



## POSEIDON NICKEL LIMITED

("the Company")

### 7 DEALING IN COMPANY SECURITIES

#### 7.1 PURPOSE

The purpose of this Policy is to:

- (a) provide a brief summary of the insider trading prohibition to avoid employees breaching the prohibition;
- (b) set out additional prohibitions on dealing in securities of Poseidon Nickel Limited ("Poseidon" or "the Company") and other entities by people who work for, or are associated with, Poseidon; and
- (c) assist in maintaining market confidence in the integrity of dealings in Poseidon securities.

The policy applies to the sale and purchase of the following securities:

- (a) Poseidon shares;
- (b) any other securities that may be issued by Poseidon, such as options and share rights;
- (c) derivatives (such as exchange traded options and warrants) and other financial products issued or created by third parties in relation to Poseidon shares, debentures and options; and
- (d) securities of any other company or entity that may be affected by inside information.

#### 7.2 WHO IS COVERED BY THIS POLICY

This policy applies to Restricted Persons, which includes:

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

of Poseidon Nickel Ltd and Poseidon group companies and any joint ventures under Poseidon's operational control, collectively referred to as Poseidon.

\*material contractors are those contractors that are involved in the significant operations of the business which includes exploration activities, development activities and operation of mining projects.

This policy also applies equally to dealings by Restricted Persons through nominees, agents or other associates such as family members, family trusts and family companies, referred to as '**associates**' in this policy.

#### 7.3 INSIDER TRADING

##### Prohibition

Insider Trading is a criminal offence. It may also result in civil liability. In broad terms, a person will be guilty of insider trading if:

- (a) that person possesses information which is not generally available to the market and, if it were generally available to the market, would be likely to have a material effect on the price or value of the Company's securities (i.e. information that is '**price sensitive**'); and

- (b) that person:
- (i) buys or sells securities in the Company;
  - (ii) procures someone else to buy or sell securities in the Company; or
  - (iii) passes that information to a third party where that person knows, or ought reasonably to know, that the third party would be likely to buy or sell the securities or procure someone else to buy or sell the securities of the Company.

### Examples

To illustrate the prohibition above, the following are possible examples of price sensitive information which, if made available to the market, may be likely to materially affect the price of the Company's securities:

- Proposed changes in the capital structure, capital returns and buy backs of financial products;
- Information relating to Poseidon's financial results;
- Material (more than 5%) changes in Poseidon's financial forecasts or expectations;
- A material acquisition, divestment or realisation of assets;
- Material drill results or the likely discovery of a major ore body;
- Proposed dividends and share issues;
- Changes to the Board;
- Possible events which could have a material impact on profits (negatively or positively);
- Proposed changes in the nature of the business of Poseidon;
- Notification to Poseidon of a substantial shareholding;
- Any information required to be announced to the market pursuant to ASX Listing Rule 3.1.

### Information however obtained

This rule applies regardless of how the inside information was obtained. It applies not only to Poseidon securities but also to the securities of other 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.

## 7.4 GUIDELINES FOR TRADING IN THE COMPANY'S SECURITIES BY RESTRICTED PERSONS

### General rule

Restricted Persons are not permitted to trade in the Company's securities during the specific "**Closed Periods**" detailed below

The Closed Periods are:

- (a) the period from the end of a quarter until and including the day quarterly results are announced;
- (b) the period from the end of the half until and including the day half year results are announced;
- (c) the period from the end of the financial year until and including the day full year results are announced; and
- (d) the day of the annual general meeting.

The Company at its discretion may vary this rule in relation to a particular Closed Period by general announcement to all Restricted Persons either before or during the period.

In particular, the Company may announce additional Closed Periods during which the Company's securities may not be traded, including whilst it considers matters which are exempt from immediate disclosure to the ASX under continuous disclosure rules.

However if a Restricted Person is in possession of price sensitive information which is not generally available to the market, then he or she must not deal in the Company's securities at any time, even if such trading might otherwise be permitted by the securities trading policy.

### **No short-term trading in the Company's securities**

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

### **Securities in other companies**

Buying and selling securities of other companies with which the Company may be dealing is prohibited where an individual possesses information which is not generally available to the market and is price sensitive.

### **Derivatives**

For the avoidance of doubt, Restricted Persons are prohibited from trading during Closed Periods in financial products issued or created over or in respect of the Company's securities.

