

## **Baraka Energy & Resources Limited Securities Trading Policy Adopted October 2017**

### **INTRODUCTION**

Baraka Energy & Resources Limited (**BKP**) is committed to ensuring that public confidence is maintained in BKP, its personnel and the trading of its securities.

The purpose of this policy is to assist BKP's Key Management Personnel (**KMP**) to comply with their legal obligations relating to dealings in securities while they are in possession of non-public, price sensitive information.

BKP has determined that its KMP are its directors and senior management who have authority and responsibility for planning, directing and controlling its activities.

The purpose of these guidelines is to assist the KMP to avoid conduct known as 'insider trading'. In some respects, BKP's policy extends beyond the strict requirements of the *Corporations Act 2001 (Cth)* (**Corporations Act**).

### **GENERAL RULE**

You should not buy or sell securities in BKP when you are in possession of price sensitive information relating to BKP that is not generally available to the market. The insider trading provisions of the *Corporations Act* prohibit you from:

- (a) buying, selling or dealing in BKP securities;
- (b) advising, procuring or encouraging another person to buy, sell or deal in BKP securities; and
- (c) passing on information to another person, where that person knows or ought reasonably to know that the person may use this information to buy, sell or deal in BKP securities.

### **INFORMATION HOWEVER OBTAINED**

It does not matter how or where you obtain the information, the information does not have to be obtained from BKP to constitute inside information.

### **WHAT CONSTITUTES PRICE SENSITIVE INFORMATION?**

The following are possible but not exclusive examples of price sensitive information which, if it has not already been disclosed to the market and if it were made available to the market, may be likely to affect materially the price of the BKP's securities:

- (a) BKP considering a major acquisition or disposal of assets;
- (b) the threat of major litigation against BKP;

- (c) BKP's financial results materially exceeding (or falling short of) the market's expectations;
- (d) a material change in debt, liquidity or cash flow;
- (e) a significant new development proposal;
- (f) the likely granting (or loss) of a major contract or government approval;
- (g) a management or business restricting proposal;
- (h) a proposed dividend or change in dividend policy;
- (i) a proposed new share issue; or
- (j) a significant change in senior management.

## **DEALING THROUGH THIRD PARTIES**

The insider trading prohibition extends to dealings by individuals through nominees, agents or other associates, such as family members, family trusts and family companies.

## **EMPLOYEE SHARE SCHEMES**

The prohibition does not apply to acquisitions of shares or options by employees made under employee share or option schemes, nor does it apply to the acquisition of shares as a result of the exercise of options under an employee option scheme. However, the prohibition does apply to the sale of shares acquired under an employee share scheme and also to the sale of shares acquired following the exercise of an option granted under an employee option scheme.

## **NO SHORT TERM TRADING IN BKP SECURITIES**

KMP should never engage in short-term trading of the BKP's securities except for the exercise of options where the shares will be sold shortly thereafter.

## **SAFEST TIMES TO DEAL IN BKP SECURITIES**

The only appropriate time for you to acquire or sell BKP shares is when you are not in possession of price sensitive information that is not generally available to the market, and when BKP is not trading during 'Closed periods' and 'Prohibited Periods'.

## **DIRECTORS AND SENIOR MANAGEMENT - CLOSED PERIODS**

Directors and senior management must also not, except in exceptional circumstances, deal in BKP securities during the week immediately before or 48 hours after:

- (a) the release of BKP half-yearly or yearly results;
- (b) the release of BKP quarterly results; or
- (c) the Annual General Meeting,



(together, the **Closed Periods**).

Directors and employees must also not, except in exceptional circumstances, deal in BKP securities during the week immediately before or 48 hours after:

- (a) the date of the Board meeting for the approval of BKP's interim or annual results; or
- (b) the deadline for BKP to publish its annual results announcement.

BKP may at its discretion vary this rule in relation to a particular Closed Period by general announcement to all KMP either before or during the Closed Periods. However, if a KMP is in possession of price sensitive information which is not generally available to the market, then he or she must not deal in BKP securities at any time.

## **DIRECTORS AND SENIOR MANAGEMENT - PROHIBITION PERIODS**

These periods include the Closed Periods as well as, where there is price sensitive information that has not been released to the ASX as the result of Listing Rule 3.1A being in operation (**Prohibition Periods**). Examples include, where disclosure of information is forbidden by law, or where negotiations are incomplete, involve trade secrets, or concern information generated internally for the purposes of BKP.

## **SECURITIES IN OTHER COMPANIES**

Buying and selling securities of other companies with which BKP may be dealing is prohibited where an individual possesses information which is not generally available to the market and is 'price sensitive'. For example, where an individual is aware that BKP is about to sign a major agreement with another company, they should not buy securities in either BKP or the other company.

## **EXCEPTIONAL CIRCUMSTANCES**

Requests to trade during the closed periods may be considered in Exceptional Circumstances. In the case of KMP, approval will be required by the Chairman or from the directors of BKP (**Board**) where the Chairman makes such a request (**Designated Officer**).

Examples of exceptional circumstances that will generally be considered appropriate include:

- (a) severe financial hardship;
- (b) court order; or
- (c) regulatory requirement.

BKP recognises that it is difficult to be overly prescriptive as to what constitutes an Exceptional Circumstance. The current procedure is that a written request is made to the Board that describes the circumstances of the claim. The Board will determine whether a concession is appropriate on a case by case basis.



