

# Securities Trading Policy

## 1. Introduction and Purpose

This Securities Trading Policy regulates Trading by Directors and Employees in the Securities of Tigers Realm Coal Limited (the "**Company**") or Securities of other companies.

For the purposes of this Policy, Employees is defined broadly to include employees of the Company or another entity in the TIG Group and employees of TRM.

**Directors and all Employees** must comply with the insider trading prohibitions of the Corporations Act. **Any person** who possesses inside information in relation to a company must not Trade in Securities of that company, regardless of the terms of this Policy or any written clearance given under this Policy in respect of Company Securities.

In addition to setting out general principles in relation to Trading in Securities applicable to all Directors and Employees of the Company and the TIG Group, this Policy recognises that there are specific periods when Directors and Restricted Employees should not Trade in Company Securities. This Policy also sets out procedures which apply to Trading in Company Securities by Directors and Restricted Employees.

For the purposes of this Policy, some Employees may meet the definition of Restricted Employees.

The purpose of this Policy is to assist Directors and Restricted Employees to comply with their obligations under the insider trading prohibitions of the Corporations Act and to protect the reputation of the Company, its Directors and Employees.

All Directors and Employees, particularly Restricted Employees, should read this Policy carefully and familiarise themselves with the requirements and procedures detailed in it.

Capitalised terms used in this Policy are defined in the Schedule.

If you have any questions about the Policy please contact the Company Secretary.

## 2. Outline of the insider trading prohibition

### 2.1 Conduct prohibited by law

Under the Corporations Act, if a person possesses "inside information" in relation to Securities of the Company or any other company, the person must not:

- (a) Deal in those Securities; or
- (b) Procure another person to Deal in those Securities; or

- (c) directly or indirectly communicate the information, or cause the information to be communicated, to another person if the person knows, or ought reasonably to know, that the other person would, or would be likely to, Deal in those Securities in any way or Procure a third person to Deal in those Securities.

Importantly, given the broad definition of "Procure", a person who Deals in Securities through a trust or company while in possession of inside information may contravene the insider trading prohibitions and this Policy.

## 2.2 **When a person possesses inside information**

A person possesses inside information in relation to Securities of the Company or another company where:

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

Directors and Employees must assume that information is generally available only if it has been announced to ASX.

A reasonable person would be taken to expect information to have a material effect on the price or value of Securities if the information would, or would be likely to, influence persons who commonly acquire Securities in deciding whether or not to acquire or dispose of the Securities.

## 2.3 **A person does not need to be an "insider"**

A person can possess inside information in respect of a company, even if they are not associated in any way with that company. It is irrelevant how the inside information was obtained.

## 2.4 **Penalties**

A person who Trades in Securities while they possess inside information or communicates that information in the circumstances described in paragraph 2.1(b) above may be liable for both significant civil and criminal penalties.

In addition, a breach of this Policy may lead to disciplinary action by the Company, including termination of employment with the Company.

## 3. **Examples of inside information**

The following items are examples of information which may be inside information in relation to the Company:

- (a) a change in financial forecasts or expectations;
- (b) a proposed dividend;
- (c) changes in the Board or senior executives;

- (d) pending ASX announcements;
- (e) proposed changes in capital structure, including issues of securities, rights issues, the redemption of Securities and capital reconstructions;
- (f) giving or receiving a notice of intention to make a takeover offer;
- (g) debt facilities and borrowings;
- (h) mergers, demergers, acquisitions and divestments;
- (i) significant changes in operations, strategy or proposed changes in the general character or nature of the business of the Company or its subsidiaries;
- (j) liquidity and cash flow information;
- (k) major or material purchases or sales of assets;
- (l) significant new contracts;
- (m) the likely discovery of a major ore body;
- (n) an entity proposing to buy, or a securityholder proposing to sell, a substantial number of Company Securities;
- (o) industry issues that may have a material impact on the Company;
- (p) significant litigation involving the Company;
- (q) allegations of any breach of the law or other regulatory requirements by the Company; and
- (r) decisions on significant issues affecting the Company by regulatory bodies in Australia or other relevant jurisdictions (such as the Australian Securities and Investments Commission or the Australian Competition and Consumer Commission).

This is not an exhaustive list.

#### **4. Restrictions on Trading - All Directors and all Employees**

##### **4.1 General principles**

Directors and Employees must comply with the following general principles in relation to Trading in Securities:

- (a) Directors and Employees must comply with the insider trading provisions of the Corporations Act at all times and must not Trade in Securities whilst in possession of inside information in respect of those in Securities.
- (b) Directors and Employees must not derive personal advantage from information which is not generally available and which has been obtained by reason of their connection with the Company.

