



# Securities Trading Policy



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## 1. BACKGROUND

This Policy sets out the restrictions on Directors and Employees dealing in the Securities of Syrah Resources Limited (Syrah or the Company) shares on the Australian Securities Exchange and the Securities of other entities, for example entities with which Syrah may have business dealings. Where summaries of complex legal provisions are provided, the Policy is to be used only for general guidance, not as legal advice.

The principal insider trading prohibition is section 1043A of the Corporations Act 2001. Subject to limited exceptions, it prohibits a person (insider) who has Inside Information relating to Company Securities or the quoted Securities of another entity from:

- a) dealing in relevant Securities;
- b) procuring another person to do so; or
- c) communicating, directly or not, Inside Information to someone else when the insider knows, or ought reasonably to know, that the other person would or is likely to:
  - i. deal in relevant Securities; or
  - ii. procure another person to do so

It does not matter how the insider received the information. Insider trading is a criminal offence, punishable by substantial fines, imprisonment or both. The Company may also be liable if a Designated Officer or Employee engages in insider trading.

Insider trading may also attract civil penalties. A court may impose substantial pecuniary penalties, and order compensation paid to persons suffering related loss or damage

## 2. PURPOSE

- a) The Securities of the Company are quoted on ASX and this policy outlines: when Designated Officers, Employees and Associates must not Deal in Company Securities;
- b) when Designated Officers, Employees and Associates must not Deal in quoted Securities of another entity; and
- c) certain limited exceptions.

## 3. WHAT IS INSIDER INFORMATION?

3.1. Inside Information is information that:

- a) is not generally available; and
- b) if it were generally available, would, or would be likely to, influence persons who normally invest in securities in deciding whether to acquire or dispose of the relevant securities.

3.2. Information is generally available if it:

- a) is readily observable;

- b) has been made known in a way that is likely to bring it to the attention of persons who normally invest in the relevant type of securities, and a reasonable time for the information to be circulated has since passed; or
  - c) consists of deductions, conclusions or inferences drawn from information that has been made known in that way or is readily observable.
- 3.3. Inside Information is also called 'material price-sensitive information'. It need not relate only to the Company. It could also be information about a customer, or supplier of the Company, or a party with whom the Company is discussing future opportunities or negotiating a significant transaction.
- 3.4. Material price sensitive information is Inside Information even if it does not trigger a disclosure obligation under the continuous disclosure regime.

#### 4. WHAT IS DEALING IN SECURITIES?

##### 4.1. Dealing in Securities includes:

- a) applying for, acquiring or disposing of, Securities;
- b) entering into an agreement to do so; or
- c) granting, accepting, acquiring, disposing, exercising or discharging an option or other right or obligation to acquire or dispose of Securities.

##### 4.2. Dealing in Company Securities can include, but is not limited to:

- a) buying or selling Company Securities by way of an on-market or off-market transaction;
- b) granting, acquiring or disposing of a beneficial interest in Company Securities, such as through a trust that holds Company Securities;
- c) applying for, acquiring or exercising options or rights over Company Securities;
- d) acquiring Company Securities (or an interest in them) under any employee share plan operated by the Company;
- e) accepting, or taking up entitlements under, a dividend reinvestment plan, rights issue, bonus issue, share purchase plan or any other offer of Securities made by the Company;
- f) accepting an offer under a takeover bid for Company Securities;
- g) entering into a Derivative; and
- h) agreeing to do any of the above things.

## 5. WHEN DIRECTORS, EMPLOYEES OR THEIR ASSOCIATES MUST NOT DEAL

Directors or Employees, and their Associates, must not, in any circumstances, Deal or procure another person to Deal in Company Securities or quoted Securities of another entity if they have Inside Information in relation to Company Securities or Securities relating to that other entity.

## 6. CLOSED PERIODS FOR DESIGNATED OFFICERS AND THEIR ASSOCIATES

- 6.1. A Designated Officer or their Associate must not Deal or procure another person to Deal in Company Securities during any of the following Closed Periods:
- a) each period commencing on the first Business Day of the month in which the Company's quarterly activities reports will be released and ending on the first Business Day after the release of the quarterly activities report; and
  - b) any additional period that the Board may specify from time to time.
- 6.2. The Closed Period trading prohibition does not limit any other obligations of Designated Officers prescribed by this policy.
- 6.3. The Closed Period may be overridden with full Board approval or as set out in section 11.
- 6.4. To avoid doubt, the Closed Period does not apply to Employees who are not Designated Officers, and their Associates.