Any application for an exemption allowing the sale of BKP securities in a Closed Period based on exceptional circumstances must be made in writing and be accompanied by the relevant court and/or supporting legal documentation (where applicable).

Any exemption, if issued, will be in writing and shall contain a specified time period during which the sale of securities can be made.

## LIMITATION OF POLICY

This policy does not apply to the following trading examples:

- (d) acquire ordinary shares in BKP by conversion of securities giving a right of conversion to ordinary shares;
- (e) acquire BKP securities under a bonus issue made to all holders of securities of the same class;
- (f) acquire BKP securities under a dividend reinvestment, or top-up plan that is available to all holders of securities of the same class;
- (g) acquire, or agree to acquire or exercise options under an employee incentive scheme (as that term is defined in the ASX Listing Rules);
- (h) withdraw ordinary shares in BKP held on behalf of the KMP in an employee incentive scheme (as that term is defined in the ASX Listing Rules) where the withdrawal is permitted by the rules of that scheme;
- (i) acquire ordinary shares in BKP as a result of the exercise of options held under an employee option scheme;
- (j) transfer securities of BKP already held into a superannuation fund or other saving scheme in which the restricted person is a beneficiary;
- (k) make an investment in, or trade in units of, a fund or other scheme (other than a scheme only investing in the securities of BKP) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (l) where a restricted person is a trustee, trade in the securities of BKP 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;
- (m) undertake to accept, or accept, a takeover offer;
- (n) trade 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. This 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;

- (o) dispose of securities of BKP resulting from a secured lender exercising their rights, for example, under a margin lending arrangement;
- (p) exercise (but not sell securities following exercise) an option or a right under an employee incentive scheme, or convert 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 or BKP 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; or
- (q) trade under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this Policy.
- (r) In respect of any share or option plans adopted by BKP, it should be noted that it is not permissible to provide the exercise price of options by selling the shares acquired on the exercise of these options unless the sale of those shares occurs outside the Closed Periods, defined above.

Were this to occur at a time when the person possessed inside information, then the sale of BKP securities would be a breach of insider trading laws, even though the person's decision to sell was not influenced by the inside information that the person possessed and the person may not have made a profit on the sale. Where BKP securities are provided to a lender as security by way of mortgage or charge, a sale that occurs under that mortgage or charge as a consequence of default would not breach insider trading laws.

## **DISCLOSURE POLICY**

All directors and senior management are required to advise the Designated Officer of any intention to buy or sell BKP securities. The Company Secretary is required to advise the Chairman of his intention to buy or sell BKP securities.

This procedure should prevent potential embarrassment and adverse publicity relating to trading in BKP securities when, for example, there may be important corporate information (whether or not material in a legal context) not publicly released, or when projected financial results may deviate from market expectations.

## **APPROVAL REQUIREMENTS**

- (a) Any KMP wishing to buy, sell or exercise rights in relation to the Company's securities must obtain the prior written approval of the Designated Person before doing so.
- (b) If the Chairman wishes to buy, sell or exercise rights in relation to the Company's securities, the Chairman must obtain the prior approval of the Board before doing so.

## **APPROVALS TO BUY OR SELL SECURITIES**

- (a) All requests to buy or sell securities as referred must include the intended volume of securities to be purchased or sold and an estimated time frame for the sale or purchase.
- (b) Copies of written approvals must be forwarded to the Designated Officer prior to the approved purchase or sale transaction.



## **NOTIFICATION**

Subsequent to obtaining the approval noted above, any KMP who buys, sells, or exercises rights in relation to BKP securities must notify the Designated Officer in writing of the details of the transaction within two (2) business days of the transaction occurring. This notification obligation operates at all times and includes applications for acquisitions of shares or options by employees made under employee share or option schemes and also applies to the acquisition of shares as a result of the exercise of options under an employee option scheme.

## **KEY MANAGEMENT PERSONNEL SALES OF SECURITIES**

Key Management Personnel need to be mindful of the market perception associated with any sale of BKP securities and possibly the ability of the market to absorb the volume of shares being sold. With this in mind, the management of the sale of any significant volume of BKP securities (i.e. A volume that would represent a volume in excess of 10% of the total securities held by the seller prior to the sale, or a volume to be sold that would be in excess of 10% of the average daily traded volume of the shares of BKP on the ASX for the preceding 20 trading days) by a KMP needs to be discussed with the board and BKP's legal advisers prior to the execution of any sale. These discussions need to be documented in the form of a file note, to be retained by the Company Secretary.

## **ASX NOTIFICATION BY DIRECTORS**

Directors should note that the Corporations Act obliges a director to notify the ASX within 14 days after any dealing in BKP securities (either personally or through a third party) which results in a change in the relevant interests of the director in BKP securities. In addition, under the ASX Listing Rules BKP is required to notify the ASX:

- (a) of such dealings within 5 business days of such dealings taking place; and
- (b) whether the dealing occurred during a 'closed period' and if so, whether written clearance was obtained.

Directors have agreed with BKP to provide notice of such dealings to BKP as soon as possible after such dealing to enable BKP to comply with its obligations under the Listing Rules. A notice given by BKP to the ASX under the ASX Listing Rules satisfies the director's obligation to notify the ASX under the Corporations Act. Any director requiring assistance in this regard should contact BKP's Company Secretary.

