this Policy and where:
  - (i) the Designated Person did not enter into the plan or amend the plan during a Prohibited Period;
  - (ii) the trading plan does not permit the Designated Person to exercise any influence or discretion over how, when or whether to trade.

A Designated Person must not cancel a trading plan unless clearance has first been given in accordance with paragraph 3.2 for its cancellation. If cancellation is to occur during a Prohibited Period, approval must be obtained under paragraph 3.4.

## 5. DISCLOSURE TO ASX

The ASX Listing Rules require this Policy to be disclosed to ASX. Where Ten Sixty Four makes a material change to this Policy, the amended policy must be provided to ASX within five business days of the material changes taking effect.

In addition, if a change to a notifiable interest of a Ten Sixty Four director occurs during a Closed Period, Ten Sixty Four must tell ASX (in its Appendix 3Y filing) that this is the case, whether prior written clearance for the relevant Dealing was provided and the date of such clearance.

## 6. DEFINITIONS

For the purposes of this Policy:

**Deal or Dealing** includes, in relation to Securities:

- (a) an acquisition or disposal of the Securities;
- (b) the entry into a derivative in relation to the Securities;
- (c) the grant, acceptance, acquisition, disposal or exercise of an option to acquire or dispose of the Securities;
- (d) the use of the Securities as security or the grant of any encumbrance over the Securities;
- (e) the engagement in any other transaction involving a beneficial interest or a change in beneficial ownership of the Securities; or
- (f) the entry into any agreement to do any of the above things.

**Connected Person** means, in relation to a Designated Person:

- (a) a family member of that Designated Person who may be expected to influence, or be influenced by, that Designated Person in his or her Dealings with Ten Sixty Four Securities (this may include that Designated Person's partner and children (under the age of 18 years) or dependants of that Designated Person);
- (b) a business partner of that Designated Person;
- (c) a trustee where the beneficiaries of the trust include that Designated Person or a family member (referred to in sub-paragraph (a) above); and
- (d) any other entity in respect of which that Designated Person has an ability to control.

**Designated Persons** means:

- (a) the directors of Ten Sixty Four; and
- (b) those other persons having authority and responsibility for planning, directing and controlling the activities of Ten Sixty Four, directly or indirectly; and

- (c) any person who is notified in writing by the Board or the Company Secretary to be a Designated Person for the purposes of this Policy from time to time (eg persons involved in a special price sensitive project).

**Securities** means:

- (a) ordinary shares;
- (b) preference shares;
- (c) options;
- (d) performance rights over ordinary shares
- (e) debentures or debt securities;
- (f) convertible notes; and
- (g) financial products relating to securities issued by Ten Sixty Four (for example, warrant contracts and other derivative products relating to the securities).

## **7. BREACHES OF THIS POLICY**

Strict compliance with this Policy is a condition of employment. Breaches of this Policy may result in disciplinary action, which may include termination of employment in certain cases.

## **8. WHO TO CONTACT**

If you are in any doubt regarding your proposed Dealing in Ten Sixty Four securities, or would like further information or have a question with respect to this Policy, you should contact the Company Secretary.