#### 4.2 **Short term Trading - All Directors and Employees**

Directors and Employees must not engage in short term Trading of Company Securities.

In general, the acquisition of Securities with a view to resale within a 12 month period and the sale of Securities with a view to repurchase within a 12 month period would be considered to be transactions of a short term nature. However, the sale of shares in the Company immediately after they have been acquired through the conversion of a Security (e.g. exercise of an option) will not be regarded as short term Trading.

#### 4.3 **Securities of other companies**

Directors and Employees must not Trade in Securities of another company whilst in possession of inside information in respect of that company.

### 5. **Restrictions on Trading - Directors and Restricted Employees**

#### 5.1 **No Trading in Company Securities during Prohibited Periods**

Directors and Restricted Employees must not Trade in Company Securities during the following Prohibited Periods:

- (a) 31 days immediately before the release of the full year results until the day after the announcement of the Company's full year results to the ASX;
- (b) 31 days immediately before the release of the half yearly results until the day after the announcement of the Company's half yearly results to the ASX;
- (c) 14 days immediately before the release of each quarterly report until the day after such release to the ASX; and
- (d) any additional periods imposed by the Board from time to time.

However, even if a Prohibited Period is not operating, Directors and Restricted Employees must not Trade in Company Securities at that time if they are in possession of inside information.

#### 5.2 **Prior written clearance for Trading**

Directors and Restricted Employees must seek prior written clearance before undertaking **any** Trading in Company Securities.

This requirement applies to all Trading outside of a Prohibited Period and any Trading during a Prohibited Period which is subject to an exception in section 7 of this Policy. (The procedures for seeking prior written clearance to Trade during a Prohibited Period as a consequence of Exceptional Circumstances are set out in section 6.2.)

In order to seek clearance to Trade, Directors and Restricted Employees must submit a written request to the Designated Officer. The Designated Officer may request such information as considered appropriate in the circumstances. Directors and Restricted Employees should be aware that the Designated Officer may refuse to provide clearance to Trade and is not required to give reasons for its decision should it refuse to provide clearance.

Directors and Restricted Employees may only engage in the proposed Trading if prior written clearance is given by the Designated Officer. Any clearance for the Trading will be valid for 14

days from the date it is given. A clearance to Trade may be withdrawn if new information comes to light or if there is a change in circumstances following clearance being granted.

The Company's decision to refuse approval is final and binding on the person seeking the approval and if approval to Trade is refused, the person seeking the approval must keep that information confidential and not disclose it to anyone.

### **5.3 Subsequent notification of all Trading**

Directors and Restricted Employees must provide the Company Secretary with subsequent written notification of **all** Trading in Company Securities within two business days, regardless of whether prior written clearance has been given for that Trading.

Directors must provide sufficient details of all Trading to enable the Company to file a notice in accordance with the ASX Listing Rules within 5 business days of the Trade. The Company will also be obliged to notify ASX whether the Trading by a Director occurred during a Closed Period where prior written clearance was required and, if so, whether prior written clearance was provided.

### **5.4 Margin loans and other security arrangements**

Directors and Restricted Employees who are deemed by the Board to hold a significant number of Securities must obtain prior written clearance for any proposed Dealing in Company's Securities in connection with a margin loan or other security arrangement by completing the Margin Loan Form in Schedule 2 and returning it to the Company Secretary.

For the purposes of this section 5.4, a proposed dealing includes entering, terminating, assigning or novating any margin loan or other security arrangement or using as security or otherwise granting a charge over, lien or other encumbrance over the Company's securities.

The Board, at its discretion, can make any clearance granted pursuant to this section 5.4 conditional upon such terms and conditions as the Board sees fit (for example, in regards to the circumstances in which the Company Securities may be sold to satisfy a margin call). The Board may, in its absolute discretion disclose to ASX the key terms of any approved margin lending arrangement.

### **5.5 Hedging and Derivatives**

Directors and Restricted Employees must not use, or allow to be used, any Derivatives or other products which operate to limit the economic risk of unvested Company Securities.

## **6. Exceptional Circumstances**

### **6.1 Trading may be permitted in Exceptional Circumstances**

A Director or Restricted Employee who is not in possession of inside information in relation to the Company may Trade in Company Securities during a Prohibited Period if:

- (a) the Designated Officer determines that an Exceptional Circumstance applies to the Director or Restricted Employee; and
- (b) prior written clearance is granted by the Designated Officer in accordance with this Policy to permit the Director or Restricted Employee to Trade in Company Securities during the Prohibited Period.

