

## Introduction

In order to preserve the reputation and integrity of Pacific Bauxite Limited (**Pacific Bauxite or Company**), the Directors of the Company have implemented this policy as a guide in the Company's securities.

In summary this policy states that senior management or their associates should:

- not trade in the Company's securities while in possession of inside information;
- notify the chairman of their trading in the Company's securities; and
- not trade in the Company's securities during period's set out as restricted.

## Corporations Act Insider Trading Provisions

A person must not deal in the securities of the Company when in possession of information the person knows, or ought reasonably to know:

- is not generally available, including information the Company has not disclosed to the market; and
- might have a material effect on the price of those securities if it was generally available.

This prohibition extends to procuring another person to deal in those securities, extends to communicating the inside information to another person, if the person knows, or ought reasonably to know, that the other person would, or would be likely to deal in the securities of the Company or procure another person to deal in the securities of the Company.

The Corporations Act 2001 imposes severe penalties, both criminal and civil, on persons who conduct insider trading activities.

## Confidentiality and Insider Information

A person in possession of inside information concerning the Company has a duty to keep the information confidential and must not communicate or disclose the information to any other person.

## Senior Management

Senior management of the Company for the purposes of this policy is:

- the Board;
- the Chief Executive Officer or any other senior executives;
- the company secretary; and
- the group accountants and their employees.

The senior management of the Company are subject to trading restrictions at certain times during the year. This policy also applies to any

employee who in the course of their employment may be exposed to inside information.

## Associated Parties

Each member of senior management is responsible for ensuring that their associates, being immediate family, including spouse, children, parents, brothers and sisters, comply with the trading restrictions set out in this policy.

## Trading Restrictions

In addition to the provision in this policy regarding trading while in possession of inside information senior management and their associates are restricted from trading by this policy at the following times during the year:

- Two weeks prior to the release to the ASX of the preliminary financial report for the year end;
- Two weeks prior to the release to the ASX of the half year financial report;
- One week prior to the release to the ASX of the quarterly reports;
- Two weeks prior to any general meeting of shareholders held by the Company and at no time after such meeting until the results of the meeting have been released to the ASX; and
- a period of two business days following the release to the ASX of any announcement deemed by the ASX to be price sensitive.

## Board Discretion

The board of the Company has the absolute discretion to place a trading restriction on the senior management and their associates of the company at any time during the year they deem necessary. Reasons for any trading restriction where this discretion is exercised should be included in the minutes of the meeting at which it occurs.

## Exemption to trading in a Restricted Period

The board may in exceptional circumstances only, approve trading in a restricted period by a member of senior management or their associated parties. An exemption may be granted in periods of financial hardship or pressing financial commitments which cannot be satisfied by other means. An application to the board for an exemption, detailing the reasons for the application, should be included in the minutes of the meeting at which it is made.

Approval or rejection of the application should also be included in the minutes detailing reasons for acceptance or rejection. Exemptions will not be granted by the board if it considers there is

information not generally available which, if it were is likely to have a significantly material effect on the price of the Company's securities. Each application will be assessed on a case by case basis.

#### **Notification of trading in the Company's Securities**

Senior management or their associates are required to notify the Chairman no more than one day after any dealings in the Company's securities in writing by providing the following information:

- name of security holder;
- date of trade;
- type of transaction; and
- number of securities involved
- price per security

The chairman will then instruct the Company Secretary to complete the required disclosure to the ASX.

#### **Review of Policy**

The Board shall review this Policy as required.

This Policy was approved by the Board of the Company on 26 September 2019.