## 7. NOTIFICATION OF CLOSED PERIODS

The Company Secretary will endeavor to notify Designated Officers of the beginning and end of Closed Periods.

## 8. PERMITTED DEALINGS

- 8.1. The following types of Dealings are excluded from section 6 of this Policy and may be undertaken at any time without requiring prior notification, approval or confirmation of Dealing, subject always to the insider trading prohibitions:
- a) (Security purchase plans and dividend reinvestment plans): dealing in Company Securities under an offer or invitation made by the Company to all or most of its ordinary shareholders – such as an offer or invitation under a rights issue, bonus issue, share purchase plan, dividend reinvestment plan, equal access buy-back or in lieu of a cash dividend (and including, without limitation, decisions relating to whether or not to take up entitlements, and the sale of entitlements required to provide for the take-up of the balance of entitlements, under a renounceable rights issue) – or under an equal reduction of capital undertaken by the Company;
  - b) (Takeovers) undertaking to accept, or accepting, an offer for Company Securities made under a takeover bid or disposing of Company Securities under a court-approved compromise or arrangement under Part 5.1 of the Corporations Act;

- c) (Third parties) dealing in units of or interests in, a fund or other scheme (other than a scheme investing primarily in Company Securities) whereby the assets of that fund or scheme are invested at a third party's sole discretion;
- d) (Beneficiary under a trust) where the Designated Officer or his or her Associate is the trustee of a trust, Dealing in Company Securities by that trust provided that neither the Designated Officer nor any Associate is a beneficiary of the trust and any decision to trade during a prohibited period is taken entirely independently of the Designated Officer or his or her Associate;
- e) (Change in trustee) disposal of Company Securities effected by a change in the trustee of a trust;
- f) (Employee Share Plan) accepting an offer to acquire Company Securities, or acquiring Company Securities, under any employee share plan that the Board from time to time determines is a plan to which this section 8.1 applies;
- g) (Options or rights exercise under Employee Share Plan) the exercise (but not the sale of Company Securities following exercise) of an option or right under an employee share plan, or the conversion of a convertible security, where the final date for exercise or conversion falls during a Closed Period and the Designated Officer could not reasonably have been expected to exercise it at a time outside the Closed Period;
- h) (Beneficial holdings) an off-market transaction involving the transfer or other disposal of Company Securities between a Designated Officer or Associate and any of the following:
  - i. an Associate of the relevant Designated Officer (or, in the case of an Associate, the Designated Officer);
  - ii. a company, trust or other entity over which the relevant Designated Officer or Associate of that Designated Officer has control or significant influence (whether alone or jointly with any of their close Associates); or
  - iii. a superannuation fund or other pension or saving scheme in which the relevant Designated Officer or an Associate of that Designated Officer is a beneficiary.

## 9. NOTIFICATION AND CLEARANCE FOR DESIGNATED OFFICERS – OUTSIDE CLOSED PERIODS

- 9.1. If a Designated Officer (or his/her Associate) proposes to Deal in Company Securities outside a Closed Period, he or she must, prior to such Dealing, provide written notice of his or her intention to the Clearance Officer, including details set out in section 11.4.
- 9.2. A Designated Officer (or his/her Associate) must not Deal in Company Securities unless s/he receives written Clearance from the Clearance Officer following receipt of the notice under section 9.1 (provided that such Clearance will last only for 10 days) and subject always to the insider trading prohibition.
- 9.3. After any Dealing, the Designated Officer must immediately provide the Clearance Officer with a transaction confirmation setting out the details of the Dealing.

## 10. EXCEPTIONAL CIRCUMSTANCES

In exceptional circumstances, the Clearance Officer may give a Clearance to a Designated Officer to Deal in Company Securities during a Closed Period or a Dealing that would otherwise breach section 15(b) of this Policy. Exceptional circumstances may include:

- a) if a person is required by court order, or enforceable undertaking (e.g. in a bona fide family settlement) to transfer or sell Company Securities or there is another overriding legal requirement to do so; or
- b) if a person has a pressing financial commitment that cannot otherwise be satisfied and all reasonable alternatives have been investigated.