A Director or Restricted Employee seeking clearance to Trade during a Prohibited Period must satisfy the Designated Officer that Exceptional Circumstances exist and that the proposal to Trade in Company Securities during a Prohibited Period is the only reasonable course of action available. Directors and Restricted Employees must apply for clearance in accordance with paragraph 6.2 below.

However, even if prior written clearance is given, Directors and Restricted Employees must not Trade in Company Securities if the person is in possession of any inside information.

## 6.2 **Prior written clearance**

In order to seek prior written clearance to Trade during a Prohibited Period due to Exceptional Circumstances, Directors and Restricted Employees must submit a written request to the Designated Officer. The Designated Officer may request such information as considered appropriate in the circumstances.

The Designated Officer's discretion will be exercised with caution. Directors and Restricted Employees should be aware that the Designated Officer may refuse to provide the clearance to Trade, even if Exceptional Circumstances exist. The Designated Officer is not required to give reasons for its decision should it refuse to provide clearance.

Directors and Restricted Employees may only engage in the proposed Trading if written clearance is given. Any prior written clearance given for Exceptional Circumstances trading will be valid for 7 days from the date it is given. A clearance to Trade may be withdrawn if new information comes to light or if there is a change in circumstances following clearance being granted.

The Company's decision to refuse approval is final and binding on the person seeking the approval and if approval to Trade is refused, the person seeking the approval must keep that information confidential and not disclose it to anyone.

## 7. **Dealing which may occur during a Prohibited Period**

During a Prohibited Period, Directors and Restricted Employees may Trade in Company Securities in the circumstances described below, **provided that the Director or Restricted Employee is not in possession of any inside information.**

Please note that the Policy requirements with respect to prior written clearance and subsequent notification continue to apply to Trading under one of these exceptions. See paragraphs 5.2, 5.3 and 5.4 (as applicable).

- **(Transfers into a superannuation fund)** Transfers of Company Securities already held into a superannuation fund or other saving scheme in which the Director or Restricted Employee is a beneficiary.
- **(Investment in fund etc)** An investment in, or Trading in units of, a fund or other scheme (other than a scheme only investing in Company Securities) where the assets of the fund or other scheme are invested at the discretion of a third party.
- **(Director or Restricted Employee acting as trustee)** Where the Director or Restricted Employee is a trustee or a director of a corporate trustee, Trading in Company Securities by that trust provided the Director or Restricted Employee is not a beneficiary of the trust and any decision to Trade during a Prohibited Period is taken by the other trustees or directors or by the investment managers

independently of the Director or Restricted Employee.

- **(Accepting a takeover offer)** Undertakings to accept, or the acceptance of, a takeover offer, or participation in a scheme of arrangement.
- **(Rights issue, security purchase plan, distribution reinvestment plan etc)** Trading under an offer or invitation made to all or most of the Company's 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 extends to 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).
- **(Exercise of options or rights, or conversion of convertible security)** 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, 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 Company has been in an exceptionally long Prohibited Period or the entity has had a number of consecutive Prohibited Periods and the Director or Restricted Employee could not reasonably have been expected to exercise it at a time when free to do so. **(Exercise of rights by secured lender)** Disposal of Company Securities resulting from a secured lender exercising their rights, including under a margin loan arrangement.
- **(Acquisition under employee incentive scheme)** An acquisition of securities under an employee incentive scheme.

## 8. Monitoring

To assist the Company monitor compliance with this Policy, Directors and Restricted Employees are required to keep a register of their Trading in Company Securities and to make a copy of that register available to the Company on request.

## 9. Changes to Policy

If any material changes are made to this Policy, the Company will give the amended Policy to ASX for release to the market within 5 business days of the material change taking effect.

Amendments to the Policy which are likely to constitute a material change include:

- (a) changes to the Closed Periods;
- (b) changes with respect to Trading in Company Securities which is not subject to a Prohibited Period (as set out in paragraph 7 of this Policy); and
- (c) changes with respect to the Exceptional Circumstances in which Directors and Restricted Employees may be permitted to Trade during a Prohibited Period (as set out in paragraph 6 of this Policy).

## 10. Annual Board review

The Board will review this Policy annually.

The Company Secretary will communicate any amendments to Employees as appropriate.

This Policy was revised and approved by the Board on 10<sup>th</sup> of September 2015.