### **Prohibition against hedging unvested entitlements**

Restricted Persons participating in equity based incentive plans are prohibited from entering into any transaction which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of any unvested entitlement in the Company's securities.

### **Exceptions**

Restricted Persons may at any time:

- (a) acquire ordinary shares in the Company by conversion of securities giving a right of conversion to ordinary shares;
- (b) acquire Company securities under a bonus issue made to all holders of securities of the same class;
- (c) acquire Company securities under a dividend reinvestment, or top-up plan that is available to all holders or securities of the same class;
- (d) acquire or agree to acquire or exercise options under a Company Share Option Plan;
- (e) withdraw ordinary shares in the Company held on behalf of a Restricted Person in an employee share plan where the withdrawal is permitted by the rules of that plan;
- (f) acquire ordinary shares in the Company as a result of the exercise of options held under an employee option scheme;
- (g) transfer securities of the Company already held into a superannuation fund or other saving scheme in which the Restricted Person is a beneficiary;
- (h) make an investment in, or trade in units of, a fund or other scheme (other than a scheme only investing in the securities of the Company) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (i) where a Restricted Person is a trustee, trade in the securities of the Company 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;

- (j) undertake to accept, or accept, a takeover offer;
- (k) 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;
- (l) dispose of securities of the Company resulting from a secured lender exercising their rights, for example, under a margin lending arrangement;
- (m) 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 the Company 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
- (n) trade under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this Policy.

In respect of any share or option plans adopted by the Company, 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 Closed Periods.

Were this to occur at a time where the person possessed inside information, then the sale of Company 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 Company 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.

#### **Notification of periods when Restricted Persons are not permitted to trade**

The Company Secretary will endeavour to notify all Restricted Persons of the times they are not permitted to buy or sell Company's securities as set out above.

## **7.5 APPROVAL AND NOTIFICATION REQUIREMENTS OF INTENT TO DEAL IN SECURITIES**

### **Approval Requirements**

Any Restricted Person (other than the Chairman) wishing to buy, sell or exercise rights in relation to the Company's securities must obtain the prior written approval of the Chairman or the Board before doing so.

If the Chairman wishes to buy, sell or exercise rights in relation to the Company's securities, the Chairman must obtain the prior written approval of the Board before doing so.

### **Approval to buy or sell securities**

All requests to buy or sell securities as referred to above must include a statement that they do not believe they are in possession of any insider information and are not involved in short term or speculative dealing in Poseidon securities as well as:

- (a) the name of the Restricted Person;
- (b) whether the interest in the Company's securities held by the Applicant is direct or indirect (and if it is indirect, the circumstances giving rise to the interest);

- (c) a description of the acquisition or disposal;
- (d) the proposed date of the acquisition or disposal;
- (e) the number of securities to be acquired or disposed of;
- (f) the amount expected to be paid or received for the securities; and
- (g) the number of securities held by the Applicant, directly and indirectly, before and after the sale.

Approval will be applied taking into account the circumstances of the Restricted Person, the number of securities to be acquired and weighing this against any perceived detriment to Poseidon's reputation or risk to a stable market for Poseidon's securities.

Written approval (including electronic format), if granted, will expire within fourteen (14) days of being granted or such shorter or longer period as specified.

### **Notification**

Subsequent to approval obtained in accordance with the above, any Restricted Persons who (or through his or her associates) buys, sells, or exercises rights in relation to Company securities must notify the Company Secretary in writing of the details of the transaction within five (5) business days of the transaction occurring. This notification obligation operates at all times but 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.

### **Key Management Personnel sale of Securities**

Key Management Personnel need to be mindful of the market perception associated with any sale of Company 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 Company 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 the Company on the ASX for the preceding 20 trading days) by a Key Management Personnel needs to be discussed with the Board and the Company'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.

### **Exemption from Closed Periods restrictions due to exceptional circumstance**

Restricted Persons who are not in possession of inside information in relation to the Company, may be given prior written clearance by the Managing Director (or in the case of the Managing Director by all other members of the Board) to sell or otherwise dispose of Company securities in a Closed Period where the person is in severe financial hardship or where there are exceptional circumstances as set out in this policy.

### **Severe financial hardship or exceptional circumstances**

The determination of whether a Restricted Person is in severe financial hardship will be made by the Managing Director (or in the case of the Managing Director by all other members of the Board).