## 11. CLEARANCE OFFICERS AND CLEARANCE PROCEDURES

11.1. A Clearance Officer may delegate his or her authority in writing to an appropriate person in the event of illness or absence, provided that person is not a member of the class for which he or she is the Clearance Officer.

11.2. The Clearance Officer has discretion to determine that circumstances other than in section 10 nevertheless warrant Clearance.

11.3. Clearance will not be given if there is reason to believe that the proposed Dealing breaches the insider trading prohibitions.

11.4. A request for Clearance must:

- a) be in writing and given by hand or email to the Clearance Officer prior to the proposed disposal of Company Securities;
- b) set out the number of Company Securities proposed to be disposed of, and whether the proposed transaction will be on-market or off-market; and
- c) include:
  - i. sufficient information to demonstrate exceptional circumstances (if applicable); and
  - ii. a declaration that the applicant does not believe they have any Inside Information (in all cases).

11.5. The Clearance Officer must:

- a) keep a written record of:
  - i. any information or request received in connection with this Policy; and
  - ii. any Clearance given; and
- b) send a copy of that record to the Company Secretary for keeping.

11.6. The Company Secretary must keep a file of all Clearance requests and Clearances given.

11.7. A Clearance:



(a) must be in writing and may be given by hand or emailed;

(b) lapses immediately if the applicant acquires Inside Information.

11.8. A Clearance is not an endorsement. Designated Officers, Employees and Associates remain responsible for their compliance with this policy and the Corporations Act.

## 12. DEALINGS BY AN ASSOCIATE

12.1. If a Designated Officer may not Deal in Company Securities, he or she must prevent such Dealing by his or her Associate.

12.2. A Designated Officer must:

- a) inform any Associate of the periods during which the Designated Officer must not Deal in Company Securities;
- b) inform any Associate that he or she must not Deal in Company Securities on a speculative basis; and
- c) request any Associate to inform the Designated Officer immediately after Dealing in Company Securities.

12.3. A Designated Officer does not have to comply with section 12.1 and 12.2 to the extent that compliance would breach his or her obligation of confidence to the Group.

## 13. COMMUNICATING INSIDE INFORMATION

13.1. A Designated Officer, Employee or Associate must not directly or indirectly communicate Inside Information in relation to Company Securities or quoted Securities relating to another entity, if he or she knows, or ought reasonably to know, that the other person would be likely to:

- a) Deal in relevant Securities; or
- b) procure another person to so Deal.

13.2. The provisions of section 13 do not limit, and are additional to, other duties of confidentiality.

## 14. NOTICE OF CHANGE IN DIRECTOR'S INTEREST

14.1. If a Designated Officer is a director, he or she must ensure that an Appendix 3Y Change of Directors' Interest Notice is completed (including the disclosures required by Part 3 of that document titled: 'Closed Period') and provided to the Company's Company Secretary within two business days after the commencement of any Dealing in Company Securities.

14.2. The Company Secretary must provide the Appendix 3Y notice to ASX within five business days after the transaction's commencement.



## 15. SPECULATIVE DEALING AND SHORT SELLING

A Designated Officer must not:

- a) enter into instruments or transactions to borrow and sell Company Securities with the intention of buying Company Securities back at a later date (i.e. short selling); or
- b) subject to section 10, engage in Speculative Trading. For the avoidance of doubt, the exercise or sale of Company Securities that were issued to a Designated Officer under a Company equity incentive plan within three months of issue, does not constitute Speculative Trading.

## 16. DERIVATIVES

16.1. The Company may grant Securities to its employees as part of their remuneration entitlements. These grants will usually be subject to the satisfaction of performance hurdles before they vest in the Employee or Designated Officer. The use of Derivatives over unvested Company Securities may allow value to be realised from those Securities even if performance hurdles have not been met. This would break the intended connection between staff performance and shareholder best interests.

16.2. Accordingly, Employees and Designated Officers are not permitted to use Derivatives in relation to any unvested Company Securities in a way that would have the effect of providing greater benefit than would otherwise have been realised by the Employee or Designated Officer in respect of the unvested Company Securities.

16.3. Employees and Designated Officers may use Derivatives in relation to vested Company Securities, provided any Dealing complies with the balance of this policy.

## 17. MARGIN LOANS

17.1. Margin loans to support an investment in Company Securities can compromise compliance with this Policy, as the loan's terms may compel the sale of Company Securities during a Closed Period or when the Employee or Designated Officer has relevant Inside Information.