## Schedule 1 - Definitions

For the purposes of this Policy:

- (a) **"Board"** means the board of directors of the Company;
- (b) **"Chairman"** means the chairman of the Board from time to time;
- (c) **"Closed Period"** means the periods set out in paragraphs 5.1(a), 5.1(b) and 5.1(c);
- (d) **"Company"** means Tigers Realm Coal;
- (e) **"Company Securities"** means Securities issued by the Company;
- (f) **"Corporations Act"** means the Corporations Act 2001 (Cth);
- (g) to **"Deal"** in Securities means to apply for, acquire or dispose of Securities, or enter into an agreement to do any of those things, and **"Dealing"** has a corresponding meaning;
- (h) **"Derivative"** has the meaning in section 761D of the Corporations Act and includes options, forward contracts, futures, warrants, swaps, caps and collars;
- (i) **"Designated Officer"** means:
  - (i) in respect of a Director, the Chairman;
  - (ii) in respect of the Chairman, the Board;
  - (iii) in respect of a Restricted Employee, the Company Secretary; and
  - (iv) in respect of the Company Secretary, the CEO;or such other person appointed by the Board as a Designated Officer for the purposes of this Policy;
- (j) **"Directors"** means directors of any company in the TIG Group;
- (k) **"Employees"** means employees of the Company or any entity in the TIG Group and employees of TRM;
- (l) **"Exceptional Circumstances"** means, in relation to a Director or Restricted Employee:
  - (i) **(Severe financial hardship):** a pressing financial commitment that can only be satisfied by selling the relevant Company Securities.

A tax liability of such a person would not normally constitute severe financial hardship unless the person has no other means of satisfying the liability. A tax liability relating to Securities received under an employee incentive scheme would also not normally constitute severe financial hardship or otherwise be considered an exceptional circumstance for the purpose of obtaining proper written clearance to sell or otherwise dispose of Securities during a Prohibited Period;

- (ii) **(Court order)**: a requirement to Trade in Company Securities as a result of:
  - A. a court order;
  - B. court enforceable undertakings (e.g. as part of a bona fide family settlement); or
  - C. some other overriding legal or regulatory requirement; or
- (iii) **(Other circumstances)**: any other circumstances considered exceptional by the Designated Officer;
- (m) **"KMP"** means key management personnel within the meaning of Accounting Standard AASB 124 Related Party Disclosure
- (n) to **"Procure"** another person to Deal in Securities includes inciting, inducing or encouraging a person to Deal or not Deal in Securities;
- (o) **"Prohibited Period"** means the periods set out in paragraphs 5.1(a), 5.1(b), 5.1(c) and 5.1(d);
- (p) **"Restricted Employees"** means:
  - (i) the Chief Executive Officer;
  - (ii) the Chief Operating Officer;
  - (iii) Chief Financial Officer;
  - (iv) the Company Secretary;
  - (v) the General Counsel;
  - (vi) direct reports to the above positions;
  - (vii) Employees nominated by the Board as Restricted Employees (and who are notified accordingly); and
  - (viii) any other KMP not referred to in paragraphs (i) to (vii) above.

whether employed by the Company or TRM or a member of the TIG Group;
- (q) **"Securities"** includes shares, options, rights, debentures (including convertible notes), interests in a managed investment scheme, Derivatives and other financial products covered by section 1042A of the Corporations Act;
- (r) **"Trade"** means to Deal in Securities or Procure another person to Deal in Securities, and **"Trading"** has a corresponding meaning;
- (s) **"TIG Group"** means the Company and each of its subsidiaries; and
- (t) **"TRM"** means Tigers Realm Minerals Pty Ltd.

**Schedule 2 – Margin Loan Form**

**Tigers Realm Coal Limited (Company)  
Margin Loan Form**

I ..... [insert name and position]  
hold .....[insert number] shares in the Company. I am requesting clearance for a  
proposed dealing in Company Securities in connection with a margin loan or other security  
arrangement.

Provide a description of the proposed dealing:

.....  
.....  
.....

The proposed dealing relates to (please tick):

- .....the Company Securities only.
- .....the Company Securities and my shareholdings in one or more other companies.

I acknowledge the terms of the Company’s Securities Trading Policy, including the need to obtain prior  
written clearance for any proposed dealing in Company Securities in connection with a margin loan or  
other security arrangement.

I acknowledge that the information provided in this form may be disclosed to ASX.

Signature:  
Name:  
Position:  
Date:

Please submit to the Company Secretary.