A financial hardship or exceptional circumstances determination can only be made by examining all of the facts and if necessary obtaining independent verification of the facts from banks, accountants or other like institutions.

### **Financial hardship**

Restricted Persons may be in severe financial hardship if they have a pressing financial commitment that cannot be satisfied other than by selling the securities of the Company.

In the interests of an expedient and informed determination by the Managing Director (or all other members of the Board as the context requires), any application for an exemption all owing the sale of Company securities in a Closed Period based on financial hardship must be made in writing stating all of the facts and be accompanied by copies of relevant supporting documentation, including contact details of the person's accountant, bank and other such independent institutions (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.

#### **Exceptional circumstances**

Exceptional circumstances may apply to the disposal of Company securities by a Restricted Person if the person is required by a court order, a court enforceable undertaking for example in a bona fide family settlement, to transfer or sell securities of the Company, or there is some other overriding legal or regulatory requirement to do so.

Any application for an exemption allowing the sale of Company securities in a Closed Period based on exceptional circumstances must be made in writing and be accompanied by 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.

### **7.6 ASX DISCLOSURE OBLIGATIONS**

The ASX Listing Rule 3.19A requires the Company to notify the ASX within 5 business days after any dealing in securities of the Company (either personally or through an associate) which results in a change in the relevant interests (as defined in the Corporations Act 2001) of a Director in the securities of the Company.

Directors must notify the Company Secretary immediately on acquiring or disposing of a relevant interest in any securities of the Company to ensure that the compliance requirements of the ASX are met.

The Company Secretary will arrange for the appropriate ASX appendix 3X, 3Y or 3Z notification to be lodged with ASX within 5 business days.

In addition, the ASX Listing Rules require the disclosure by listed companies in Appendix 3Ys of instances where trading by Directors occurred during a Closed Period where prior written clearance was required, and if so, whether that clearance was provided.

Restricted Persons with a substantial shareholding (either personally or through an associate) in Poseidon securities (more than 5% of the issued capital) are also required to comply with the substantial shareholding notification provisions of the Corporations Act 2001 when there is a change in their holding. In this instance a notice must be provided to the ASX and to Poseidon in the prescribed form within two (2) business days of the change.

### **7.7 OTHER OBLIGATIONS**

Restricted Persons are prohibited from hedging their incentive based remuneration by entering into "arrangements" that limit their exposure to risk relating to their remuneration that is unvested (due to time or other conditions) or is subject to a holding lock, ensuring that the actual level of executive remuneration is solely linked to performance. The "arrangements", will include a put option on incentive remuneration and income protection insurance contracts in which the insurance risk event effects the financial value of remuneration or an equity related instrument.

Restricted Persons also owe a duty of confidentiality to Poseidon. Restricted Persons must not reveal any confidential information concerning Poseidon, use that information in any way that may cause loss to Poseidon or use that information to gain an advantage for themselves.

In addition, a breach of the prohibitions contained in the *Corporations Act* is a criminal offence punishable by imprisonment for up to five years, a fine of up to \$220,000, or both.

Strict compliance with the Trading Policy is mandatory for all Restricted Persons covered by the Policy. Breaches of the Policy may damage the reputation of Poseidon in the investment community and undermine confidence in the market for Poseidon securities.

Breaches of the policy will be taken very seriously and will be subject to disciplinary action, including possible termination of employment. Reports of any breaches of the Policy will be forwarded to the Audit and Risk Management Committee.

## **7.8 MATERIAL CHANGES TO THIS POLICY**

For purposes of the ASX Listing Rules, amendments to this policy that would constitute a material change and which would require that the amended policy be given to ASX for release to the market include:

- (a) changes to the periods specified in the trading policy when the Company's Directors and employees are prohibited from trading in the Company's securities;
- (b) changes with respect to the trading that is excluded from the operation of the Company's trading policy; and
- (c) changes with respect to the exceptional circumstances in which the Company's Directors and employees may be permitted to trade during a Closed Period.

## **7.9 REVIEW OF THIS POLICY**

This Policy will be reviewed regularly by the Company's Directors having regard to the changing circumstances of the Company and any changes to this Policy will be notified to affected persons in writing.

If Directors and Senior Executives have any comments or views concerning the operation or effectiveness of this Policy, they should be communicated to the Company Secretary.

**Last Updated:**  
August 2020