17.2. Employees and Designated Officers are prohibited from entering into margin loan arrangements to fund the acquisition of Company Securities or in relation to which Company Securities may be used as security against loan repayment.

## 18. BREACH

A breach of this policy is serious and may lead to disciplinary action, up to and including dismissal.

## 19. ASSISTANCE AND ADDITIONAL INFORMATION

Anyone who has information that he or she considers might be Inside Information and is unsure whether he or she can Deal in Company Securities or Securities of another quoted entity should contact his or her Clearance Officer for assistance and additional information.

## 20. DISTRIBUTION

This policy must be distributed to all Employees and Designated Officers.

## 21. AMENDMENT

21.1. Amendments to this policy not of a purely administrative nature must be approved by the Board.

21.2. Amendments to this policy that relate to:

- a) Closed Periods; or
- b) exclusions from its operation; or
- c) exceptional circumstances in which trading may be permitted during a Closed Period; or
- d) are otherwise material,

must be given to ASX by the Company Secretary for release to the market.

## 22. DEFINITIONS

In this policy, capitalized terms have the following meaning:

**Associate** means someone that a Designated Officer or Employee (the Principal) can be regarded as having investment control or influence over, including:

- a) a family member of the Principal (including a child);
- b) a nominee of the Principal (including an investment manager managing funds on the Principal's behalf);
- c) a trust of which the Principal, or any family member, or any family-controlled company is the trustee or beneficiary;
- d) a person in partnership with the Principal or a connected person mentioned above; and
- e) a company that the Principal controls.

**ASX** means ASX Limited or the financial market operated by it, as the context requires.

**Board** means the board of Directors of the Company.

**Business Day** means a day that is not a Saturday, Sunday or public holiday in the State of Victoria, Australia.

**Clearance** means permission given to a Designated Officer, Employee, or Associate to Deal in Company Securities in circumstances otherwise prohibited by this policy.

**Clearance Officer** means

- a) for an Employee, the Company Secretary;
- b) for a Designated Officer who is not a director, the Company Secretary;
- c) for a Director (except the Chairperson of the Board), the Chairperson of the Board and the Company Secretary;
- d) for the Chief Legal Officer & Company Secretary, the Chairperson of the Board and the Chief Executive Officer;
- e) for the Chairperson of the Board, the Chief Executive Officer and the Company Secretary; and
- f) for an Associate, the Clearance Officer of his or her Principal.

**Company Securities** include Securities and Derivatives of the Company.

**Corporations Act** means the Corporations Act 2001 (Cth), as amended or modified from time to time.

**Dealing** has the meaning given in Section 4, and Deal has a corresponding meaning.

**Derivatives** has the meaning given in the Corporations Act and includes the following if they relate to or derive their value from Company Securities: put or call options, forward contracts, futures, warrants, depositary receipts, structured financial products, swaps, contracts for difference, spread bets, caps and collars, and any other hedging or investment arrangement.

**Designated Officer** means any director of the Company, each other person with authority and responsibility, whether direct or not, for the planning, direction and control of the Company's activities (Key Management Personnel), all direct reports to Key Management Personnel and all other Employees nominated by the Company Secretary and notified in writing.

**Employee** is deemed to include, in addition to Group employees, all independent contractors to the Group.

**Group** means the Company and its controlled entities.

**Inside Information** has the meaning given in Section 3.

**Securities** include shares (including but not limited to ordinary and preference shares), debentures, any legal or equitable right or interest in shares or debentures, options, performance rights, convertible notes, Derivatives, interests in managed investment schemes and other financial products.

**Speculative Trading** means buying and selling Company Securities within a three month period.

Syrah Resources Limited			
<b>Title</b>	Securities Trading Policy		
<b>Document No.</b>	SYR-POL- Securities Trading Policy	<b>Revision</b>	2.0
<b>Document Status</b>		<b>Language</b>	English
<b>Last Review</b>	22 February 2019	<b>Next Review</b>	22 February 2021
<b>Level of Confidentiality</b>			

This Revision	
<b>Author (s)</b>	Jennifer Currie
<b>Authorised Reviewers</b>	
<b>Authorised Approver</b>	Board of Directors
<b>Document Control</b>	

Revision History						
Author (s)	Reviewer (s)	Approver	Revision Number	Status	Revision Date	Description